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ANNUAL REPORT 2011-12

● BOARD OF DIRECTORS:

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

● AUDITORS:

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

● BANKERS:

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

● REGISTERED OFFICE:

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

● FACTORIES:

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

Registered
Office

STARLITE COMPONENTS LIMITED

Address : 64-B-1, MIDC Area, Satpur, Nashik-422007, Maharashtra, INDIA
Telephone: +91-253-2309016, +91-253-2309019, Fax: +91-253-2309017
E-mail: info@starlitecomponents.com, URL: www.starlitecomponents.com



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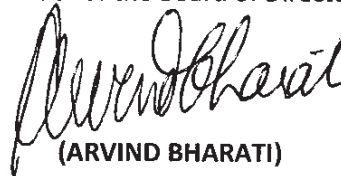
NOTICE

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

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at June 30, 2012 and the audited Profit & Loss Account for the year ended on that date and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Smt. Rochana Bharati, who retires by rotation and, being eligible, has offered herself for re-appointment.
3. To appoint a Director in place of Mr. Kannan Ranganathan, who retires by rotation and, being eligible, has offered himself for re-appointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise Board of Directors to fix their remuneration.

By Order of the Board of Directors



(ARVIND BHARATI)
Managing Director

Place: Nasik
Date: 30th August, 2012

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

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NOTES TO NOTICE:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY (S) NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE AFORESAID MEETING.
2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representatives to attend and vote on their behalf at the meeting.
3. The Register of Members and Share Transfer Book will remain closed from 26th December 2012 to 31st December 2012 (both days inclusive).
4. Members/Proxies are requested to please bring their copies of the Annual Report together with the duly filled in attendance slip to the Meeting.
5. Members are requested to notify change in address, if any, to the Registrars and Share Transfer Agents quoting their folio numbers at an early date.
6. Pursuant to the provisions of the clause 47(f) of the Listing Agreement, the Company has designated a dedicated email-id investor@starlitecomponents.com exclusively for registering grievances and complaints of the Shareholders. All the Shareholders are requested to lodge their complaints and grievances etc., if any, at the said e-mail id.
7. M/s. Universal Capital Securities Pvt. Ltd. are Registrars and Share Transfer Agents of the Company. The Members are requested to address share transfers and other correspondence to them directly and not to the Company.

Place: Nasik
Date: 30th August, 2012

By Order of the Board of Directors


(ARVIND BHARATI)
Managing Director

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DIRECTORS' REPORT

To,
The Members,

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

FINANCIAL RESULTS

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

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

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

OPERATIONS

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

DIVIDEND

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

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CORPORATE GOVERNANCE

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

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

FIXED DEPOSITS

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

DIRECTORS

Smt. Rochana Bharati, Director of the Company, is retiring by rotation and, being eligible, has offered herself for reappointment. Members are requested to appoint the Director.

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

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

STATUTORY DISCLOSURES

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

DIRECTORS RESPONSIBILITY STATEMENT

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

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

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BIFR

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

COMMENTS ON THE OBSERVATIONS OF THE AUDITORS

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

AUDITORS

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

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors.

(ARVIND BHARATI)
Managing Director

Place: Nasik.

Date : 30th August, 2012

Registered Office:

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

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ANNEXURE TO DIRECTORS' REPORT

Information as per Section 217(1) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 30th June 2012.

PARTICULARS OF ENERGY CONSERVATION AND TECHNOLOGY ABSORPTION

Particulars in respect of conservation of energy, technology absorption etc. as required under Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are as given here below.

Particulars	Current Year	Previous Year
A. Power and Fuel Consumption		
Electricity		
Purchased Units	107486	94284
Total Amount (₹)	972940	646963
Average Rate/Unit (₹)	9.05	6.86
Own Generation	Nil	Nil
Others	Nil	Nil
B. Consumption per unit of production		
Electricity (Unit Per KPS.)	10.50	6.93

FOREIGN EXCHANGE EARNINGS AND OUTGO

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


PARTICULARS OF EMPLOYEES

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

DUES OF SMALL SCALE INDUSTRIAL UNDERTAKINGS

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

For and on behalf of the Board of Directors


(ARVIND BHARATI)

Managing Director

Place: Nasik.

Date: 30th August, 2012

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MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

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

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

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

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

OPPORTUNITIES AND THREATS / RISKS AND CONCERNS

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

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



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SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

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

INDUSTRY OUTLOOK

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

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

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

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



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STARLITE COMPONENTS LIMITED

CORPORATE GOVERNANCE REPORT

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

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

- **COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

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

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

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

- **BOARD OF DIRECTORS**

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



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

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

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

• **BOARD PROCEDURE**

The Board of the Company met 10 (Ten) times on the following dates during the last financial year

11th August, 2011; 25th September, 2011; 31st October, 2011;
8th December, 2011; 10th January, 2012; 31st January, 2012;
1st March, 2012; 30th April, 2012; 14th May, 2012; and
29th June, 2012

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 Board Meeting</u>	<u>Attendance Last A.G.M.</u>
Smt. Rochana Bharati	10	Yes
Mr. Arvind Bharati	10	Yes
Mr. G.K. Srikantan	10	Yes
Mr. Kannan Ranganathan	5	Yes

• **AUDIT COMMITTEE ETC.**

Since appointment of Mr. Kannan Ranganathan (Independent Director) the Company has formed Audit committee and made compliances as stipulated in Clause 49 of the Listing Agreement.



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Meetings held:

During the financial year 2011-12, 2 (Two) Audit Committee meetings were held on the following dates:

30th April, 2012

29th June, 2012

Composition and Attendance:

Name of Director	Composition as on 30 th June, 2012	No of meetings attended
Mr. Kannan Ranganathan	Chairman	2
Mr. Arvind Bharati	Member	2
Mr. G.K. Srikantan	Member	2

Mr. Kannan Ranganathan has a rich experience of 22 years in Credit Rating, Banking and Financial Services. All members of the Committee have accounting and financial management knowledge.

The Audit Committee meetings are generally organized just before the Board Meeting. The agenda for Audit Committee meeting includes following items:

- Detailed presentation on matters within the purview of the Committee.
- Matters regarding appointment of Statutory Auditors, Internal Auditors etc.
- Company's compliance with the legal and regulatory requirements and the Code of Conduct
- Management discussion and analysis of financial conditions and results of operations.
- Statement of significant related party transactions.

The composition of the Committee is in conformity with Clause 49 (II) (A) of the Listing Agreement.

• **REMUNERATION OF DIRECTORS**

a) Remuneration of Managing Director.

The Company pays remuneration to its Managing Director by way of Salary and other allowances. The Company did not pay any commission to the Managing Director during the financial year 2011-12. Salary is paid within the overall limits approved by the members of the Company. Details of remuneration paid to the Managing Director during the financial year 2011-12 are mentioned below.

Details of Remuneration of Mr. Arvind Bharati (Managing Director):-

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



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b) Remuneration of Non-Executive Directors

During the Financial year 2011-2012 no remuneration, 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, etc. apart from improving the means of communication with the shareholders and better Investor services and relations.

During the financial year 2011-12, your Company did not receive any complaint for non-receipt of Annual Reports etc. There was no complaint pending as on 30th June, 2012.

• **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
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.
2010 – 2011	30 th March, 2012**	10.30 a.m.	64-B, M.I.D.C, Satpur, Nasik –422007.

**Date of extended AGM, Company has taken prior approval for extension from Registrar of Companies.

No Special Resolution was passed at the last Annual General Meeting held on 30th March, 2012.

