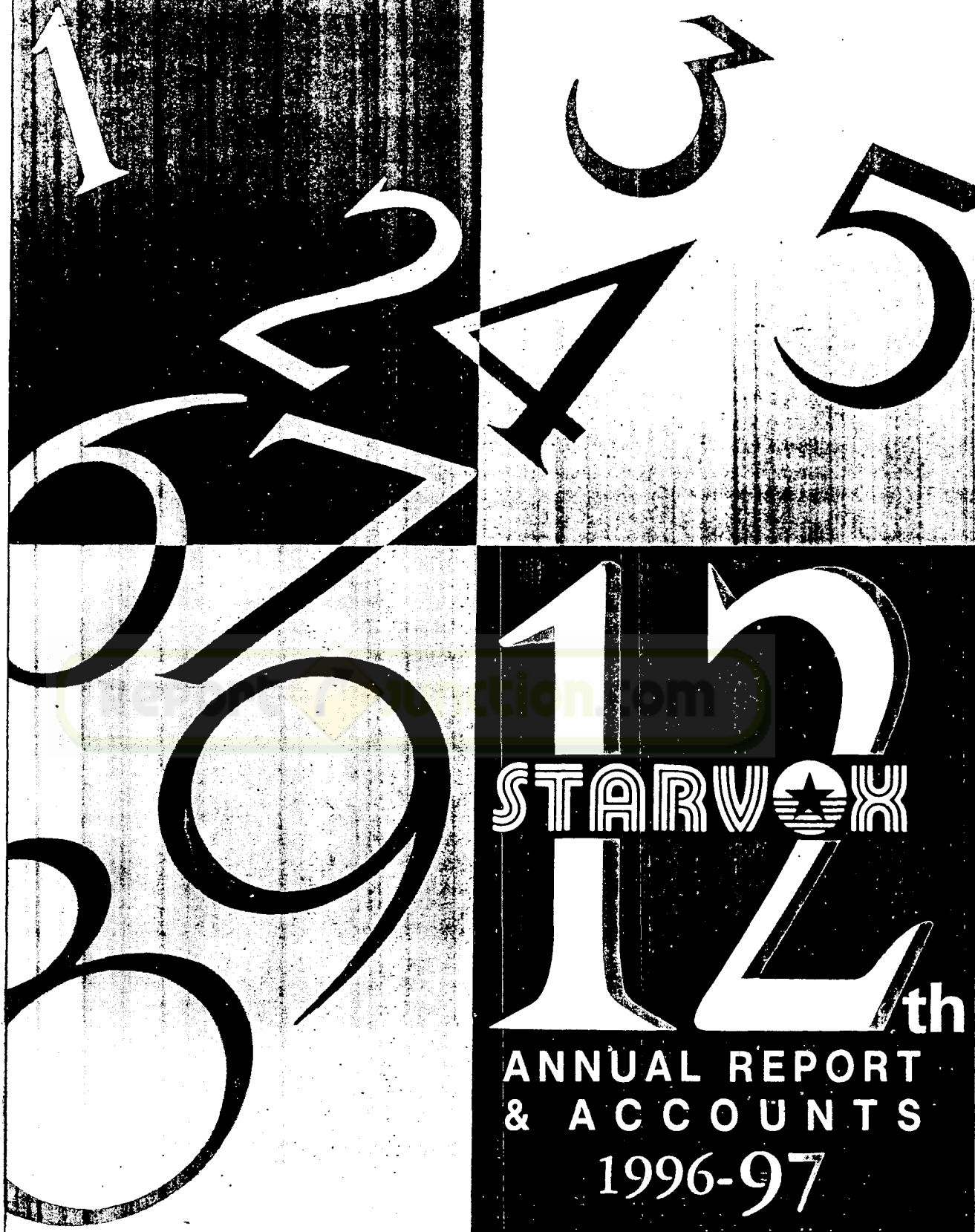


STARVOX ELECTRONICS LIMITED



MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

STARVOX ELECTRONICS LIMITED

Board of Directors

Shri Jitendra C. Mehta, Managing Director
Shri V. S. Narayanan, Air Vice Marshal (Retd.)
Shri K. R. Kinariwala
Shri C. P. Mehta
Shri G. S. Patel
Shri R. B. Patel
Shri S. G. Patel
Shri H. R. Modi
Shri R. K. Modi
(Alternate to Shri H. R. Modi)

Bankers

State Bank Of India
Bank Of Baroda

Auditors

M/S B. M. Vashi
Chartered Accountants
Ahmedabad

Registered Office

B-5, GIDC Electronics Estate
Gandhinagar - 382 044. (India)

STARVOX ELECTRONICS LIMITED**NOTICE**

NOTICE is hereby given that the Twelveth Annual General Meeting of STARVOX ELECTRONICS LTD will be held on Saturday, the 20th day of September, 1997, at 10.00 A.M. at B-5, GIDC Electronics Estate, Sector-25, Gandhinagar-382 044 