• **DISCLOSURES**

RELATED PARTY DISCLOSURE:

1 **Relationships:**

a) **Associate:** Not Applicable

b) **Key Management Personnel:**

Mr. Arvind Bharati

Smt. Rochana Bharati



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c) Enterprises and relatives of key management where transactions have taken place:

M/s. Solarcopyer Limited
Mrs. Ashu Bharati
Mr. Ravindra Bharati
M/s. Chetana Enterprises
M/s. Starlite Lighting Ltd.
M/s. Filaments & Filaments
M/s. Reprilite Papers (I) Private Limited

2 Transactions carried out with related parties referred above, in ordinary course of business.

Sr. No.	Nature of Transaction	Year	Related Parties			Total
			Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above	
A	Transactions					
i	Purchase of goods	2011-12	-	-	36,553,043	36,553,043
		2010-11	-	-	63,476,463	63,476,463
ii	Sale of goods	2011-12	-	-	346,737,949	346,737,949
		2010-11	-	-	368,937,242	368,937,242
iii	Rent Received	2011-12	-	-	105,000	105,000
		2010-11	-	-	105,000	105,000
iv	Salary / Remuneration	2011-12	-	720,000	-	720,000
		2010-11	-	720,000	-	720,000
v	Vehicle Hire Charges	2011-12	-	-	336,000	336,000
		2010-11	-	-	336,000	336,000
vi	Interest Paid on ICD	2011-12	-	-	7,898,834	7,898,834
		2010-11	-	-	2,807,217	2,807,217
B	Outstanding's					
i	Receivables	2011-12	-	-	76,871,930	76,871,930
		2010-11	-	-	91,847,307	91,847,307
ii	Payables	2011-12	-	3,644,642	7,713,135	11,357,777
		2010-11	-	1,627,618	823,659	2,451,278
iii	Unsecured Loan	2011-12	-	-	68,324,680	68,324,680
	(Including Interest)	2010-11	-	-	43,266,976	43,266,976
vi	Secured Loan	2011-12	-	-	8,255,088	8,255,088
	(Including Interest)	2010-11	-	-	7,235,603	7,235,603



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- 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 Bombay Stock Exchange Limited, 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. The Company has paid the listing fees of Bombay Stock Exchange Limited for the FY 2011-12.

f) **Market Price Data**

The monthly high and low prices and volumes of the Company's shares at the BSE Limited (BSE) for the year ended 30th June 2012 are as under:

MONTH	HIGH PRICE	LOW PRICE	VOLUME
February-12	50.00	6.96	15314
March-12	6.62	3.99	20701
April-12	3.92	3.18	18056
May-12	3.12	2.50	14427
June-12	2.85	2.50	8114

(Source: BSE Website)

Since 9th February 2012, the suspension of trading of shares has been revoked by the BSE hence market price data prior to February 2012 is not available.

Note:- High price & Low price are in rupees per traded share. Volume is the total monthly volume of trade (in numbers) in the Company's shares on the Stock Exchange.

g) **Registrar and Transfer Agents**

The Registrar and Share Transfer Agents of the Company are: -

M/s. Universal Capital Securities Private Limited,

21, Shakil Niwas, Mahakali Caves Road,

Andheri (East), MUMBAI – 400 093.

Telephone No: 022 – 2820 7203-05, Fax: 022 – 2820 7207

Website: www.unisec.in

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.



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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, provided the requisite compliances are complete and the same is informed to the Transfer Agents immediately after approval. The transfer agent then sends the dispatches to the transferee. The transfer requests in demat forms are also processed and confirmed by the Registrars and Share Transfer Agents within 21 days.

i) Distribution of Equity Shareholding as on 30th June, 2012

SLAB	NO. OF FOLIOS	PERCENTAGE	NO. OF SHARES	% TO CAPITAL
0001 - 0500	18,605	92.38%	3,979,265	47.20%
0501 - 1000	959	4.76%	789,988	9.37%
1001 - 2000	329	1.63%	503,192	5.97%
2001 - 3000	109	0.54%	283,773	3.37%
3001 - 4000	34	0.17%	121,740	1.44%
4001 - 5000	42	0.21%	196,190	2.33%
5001 - 10000	41	0.20%	291,723	3.46%
10001 AND ABOVE	21	0.10%	2,264,129	26.86%
TOTAL	20,140	100.00%	8,430,000	100.00%

j) Pattern of Equity Shareholding as on 30th June, 2012

CATEGORY	EQUITY SHARES	
	NO. OF SHARES	PERCENTAGE
Promoters	1789900	21.23%
Financial Institutions, Banks etc.	1000	0.01%
NRI's / OCB's	215500	2.56%
Bodies Corporate	452727	5.37%
Indian Public	5970873	70.83%
TOTAL	8430000	100.00%

k) Dematerialisation of Shares and Liquidity

Percentage of Shares held in:-

1. Physical Form - 73.50%
2. Electronic form with NSDL - 17.87%
3. Electronic form with CDSL - 8.63%

The Company's Ordinary shares are regularly traded on the Bombay Stock Exchange Limited.

l) Outstanding GDRs / ADRs / Warrants or Convertible Instruments

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



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m) Plant Location

- i) 64-B-1, 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-1, MIDC, Satpur, Nasik 422 007. Maharashtra.

Correspondence from Shareholders should be addressed to:

M/s. Universal Capital Securities Private Limited,

21, Shakil Niwas, Mahakali Caves Road,

Andheri (East), MUMBAI – 400 093.

Telephone No: 022 – 2820 7203-05, Fax: 022 – 2820 7207

Website: www.unisec.in

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 Smt. Rochana Bharati and Mr. Kannan Ranganathan are eligible to be re-appointed.

- Smt. Rochana Bharati is M. A. (Literature and English), she also have completed her Ph.D. in Environmental Science and having more than 30 years' experience in the field of manufacture of lamp components and accessories. She has good insight and knowledge in the areas of general business administration, marketing and finance. Her experience is very useful to the Company. She holds other directorship in one limited company at present.
- Mr. Kannan Ranganathan is Bachelor in Engineering (Chemical) & he is also completed MMS, and having more than 22 years' experience in Credit Rating, Banking and Financial Services. His experience will benefit the Company in the area of Financial Management.

p) Compliance Certificate of the Auditors

The Company has obtained a Certificate from its auditors 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-1, 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.



Arvind Bharati

Managing Director

Place: Nashik

Date : 30th August, 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, 2012 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

Place: Nashik
Date: 30th August, 2012



CFO

Place: Nashik
Date : 30th August, 2012



HMA & ASSOCIATES

Chartered Accountants

7, Sumedh Apartments, Mahatma Nagar, Plot No. 44, Road A, Nasik 422005
■ Tel.: +91 253 2360 213 ■ Email: nasik@hmaca.in ■ www.hmaca.in
■ Head Off.: Pune ■ Branch Off.: PUNE, THANE

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, 2012 and also the Statement of Profit & Loss 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 Statement of Profit & Loss dealt with by this Report are in agreement with books of Accounts





HMA & ASSOCIATES
Chartered Accountants

4. In our opinion, the Balance Sheet and Statement of Profit & Loss 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 2012, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 30th June 2012 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 2012
 - b) In case of Statement of Profit & Loss, 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 – 30th August 2012



For HMA & Associates
Chartered Accountants

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



HMA & ASSOCIATES

Chartered Accountants

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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 2012.

(Referred to in Paragraph 3 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.

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 - ₹ 7,65,79,768/- (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 required to maintain cost records as prescribed by Central Government u/s 209(1) (d) of Companies Act & Notification no. G.S.R. 429(E) dt. 03/06/2011. However we have been informed that the maintenance of cost records & compliances requirements thereto was in process as on the date of this report.*
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 ₹ 9,80,39,285/-, CST ₹ 16,062/-.*
 - 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 ₹ 16,20,56,467/- (including Deferred Tax Asset), i.e. more than 100% of its net worth and have incurred cash loss of ₹ 4,59,03,756/- during the financial year and had earned a cash profit of ₹ 8,03,59,772/- 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 comments on defaults in repayment of loans are not required to be given. Also, in case of secured & unsecured*





loan obtained from M/s Solarcopyer Limited, terms of payment of principal and interest have not been specified till date of this report. Therefore, to that extent there is no default in repayment of this loan.

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 company has not raised short-term funds during the year. Therefore, our comment on whether the funds raised by the Company on short-term basis were used for long-term purposes is not attracted.






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 – 30th August 2012

For HMA Associates
Chartered Accountants




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

M/S. STARLITE COMPONENTS LIMITED
BALANCE SHEET AS AT 30th JUNE 2012

	<u>NOTE</u> <u>NO.</u>	As at 30th June 2012	As at 30th June 2011
EQUITY & LIABILITIES		Amount (₹)	Amount (₹)
1 Share holders' funds			
a Share Capital	4	84,300,000	84,300,000
b Reserves & Surplus	5	-159,001,567	-115,035,908
		<hr/> -74,701,567	<hr/> -30,735,908
2 Share application money pending allotment	12	0	0
3 Non current liabilities			
a Long term borrowings	6	78,730,154	52,086,842
b Deferred tax liability	7	0	0
c Other long term liabilities	8	661,846	902,205
d Long term provisions	9	1,061,266	1,036,499
		<hr/> 80,453,266	<hr/> 54,025,546
4 Current liabilities			
a Short term borrowings	10	0	0
b Trade payables	11	89,664,822	56,451,222
c Other current liabilities	12	111,612,234	86,125,089
d Short term provisions	13	744,157	587,053
		<hr/> 202,021,213	<hr/> 143,163,363
TOTAL		<hr/> 207,772,912	<hr/> 166,453,001
ASSETS			
1 Non current asects			
a Fixed assets			
i Tangible assets	14	18,558,279	14,030,212
ii Intangible assets	15	0	0
iii Capital work in progress	16	6,857,867	1,750,000
iv Intangible assets under development	17	0	0
		<hr/> 25,416,146	<hr/> 15,780,212
b Non current Investments	18	925,000	925,000
c Deferred tax asset	19	3,054,900	0
d Long term loans & advances	20	11,361,158	9,549,911
e Other non current assets	21	0	0
		<hr/> 40,757,204	<hr/> 26,255,123
2 Current assets			
a Current investments	22	0	0
b Inventories	23	52,380,419	22,485,606
c Trade receivables	24	78,205,917	92,964,976
d Cash & cash equivalents	25	148,756	164,910
e Short term loans & advances	26	150,000	50,000
f Other current assets	27	36,130,616	24,532,386
		<hr/> 167,015,708	<hr/> 140,197,878
TOTAL		<hr/> 207,772,912	<hr/> 166,453,001

Summary of significant Accounting Policies 3
Accompanying Notes are integral part of financial statements

As per our attached report of even date

For HMA & Associates
Chartered Accountants

Harshad Joshi
Partner

M.No. 131625
Place - Nashik



FRN - 100537W
30th August 2012

For Starlite Components Limited

Smt. Rochana Bharati
Chairperson

Place - Nashik

Mr. Arvind Bharati
Managing Director

30th August 2012

M/S. STARLITE COMPONENTS LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 30th JUNE 2012

	<u>NOTE NO.</u>	<u>Year ended 30th June 2012</u>	<u>Year ended 30th June 2011</u>
		<u>Amount (₹)</u>	<u>Amount (₹)</u>
I Revenue from operations	31	306925953	310880668
II Other income	32	255724	138160
III Total revenue		<u>307181677</u>	<u>311018828</u>
IV Expenses -			
Cost of materials consumed	33	303657531	292780457
Purchase of Stock-in-trade		0	0
Changes in inventory of F.G. & WIP & Stock-in-trade	34	-18826796	840063
		<u>284830734</u>	<u>293620520</u>
Employee benefit expenses	35	5896421	4275466
Finance cost	36	27363044	13430441
Depreciation & amortisation exp.	37	1116802	16741542
Other expenses	38	34995234	33715272
Total expenses		<u>354202235</u>	<u>361783241</u>
V Profit before exceptional & extra-ordinary items & tax		-47020558	-50764412
VI Exceptional items		0	-114382642
VII Profit before extra-ordinary items & tax		-47020558	63618230
VIII Extra ordinary items		0	0
IX Profit before tax		-47020558	63618230
X Tax expenses			
Current tax		0	0
Deferred tax		-3054900	0
XI Profit/Loss for the period from continuing operations		<u>-43965658</u>	<u>63618230</u>
XII Profit/Loss from discontinuing operations		0	0
XIII Tax expenses of discontinuing operations		0	0
XIV Profit/Loss from discontinuing operations after tax		0	0
XV Profit/Loss for the period		<u>-43965658</u>	<u>63618230</u>
XVI E.P.S.			
Basic		-5.22	7.55
Diluted		-5.22	7.55

Summary of significant Accounting Policies 3
 Accompanying Notes are integral part of financial statements

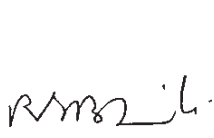
As per our attached report of even date
 For HMA & Associates
 Chartered Accountants



 Harshad Joshi
 Partner
 M.No. 131625
 Place - Nashik



FRN - 100537W
 30th August 2012

For Starlite Components Limited


 Smt. Rochana Bharati
 Chairperson


 Mr. Arvind Bharati
 Managing Director

Place - Nashik

30th August 2012

M/S. STARLITE COMPONENTS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 30th JUNE 2012

	As at 30th June 2012	As at 30th June 2011
	<u>Amount (₹)</u>	<u>Amount (₹)</u>
I CASH INFLOWS		
1 From Operating Activities		
a Net Profit / (Loss) before taxation	-47,020,558	63,618,230
Adjustments -		
Add - Depreciation	1,116,802	2,067,119
Add - Impairment of Asset	0	14,674,423
Add - Interest expenses	7,914,045	15,434,182
Less - Interest & dividend income	-5,936	-91
Operating profit before working capital changes	-37,995,647	95,793,863
b Working capital changes -		
Decrease / (Increase) in inventories	-29,894,813	-13,601,023
Decrease / (Increase) in Trade receivables	14,759,058	-7,807,637
Decrease / (Increase) in long term Loans & advances	-1,811,247	17,175,757
Decrease / (Increase) in short term Loans & advances	-100,000	0
Decrease / (Increase) in Other current assets	-11,598,230	-24,532,386
Increase / (Decrease) in Trade payables	33,213,600	32,469,426
Increase / (Decrease) in long term provisions	24,767	88,394
Increase / (Decrease) in short term provisions	157,104	0
Increase / (Decrease) in other current liabilities	25,487,146	23,498,008
Increase / (Decrease) in other long term liabilities	-240,359	0
Cash generated from operations	Total -7,998,621	123,084,401
Less - Income tax		
Cash flow before extra ordinary items	-7,998,621	123,084,401
Extra ordinary items	0	0
Net cash flow from operating activities	-7,998,621	123,084,401
2 From Investing activities		
a Purchase of tangible fixed assets/Capital work-in-progress	-10,752,736	-11,455,296
b Interest & Dividend Income	5,936	91
Net cash flow from Investing activities	Total -10,746,800	-11,455,205
3 From Financing Activities		
a Proceeds from issue of share capital	0	0
b Share application money pending allotment	0	0
c Increase / (Decrease) in Long term borrowings	26,643,312	-107,054,228
d Increase / (Decrease) in short term borrowings	0	0
e Waiver of Principle amount	0	10,907,533
f Interest	-7,914,045	-15,434,182
g Dividend & dividend tax	0	0
Net cash flow from Financing activities	Total 18,729,266	-111,580,877
Net increase in cash & cash equivalents	-16,155	48,320
Cash & cash equivalents at the beginning of the period	164,910	116,590
Cash & cash equivalents at the end of the period	148,756	164,910

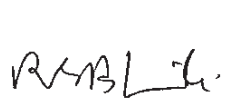
For HMA & Associates
Chartered Accountants



Harshad Joshi
Partner
M.No. 131625
Place - Nashik



FRN - 100537W
30th August 2012

For Starlite Components Limited


Smt. Rochana Bharati
Chairperson
Place - Nashik


Mr. Arvind Bharati
Managing Director
30th August 2012

M/S. STARLITE COMPONENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/2012

1. Corporate Information: -

M/s. Starlite Components Limited is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The company is in the manufacturing and selling of Electronic Ballast and LED Products with factory situated at Vilholi , Dist- Nashik and office at Satpur, Dist - Nashik. The shares of the company are listed on the Bombay Stock Exchange Limited (Scrip Code - 517548).

2. Basis of Preparation: -

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.

During the year ended 30th June 2012, the revised Schedule VI notified under Companies Act, 1956 has become applicable to the company for preparation and presentation of its financial statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on the presentation and disclosures made in the financial statements. The company has reclassified previous year figures in accordance with the requirements applicable in the current year.

3. Significant Accounting Policies: -

- a) **Basis of Accounting** – Financial statements are prepared under historical cost convention on accrual basis in accordance with the requirements of Companies Act 1956 except otherwise stated. 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. The estimates are based on management's best knowledge of current events and actions. However, due to uncertainty of the assumptions and estimates the carrying amounts of the assets & liabilities may require material adjustment in future periods.
- c) **Revenue Recognition** – Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Sale of goods and services are recognized net of duties & taxes. Expenditure & income are accounted on accrual basis including provisions/adjustments for committed obligations & amounts determined payable or receivable during the year.
- d) **Tangible Fixed assets** – Tangible Fixed assets are stated at cost less depreciation less impairment losses. Cost comprises purchase price, capitalised borrowing cost and subsequent expenditure if it increases the future benefits from the existing asset. Cost has been adjusted to the extent of Cenvat & VAT credit available and exchange difference arising on translation / settlement of foreign currency monetary items pertaining to the acquisition of depreciable asset.
In case of derecognition of Tangible Fixed Asset, the difference between the carrying amount and disposal proceeds is accounted as gain / loss in the Statement of Profit & Loss.
- e) **Depreciation on Tangible Fixed Assets** – Depreciation on Tangible Fixed Assets has been provided on WDV method at the rates & in the manner prescribed in Schedule XIV of Companies Act 1956

M/S. STARLITE COMPONENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/2012

- f) **Intangible Assets** - Intangible Assets acquired separately are recognised at cost less accumulated amortisation and impairment. Internally generated Intangible Assets are not capitalised and the expenditure is reflected in the Statement of Profit & Loss in the year in which the expenditure is incurred. Amortisation is done on straight line basis over estimated useful economic life and the amortisation period and method are reviewed at the end of each financial year.
In case of derecognition of Intangible Assets, the difference between the carrying amount and disposal proceeds is accounted as gain / loss in the Statement of Profit & Loss.
- g) **Impairment of Tangible & Intangible Assets** -Impairment losses recognized on the basis of WDV of the assets as stated in the Accounting Standard – 28, “Impairment of Assets”.
Impairment losses are recognised in the Statement of Profit & Loss and the depreciation is provided on the revised carrying amount of the asset after impairment.
If the previously recognised impairment losses do not exist or have decreased, the same are reversed and the reversible is limited so that carrying amount does not exceed the recoverable amount.
- h) **Government Grants & Subsidies** -Grants and subsidies from the Government are recognised only when there is reasonable assurance that it will be received. When the grant or subsidy relates to the revenue, it is recognised as income in the Statement of Profit and Loss and where the Grant relates to an asset the same is reduced from the cost of the asset before charging depreciation.
- i) **Investments** – Investments which are readily realisable and intended to be held for not more than 1 year from the date on which such investments are made are classified as current investments. All other investments are classified as Long-term Investments.
On initial recognition, all investments are measured at cost. The cost comprises Purchase price and directly attributable acquisition charges such as brokerage, fees and duties.
Current investments are carried in the financial statements at lower of cost or fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of investments.
On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss. 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
- j) **Investment Property** - Investment in Land or Building which is not intended to be occupied substantially for use in the operations of the company is classified as Investment Property. Investment properties are stated at cost less accumulated depreciation and impairment losses. Depreciation and impairment loss policy as stated above is followed for calculation. On disposal of the Investment Property, the difference between its carrying amount and the net disposal proceeds is charged / credited to Statement of Profit and Loss.
- k) **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.
- l) **Current Assets, Loans & advances** – Current Assets, Loans and Advances are approximately of the value stated, if realized in the ordinary course of business.
- m) **Retirement and other employee benefits** – Employee benefits include provident fund, gratuity fund and leave encashment. Contributions made to approved scheme of provident fund is a defined contribution plan and is charged to Statement of Profit and Loss on accrual basis. Provision for Gratuity & leave encashment is done without Actuarial valuation as per AS15. Provident fund & ESI is charged to Statement of Profit & Loss on accrual basis.

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- n) **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 Statement of Profit & Loss. 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 Statement of Profit & Loss. The exchange differences arising from foreign currency transactions on account of capital goods are dealt with, as such, in the value of respective capital
- o) **Taxes on Income** – Provision for current Income Tax is determined in accordance with the provisions of Income Tax Act 1961. Minimum Alternate Tax (MAT) paid / provided in the year is charged to the Statement of Profit and Loss as current Tax. 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
- p) **Provisions, Contingent Liabilities & Commitments and 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. Provisions are not discounted to their present value and reviewed at each reporting date. Contingent liabilities & commitments are not accounted but disclosed separately. Contingent assets are neither accounted nor disclosed in the financial statements.
- q) **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.
- r) **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.
4. Figures for the previous year have been regrouped and rearranged wherever necessary.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/2012

4 Share Capital

(Disclosure pursuant to Note no. 6(A)(a,b & c) of Part I of Schedule VI to the Companies Act, 1956)

	30th Jun. 2012	30th Jun. 2011
	Amount (₹)	Amount (₹)
Authorised shares (Nos.)		
90,00,000 Equity shares of Rs.10/- each (Previous year 90,00,000 Equity shares)	90,000,000	90,000,000
	90,000,000	90,000,000
Issued, subscribed & paid up		
84,30,000 Equity shares of ₹ 10/- Each fully paid up (Previous year 84,30,000 shares)	84,300,000	84,300,000
	84,300,000	84,300,000

a) **Reconciliation of the shares outstanding at the beginning and at the end of reporting period**

(Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule VI to the Companies Act, 1956)

	30 Jun. 2012		30 Jun. 2011	
	No.	Amount	No.	Amount
Equity Shares				
At the beginning of period	8430000	84,300,000.00	8430000	84,300,000.00
Issued during the period				
Fresh issue for cash	0	0.00	0	0.00
Bonus shares	0	0.00	0	0.00
Outstanding at the end of period	8430000	84,300,000.00	8430000	84,300,000.00

b) **Rights attached to Equity shares**

(Disclosure pursuant to Note no. 6(A)(e) of Part I of Schedule VI to the Companies Act, 1956)

The company has only one class of equity shares having a par value of ₹ 10/- per share. Each Holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

c) **Shares held by Holding / ultimate Holding company and / or their subsidiaries / associates**

(Disclosure pursuant to Note no. 6(A)(f) of Part I of Schedule VI to the Companies Act, 1956)

Equity and Preference Shares issued by the company and held by Holding company, ultimate Holding company and their Subsidiaries / associates are NIL

d) **Details of shareholders holding more than 5% shares in the company**

(Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956)

	30 Jun. 2012		30 Jun. 2011	
	No.	% of holding	No.	% of holding
Equity shares of ₹ 10/- each fully paid				
Smt. Rochana Bharati	924000	10.96%	54000	0.64%
M/s. Starlite Lamp Components Pvt. Ltd.	0	0.00%	1243700	14.75%

e) **Shares reserved for issue under options - NIL**

(Disclosure pursuant to Note no. 6(A)(h) of Part I of Schedule VI to the Companies Act, 1956)

f) **Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of 5 years immediately preceding the reporting date**

(Disclosure pursuant to Note no. 6(A)(i) of Part I of Schedule VI to the Companies Act, 1956)

	30 Jun. 2012	30 Jun. 2011
Equity shares allotted as fully paid bonus shares	0	0
Equity shares allotted as fully paid pursuant to contract for consideration other than cash	0	0
Equity shares bought back	0	0

g) **Securities convertible into equity/preference shares issued - NIL**

(Disclosure pursuant to Note no. 6(A)(j) of Part I of Schedule VI to the Companies Act, 1956)

M/S. STARLITE COMPONENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/2012

- h) **Calls unpaid - NIL**
(Disclosure pursuant to Note no. 6(A)(k) of Part I of Schedule VI to the Companies Act, 1956)
- i) **Forfeited shares - NIL**
(Disclosure pursuant to Note no. 6(A)(l) of Part I of Schedule VI to the Companies Act, 1956)

5 Reserves & Surplus

(Disclosure pursuant to Note no. 6(B) of Part I of Schedule VI to the Companies Act, 1956)

	30th Jun. 2012 Amount (₹)	30th Jun. 2011 Amount (₹)
1 Surplus / (Deficit) in the Statement of Profit & Loss		
Balance as per last financial statement	-127,943,441	-191,561,671
Profit for the year	-43,965,658	63,618,230
Less - Appropriations -	0	0
Net surplus in the Statement of Profit & Loss	-171,909,100	-127,943,441
2 Capital Reserves / Subsidy		
a Capital Subsidy		
Balance as per last financial statement	2,000,000	2,000,000
Add - Amount transferred from surplus in the Statement of Profit & Loss	0	0
Utilization during the year	0	0
Closing balance	2,000,000	2,000,000
b Capital receipt in respect of Principle Waiver of Term Loans		
Balance as per last financial statement	10,907,533	0
Add - Amount transferred from surplus in the Statement of Profit & Loss	0	10,907,533
Closing balance	10,907,533	10,907,533
Total Reserves & Surplus	-159,001,567	-115,035,908

6 Long Term Borrowings

(Disclosure pursuant to Note no. 6(C) of Part I of Schedule VI to the Companies Act, 1956)

Term loans from Banks -

(Disclosure pursuant to Note no. 6(C) (i) (b) of Part I of Schedule VI to the Companies Act, 1956)

	30th Jun. 2012		30th Jun. 2011	
	Amount ₹	Amount ₹	Amount ₹	Amount ₹
Deferred Payment liabilities -	Non Current	Current maturity	Non Current	Current maturity
(Disclosure pursuant to Note no. 6(C) (i) (c) of Part I of Schedule VI to the Companies Act, 1956)				
Sales tax deferral loans				
1 W.M.D.C. Sales Tax Deferral	0	4,268	4,268	0
2 Deferred BST/CST liability as per assessment	2,150,386	0	1,579,995	0
	2,150,386	4,268	1,584,263	0

Deposits -

(Disclosure pursuant to Note no. 6(C) (i) (d) of Part I of Schedule VI to the Companies Act, 1956)

1 Deposits from Directors	0	0	0	0
2 Deposits from relatives of Directors	0	0	0	0
3 Deposits from other Share holders	0	0	0	0
4 Inter Corporate deposit from Solarcopyer Ltd. (Secured portion including Interest of ₹ - 12,55,088/-)	8,255,088	0	7,235,603	0
5 Inter Corporate deposit from Solarcopyer Ltd. (Unsecured portion including Interest of ₹ - 84,48,596/-)	68,324,680	0	43,266,976	0
	76,579,768	0	50,502,579	0
Total	78,730,154	4,268	52,086,842	0
Less - Amount disclosed under the head "Other Current Liabilities" in note no. 11	0	0	0	0
Total Long Term Borrowings	78,730,154	4,268	52,086,842	0

M/S. STARLITE COMPONENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/2012

Secured & Unsecured portion -

(Disclosure pursuant to Note no. 6(C) (ii) of Part I of Schedule VI to the Companies Act, 1956)

	30th Jun. 2012		30th Jun. 2011	
	Amount ₹	Amount ₹	Amount ₹	Amount ₹
	<u>Non Current</u>	<u>Current maturity</u>	<u>Non Current</u>	<u>Current maturity</u>
Secured Borrowings	8,255,088	0	7,235,603	0
Unsecured borrowings	70,475,066	4,268	44,851,239	0
	<u>78,730,154</u>	<u>4,268</u>	<u>52,086,842</u>	<u>0</u>

Nature of security & Terms of Repayment

(Disclosure pursuant to Note no. 6(C) (ii) & (vi) of Part I of Schedule VI to the Companies Act, 1956)

- The company has shown amount due by it to M/s. 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 amount paid by M/s. Solarcopyer Limited carry interest @ 15% p.a. for both Secured as well as unsecured portion.
- Deferred Payment Liability from W.M.D.C. is unsecured & repayable with simple rate of interest charged @ 12.50%.

Loans guaranteed by Directors & others -

(Disclosure pursuant to Note no. 6(C) (iii) of Part I of Schedule VI to the Companies Act, 1956)

	30th Jun. 2012	30th Jun. 2011
	Amount ₹	Amount ₹
1 Term loans from Banks	0	0
2 Deferred Payment liabilities	0	0
3 Deposits	0	0
	<u>0</u>	<u>0</u>

Period & amount of continuing Default in repayment of loan & interest

(Disclosure pursuant to Note no. 6(C) (vii) of Part I of Schedule VI to the Companies Act, 1956)

Company has not defaulted on repayment of loan or interest.

7 Deferred Tax Liabilities (net)

Since there is a Deferred Tax Asset, disclosure under this note is not required to be given.

8 Other Long Term Liabilities -

(Disclosure pursuant to Note no. 6(D) of Part I of Schedule VI to the Companies Act, 1956)

	30th Jun. 2012	30th Jun. 2011
	Amount ₹	Amount ₹
1 Trade Payables exceeding 12 months	661,846	902,205
2 Others	0	0
	<u>661,846</u>	<u>902,205</u>

9 Long Term Provisions

(Disclosure pursuant to Note no. 6(E) of Part I of Schedule VI to the Companies Act, 1956)

	30th Jun. 2012	30th Jun. 2011
	Amount ₹	Amount ₹
1 Provision for Employee benefits		
Gratuity	926,938	895,444
Leave encashment	134,328	141,055
2 Others		
Warranty claims	0	0
	<u>1,061,266</u>	<u>1,036,499</u>

10 Short term borrowings

(Disclosure pursuant to Note no. 6(F) of Part I of Schedule VI to the Companies Act, 1956)

There are no short-term borrowings availed by the company. Therefore, disclosure under this note is not required to be given.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/2012

11 Trade payables

(Disclosure pursuant to point no. b of Current Liabilities of the Balance Sheet)

	30th Jun. 2012	30th Jun. 2011
	Amount ₹	Amount ₹
Sundry Creditors for Goods	81,402,614	50,014,733
Sundry Creditors for Services	8,262,208	6,436,488
Sundry Creditors for Capital Goods	0	0
	89,664,822	56,451,222
Dues to Micro, small & medium enterprises		
i Principal amount due at year end	0	0
ii Interest provided but not paid at year end on above	0	0
iii Interest due on principal amount already paid	0	0
iv Delayed Principal amount paid during the year	0	0
v Interest paid on delayed principal payment	0	0
Total	0	0

Dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006 including bifurcation of Principle & Interest cannot be provided since the information about the same is not available with the company.

12 Other Current Liabilities

(Disclosure pursuant to Note no. 6(G) of Part I of Schedule VI to the Companies Act, 1956)

	30th Jun. 2012	30th Jun. 2011
	Amount ₹	Amount ₹
a) Current maturities of long-term debt	4,268	0
b) Other payables		
VAT & CST Payable	110,487,248	84,996,360
Deductions from Salary	0	0
TDS & TCS payable	332,355	344,099
Other Statutory Dues	788,363	784,629
Security Deposits	0	0
c) Application money received for allotment of securities and due for refund and interest accrued thereon		
Terms & conditions - allotable at par		
No. of shares proposed to be issued	N.A.	N.A.
Premium to be charged - Nil	N.A.	N.A.
Last date of proposed allotment	N.A.	N.A.
Excess period beyond allotment date	N.A.	N.A.
Reasons for share application money being pending	N.A.	N.A.
Company has not issued any document inviting the application for shares	N.A.	N.A.
Interest accrued on amount due for refund	N.A.	N.A.
Authorised Capital of the company	90,000,000	90,000,000
Total Application money received	0.00	0.00
Less: Within the limit of Authorised Capital & not refundable transferred to Equity in the Balance Sheet item no. 2	0.00	0.00
Share application money exceeding Authorised Capital &	0	0
Total Other Current Liabilities	111,612,234	86,125,089

13 Short Term Provisions

(Disclosure pursuant to Note no. 6(H) of Part I of Schedule VI to the Companies Act, 1956)

	30th Jun. 2012	30th Jun. 2011
	Amount ₹	Amount ₹
a) Provision for employee benefits	261,772	250,988
b) Others		
For expenses	482,385	336,065
For Proposed Dividend & tax thereon	0	0
For Income Tax	0	0
	744,157	587,053

M/S. STARLITE COMPONENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/2012

14 Tangible Fixed Assets

(Disclosure pursuant to Note no. 6(I) of Part I of Schedule VI to the Companies Act, 1956)

	<u>COST DETAILS</u>					<u>COST. 30/6/2012</u>
	<u>COST. 1/7/2011</u>	<u>Increase / (Decrease) in cost</u>	<u>Effect of</u>	<u>Borrowing</u>	<u>Other</u>	
		<u>Disposals</u>	<u>foreign</u>	<u>cost</u>	<u>adjustments</u>	
		<u>Revaluation</u>	<u>exchange</u>	<u>capitalized</u>	<u>(Impairment)</u>	
		<u>Additions</u>	<u>diff.</u>	<u>diff.</u>	<u>(Impairment)</u>	
<u>Building</u>						
Building	1,562,016	0	0	0	0	1,562,016
<u>Plant & Machinery</u>						
Plant & Machinery	16,264,569	5,233,056	0	0	0	21,497,624
Electrical Installation	662,815	71,911	0	0	0	734,726
R & D Equipments	1,093,134	0	0	0	0	1,093,134
<u>Furniture & Fixtures</u>						
Furniture & Fixtures	1,579,240	339,902	0	0	0	1,919,142
<u>Office Equipment</u>						
Office Equipment	310,732	0	0	0	0	310,732
	<u>21,472,506</u>	<u>5,644,869</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>27,117,374</u>
Prev. year	33,751,365	9,705,296	0	0	-21,984,155	21,472,506

M/S. STARLITE COMPONENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/2012

	<u>Rate of dep.- SLM</u>	<u>Depre. 30/6/2011</u>	<u>Dep. For the year</u>	<u>Reversal on disposal</u>	<u>Impairment loss</u>	<u>Reversal of revaluation</u>	<u>Other adjustments</u>	<u>Total depreciation</u>	<u>Net block</u>	<u>Net block</u>
									<u>30/6/2012</u>	<u>30/6/2011</u>
DEPRECIATION & NET BLOCK										
<u>Building</u>										
Building	3.34%	772,715	52,171	0	0	0	0	824,886	737,130	789,301
<u>Plant & Machinery</u>										
Plant & Machinery	4.75%	5,286,386	848,163	0	0	0	0	6,134,549	15,363,075	10,978,182
Electrical Installation	4.75%	322,545	34,446	0	0	0	0	356,991	377,735	340,270
R & D Equipments	4.75%	191,317	51,924	0	0	0	0	243,241	849,893	901,817
<u>Furniture & Fixtures</u>										
Furniture & Fixtures	6.33%	655,367	115,338	0	0	0	0	770,705	1,148,437	923,873
<u>Office Equipment</u>										
Office Equipment	4.75%	213,963	14,760	0	0	0	0	228,723	82,009	96,769
Prev. year		7,442,293	1,116,802	0	0	0	0	8,559,095	18,558,279	14,030,212
		12,684,906	2,067,119	0	-7,309,732	0	0	7,442,293	14,030,212	21,066,459

Notes -

1. None of the assets are taken or given on Lease
2. None of the assets are revalued during the year or within previous 5 years.
3. No previous revaluation done within last 5 years is written down during the year.
4. No impairment loss has been accounted during the year.
5. No previous impairment loss has been reversed during the year.

M/S. STARLITE COMPONENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/2012

15 Intangible Assets

(Disclosure pursuant to Note no. 6(J) of Part I of Schedule VI to the Companies Act, 1956)
 There are no Intangible Assets

16 CAPITAL WORK IN PROGRESS

	Cost 01/07/2011	Additions	Transfers	Balance 30/06/2012
Land	0			0
Building	1,750,000	5,107,867		6,857,867
Plant & Machinery	0			0
	1,750,000	5,107,867	0	6,857,867

17 INTANGIBLE ASSETS UNDER DEVELOPMENT

There are no Intangible Assets under Development

M/S. STARLITE COMPONENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/2012

18 Non-current Investments

(Disclosure pursuant to Note no. 6(K) of Part I of Schedule VI to the Companies Act, 1956)

	30th Jun. 2012 Amount ₹	30th Jun. 2011 Amount ₹
a) Investments in Equity Instruments		
Non-Trade Unquoted Investments		
1) Other Investments -		
9,20,000 shares of Starlite Lighting Ltd.	920,000	920,000
11,549 shares of Paragon Plastics Limited.	1,732,350	1,732,350
Less - Provision for Diminution on shares of Paragon Plastics Ltd.	-1,732,350	-1,732,350
	920,000	920,000
Trade Investments		
Investment in companies	0	0
b) Investments in preference shares	0	0
c) Investments in Government or trust securities	5,000	5,000
d) Investments in debentures or bonds	0	0
e) Investments in Mutual Funds	0	0
f) Investments in partnership firms *	0	0
g) Other non-current investments	0	0
	925,000	925,000

Note - Provision for Diminution has been made in respect of the value of investments in M/s. Paragon Plastics Limited. provision for diminution has been made considering the fair market value of the investment.

19 Deferred Tax Assets (net)

	30th Jun. 2012 Amount ₹	30th Jun. 2011 Amount ₹
Opening Deferred Tax Asset	0	0
Changes during the year		
Difference in Book Depre. & I.T. Depre.	2,100,869	0
Other Timing Differences	50,140,888	0
	52,241,757	0
Previous year loss recovered	42,826,129	0
Net change during the year	9,415,628	0
Tax attributable to the above	3,054,900	0
Deferred Tax liability due to change in Tax rates	0	0
Closing Deferred Tax Asset	3,054,900	0

20 Long-term loans and advances

(Disclosure pursuant to Note no. 6(L) (i) of Part I of Schedule VI to the Companies Act, 1956)

	30th Jun. 2012 Amount ₹	30th Jun. 2011 Amount ₹
a) Advance for Capital Goods	5,500,000	5,500,000
b) Security & Other Deposits		
Other Deposits	2,529,960	1,304,605
c) Loans and advances to related parties		
Due from Directors	0	0
Due from Officers	0	0
Due from firms or companies in which Directors are interested	241,298	2,209,306
	241,298	2,209,306
d) Other loans and advances	3,089,900	536,000
	11,361,158	9,549,911

(Disclosure pursuant to Note no. 6(L) (ii) of Part I of Schedule VI to the Companies Act, 1956)

Secured, considered good	0	0
Unsecured, considered good	11,361,158	9,549,911
Doubtful	0	0
	11,361,158	9,549,911

M/S. STARLITE COMPONENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/2012

21 Other non-current assets

(Disclosure pursuant to Note no. 6(M) of Part I of Schedule VI to the Companies Act, 1956)

There are no other non-current assets. Therefore, Disclosure under this note is not required to be given.

22 Current Investments

(Disclosure pursuant to Note no. 6(N) of Part I of Schedule VI to the Companies Act, 1956)

There are no current investments. Therefore, Disclosure under this note is not required to be given.

23 Inventories

(Disclosure pursuant to Note no. 6(O) of Part I of Schedule VI to the Companies Act, 1956)

	30th Jun. 2012	30th Jun. 2011
	Amount ₹	Amount ₹
a Raw materials	27,079,512	16,011,496
b Work in progress	9,254,927	3,370,587
c Finished goods	16,045,979	3,103,522
	52,380,419	22,485,606

Note -

- 1 Valuation of inventory is done as disclosed in note no. 3-K
- 2 There are no goods in transit during the year

24 Trade Receivables

(Disclosure pursuant to Note no. 6(P) of Part I of Schedule VI to the Companies Act, 1956)

	30th Jun. 2012	30th Jun. 2011
	Amount ₹	Amount ₹
a Outstanding for more than 6 months from the due date	983,804	983,804
b Outstanding for less than 6 months from the due date	77,222,113	91,981,171
	78,205,917	92,964,976
Less: Provision for bad and doubtful debts	0	0
Trade Receivables	78,205,917	92,964,976

Further information about trade receivables

(Disclosure pursuant to Note no. 6(P) (ii) of Part I of Schedule VI to the Companies Act, 1956)

Secured, considered good	0	0
Unsecured, considered good	78,205,917	92,964,976
Doubtful	0	0
	78,205,917	92,964,976

(Disclosure pursuant to Note no. 6(P) (iv) of Part I of Schedule VI to the Companies Act, 1956)

i Trade Receivables		
Due from Directors	0	0
Due from Officers	0	0
Due from firms or companies in which Directors are interested	75,312,691	84,490,662
Other Trade Receivables	0	0
	75,312,691	84,490,662

25 Cash and Cash equivalents

(Disclosure pursuant to Note no. 6 (Q) of Part I of Schedule VI to the Companies Act, 1956)

	30th Jun. 2012	30th Jun. 2011
	Amount ₹	Amount ₹
a Balances with banks		
Deposits with more than 12 months maturity	21,419	21,419
Held on Current Account	113,714	128,318
b Cheques, drafts on hand	0	0
c Cash in hand	13,623	15,173
	148,756	164,910

M/S. STARLITE COMPONENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/2012

26 Short-term loans and advances

(Disclosure pursuant to Note no. 6 (R) of Part I of Schedule VI to the Companies Act, 1956)

	30th Jun. 2012 Amount ₹	30th Jun. 2011 Amount ₹
Related Parties		
Due from Directors	0	0
Due from Officers	0	0
Due from firms or companies in which Directors are interested	0	0
Others	0	0
Deposit with Shree Jitendra Warehousing Corp.	0	50,000
Deposit with Nashiklub	150,000	0
	150,000	50,000

Further information about short term loans and advances

(Disclosure pursuant to Note no. 6(R) (ii) of Part I of Schedule VI to the Companies Act, 1956)

Secured, considered good	0	0
Unsecured, considered good	150,000	50,000
Doubtful	0	0
	150,000	50,000

27 Other current assets

	30th Jun. 2012 Amount ₹	30th Jun. 2011 Amount ₹
i Prepaid expenses	0	0
ii Interest Accrued	0	0
iii Dues from Income Tax	32,098	44,494
iv Dues from Sales Tax	0	0
v Dues from Excise & Service Tax	33,092,509	24,303,303
vi Dues from Customs (duty paid under Protest)	1,951,420	0
vii Dues from DGFT (BG Issued)	159,000	159,000
viii BG Issued to Customs	120,000	0
ix Other Current Assets	25,589	25,589
x Reinstatement Fees Paid (under protest) Recoverable	750,000	0
	36,130,616	24,532,386

28 Contingent liabilities and commitments

(Disclosure pursuant to Note no. 6(T) of Part I of Schedule VI to the Companies Act, 1956)

There are no contingent liabilities.

29 Dividends

(Disclosure pursuant to Note no. 6(U) of Part I of Schedule VI to the Companies Act, 1956)

No Dividend has been declared / proposed by the Board of Directors.

30 Value on realization

(Disclosure pursuant to Note no. 6(W) of Part I of Schedule VI to the Companies Act, 1956)

	30th Jun. 2012 Amount ₹	30th Jun. 2011 Amount ₹
i Assets other than fixed assets and non-current investments that do not have a value on realization in the ordinary course of business less than the amount at which they are stated.	0	0

M/S. STARLITE COMPONENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/2012

31 Revenue from Operations

(As per Point No. 2 of General Instructions for Preparation of Statement of Profit and Loss)

	30th Jun. 2012	30th Jun. 2011
	Amount ₹	Amount ₹
a Sale of Products		
Manufactured Goods		
Export	0	0
Domestic	348,060,693	396,954,268
Traded Goods	2,540,972	0
b Sale of Services	0	0
c Other operating revenues		
Scrap Sale	109,775	48,700
Others	584,190	272,292
	<u>351,295,629</u>	<u>397,275,260</u>
Less: Excise Duty	44,369,676	86,394,592
Revenue from Operations	306,925,953	310,880,668

32 Other income

(As per Point No. 4 of General Instructions for Preparation of Statement of Profit and Loss)

	30th Jun. 2012	30th Jun. 2011
	Amount ₹	Amount ₹
a Interest Income	5,936	91
b Dividend Income	0	0
c Net gain/loss on sale of investments	0	0
d Other non-operating income		
Other income	249,788	138,069
	<u>255,724</u>	<u>138,160</u>

EXPENSES

Item no. IV of Statement of Profit and Loss

33 Cost of materials consumed

	30th Jun. 2012	30th Jun. 2011
	Amount ₹	Amount ₹
Opening Stock -		
Raw materials - Electronic Components	14,822,611	1,570,411
Packing Material & other consumables	1,188,885	0
	<u>16,011,496</u>	<u>1,570,411</u>
Add - Purchases		
Raw materials - Electronic Components	311,869,563	303,755,722
Packing Material & other consumables	2,855,985	3,465,820
	<u>314,725,547</u>	<u>307,221,541</u>
Less - Closing Stock		
Raw materials - Electronic Components	24,837,369	14,822,611
Packing Material & other consumables	2,242,144	1,188,885
	<u>27,079,512</u>	<u>16,011,496</u>
	303,657,531	292,780,457

M/S. STARLITE COMPONENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/2012

34 Changes in inventories of finished goods work-in progress and Stock-in-trade

	30th Jun. 2012	30th Jun. 2011
	Amount ₹	Amount ₹
Stock at Close -		
(As taken, valued & certified by the Management)		
Work in Process	9,254,927	3,370,587
Finished Goods	16,045,979	3,103,522
	25,300,906	6,474,110
Stock at Commencement -		
Work in Process	3,370,587	2,120,773
Finished Goods	3,103,522	5,193,399
	6,474,110	7,314,173
(Increase)/Decrease in Stocks	-18,826,796	840,063

35 Employee benefit expenses

	30th Jun. 2012	30th Jun. 2011
	Amount ₹	Amount ₹
a Salary & Wages	4,869,653	3,324,176
b Directors Remuneration	720,000	720,000
c Contribution to Provident & other funds	249,636	228,232
d Staff Welfare expenses	57,132	3,058
	5,896,421	4,275,466

36 Finance cost

	30th Jun. 2012	30th Jun. 2011
	Amount ₹	Amount ₹
a Interest Expense	7,914,045	15,434,182
b Other borrowing cost	0	0
c Net (Gain) / Loss on Foreign Currency transactions & translations	19,343,670	-2,111,904
d Financial expenses	0	0
e Bank charges	105,328	108,163
	27,363,044	13,430,441

37 Depreciation & amortisation exp.

	30th Jun. 2012	30th Jun. 2011
	Amount ₹	Amount ₹
a Depreciation	1,116,802	2,067,119
b Amortisation	0	0
c Impairment on Plant & Machinery	0	14,674,423
	1,116,802	16,741,542

M/S. STARLITE COMPONENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/2012

38 Other expenses

(As per Point No. 5 (vi) of General Instructions for Preparation of Statement of Profit and Loss)

	30th Jun. 2012	30th Jun. 2011
	Amount ₹	Amount ₹
2 Consolidation Charges on Import Purchase	2,656,123	2,142,848
3 Power, Fuel, Water & Electricity	1,587,719	1,103,859
4 Clearing & Forwarding Charges	3,984,305	5,341,753
5 Labour / Job Work Charges (Outside Contractor)	10,798,038	11,510,177
6 Rent	2,346,892	1,149,478
8 Insurance	257,739	180,637
10 Transport, Freight & Octroi	5,368,419	8,681,096
12 Repairs & Maintenance - General	215,009	78,571
13 Printing & Stationery	163,306	156,055
14 Security, Safety Charges	680,018	256,491
15 Office Expenses	145,690	98,774
16 Professional & Legal Services	1,655,841	1,509,929
17 Audit Fees	125,000	125,000
18 Foreign Travelling	156,000	211,508
19 Travelling Expenses	484,118	225,671
21 Car Hiring Charges	381,000	336,000
23 Telephone Charges	145,302	68,121
34 R & D Expenses	103,835	39,563
35 Miscellaneous expenses	3,740,879	499,741
	34,995,234	33,715,272

Additional details

39 Raw materials under broad heads

(As per Point No. 5 (ii) of General Instructions for Preparation of Statement of Profit and Loss)

	30th Jun. 2012	30th Jun. 2011
	Amount ₹	Amount ₹
a <u>Raw Materials purchased under broad heads</u>		
Electronic Components & LED Products	311,869,562	303,755,722
Packing Material & other Consumables	2,855,985	3,465,819
	314,725,547	307,221,541
	-	0.00
	0.00	0.00

40 Work-in-progress under broad heads

(As per Point No. 5 (iii) of General Instructions for Preparation of Statement of Profit and Loss)

	30th Jun. 2012	30th Jun. 2011
	Amount ₹	Amount ₹
a <u>Works-in-progress under broad heads</u>		
Electronic Components & LED Products	9,254,927	3,370,587
Others	0	0
	9,254,927	3,370,587

M/S. STARLITE COMPONENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/2012

41 Working Directors' Remuneration

	30th Jun. 2012	30th Jun. 2011
	Amount ₹	Amount ₹
i Salary	600,000	600,000
ii HRA and Medical Allowance	120,000	120,000
iii Perquisites	0.00	0.00
Total	720,000.00	720,000.00

42 Auditors' Remuneration

(As per Point No. 5 (i) (j) of General Instructions for Preparation of Statement of Profit and Loss)

	30th Jun. 2012	30th Jun. 2011
	Amount ₹	Amount ₹
Payments made to the Auditor -		
i as Auditor	125000	125000
ii for taxation matters	85000	75000
iii for company law matters	0	0
iv for management services	0	0
v for other services	12000	6000
vi for reimbursement of expenses	0	0
Total	222000	206000

43 CIF value of Imports

(As per Point No. 5 (viii) (a) of General Instructions for Preparation of Statement of Profit and Loss)

	30th Jun. 2012	30th Jun. 2011
	Amount ₹	Amount ₹
i Raw Materials	257678990	274288741
ii Components & spare parts	0	0
iii Capital goods	4800788	8061359
iv Others	0	0
Total	262479778	282350100

44 Expenditure in Foreign currency

(As per Point No. 5 (viii) (b) of General Instructions for Preparation of Statement of Profit and Loss)

	30th Jun. 2012	30th Jun. 2011
	Amount ₹	Amount ₹
i On Travelling	156000	211508
ii other purposes	0	0
Total	156000	211508

45 Consumption

(As per Point No. 5 (viii) (c) of General Instructions for Preparation of Statement of Profit and Loss)

	30th Jun. 2012		30th Jun. 2011	
	Percent	Amount ₹	Percent	Amount ₹
i Raw Materials & consumables				
Indigenous	2.26%	6,862,275	2.10%	6,159,422
Imported	97.37%	295,679,874	97.18%	284,526,610
ii Spare Parts & components				
Indigenous	0.37%	1,115,382	0.72%	2,094,424
Imported	0.00%	0	0.00%	0
Total	100.00%	303,657,531	100.00%	292,780,457

Further information about consumption

Indigenous	2.63%	7,977,657	2.82%	8,253,846
Imported	97.37%	295,679,874	97.18%	284,526,610
Total	100.00%	303,657,531	100.00%	292,780,457

M/S. STARLITE COMPONENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/2012

46 Amount remitted in foreign currencies for dividend

(As per Point No. 5 (viii) (d) of General Instructions for Preparation of Statement of Profit and Loss)

	30th Jun. 2012	30th Jun. 2011
	Amount ₹	Amount ₹
i Total no. of non-resident shareholders	220	219
ii Total no. Shares held by them	215,500	214,500
iii Year to which dividend is related	0	0
iv Amount of Dividend remitted	0	0

47 Earnings in foreign exchange

(As per Point No. 5 (viii) (e) of General Instructions for Preparation of Statement of Profit and Loss)

	30th Jun. 2012	30th Jun. 2011
	Amount ₹	Amount ₹
i Export of Goods calculated on F.O.B. basis	0	0
ii Royalty, know-how, professional & consultation fees	0	0
iii Interest & Dividend	0	0
iv Other income	0	0
Total	0	0

48 Related Party Disclosure

(As per Accounting Standard - 18)

1 Relationships:

a) Associate:

N.A.

b) Key Management Personnel:

Mr. Arvind Bharati

Smt. Rochana Bharati

c) Enterprises and relatives of key management where transactions have taken place:

M/s. Solarcopyer Limited

Mrs. Ashu Bharati

Ravindra Bharati

M/s. Universal Traders

M/s. Chetana Enterprises

Starlite Lighting Ltd.

M/s. Filaments & Filaments

M/s. Reprrolite Papers (I) Private Limited

M/S. STARLITE COMPONENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/2012

2 Transactions carried out with related parties referred above, in ordinary course of business.

Sr. No.	Nature of Transaction	Year	Related Parties			Total
			Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above	
A	Transactions					
i	Purchase of goods	2011-12	-	-	36,553,043	36,553,043
		2010-11	-	-	63,476,463	63,476,463
ii	Sale of goods	2011-12	-	-	346,737,949	346,737,949
		2010-11	-	-	368,937,242	368,937,242
iii	Rent Received	2011-12	-	-	105,000	105,000
		2010-11	-	-	105,000	105,000
iv	Salary / Remuneration	2011-12	-	720,000	-	720,000
		2010-11	-	720,000	-	720,000
v	Vehicle Hire Charges	2011-12	-	-	336,000	336,000
		2010-11	-	-	336,000	336,000
vi	Interest Paid on ICD	2011-12	-	-	7,898,834	7,898,834
		2010-11	-	-	2,807,217	2,807,217
B	Outstandings					
i	Receivables	2011-12	-	-	76,871,930	76,871,930
		2010-11	-	-	91,847,307	91,847,307
ii	Payables	2011-12	-	3,644,642	7,713,135	11,357,777
		2010-11	-	1,627,618	823,659	2,451,278
iii	Unsecured Loan (Including Interest)	2011-12	-	-	68,324,680	68,324,680
		2010-11	-	-	43,266,976	43,266,976
vi	Secured Loan (Including Interest)	2011-12	-	-	8,255,088	8,255,088
		2010-11	-	-	7,235,603	7,235,603

49 Earnings per share

(As per Accounting Standard - 20, "Earnings per share")

	30th Jun. 2012	30th Jun. 2011
	Amount ₹	Amount ₹
i Net Profit after Tax	-43,965,658	63,618,230
ii Less: Preference Dividend	0	0
iii Less: Tax on Preference Dividend	0	0
iv Profit attributable to equity shareholders	-43,965,658	63,618,230
v No. of equity shares at the beginning	8,430,000	8,430,000
vi No. of equity shares at the close	8,430,000	8,430,000
vii No. of equity shares on Weighted Average basis	8,430,000	8,430,000
viii Earnings per share (E.P.S.)	<u>-5.22</u>	<u>7.55</u>

Note -

1 The company does not have any dilutive potential equity shares outstanding as on the last day of the previous year which can be converted into equity shares and hence basic & diluted earnings per share is same.

M/S. STARLITE COMPONENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30/06/2012

50 Segment Reporting

(As per Accounting Standard - 17)

Primary Segment – Business Segment

<u>PARTICULARS</u>	<u>Electronic Component/ LED Products</u>	<u>Others</u>	<u>TOTAL</u>
REVENUE FROM EXTERNAL CUSTOMERS	306,925,953	0	306,925,953
INTER SEGMENT TRANSACTIONS	0	0	0
SEGMENT RESULTS	-43,965,658	0	-43,965,658

Note -

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.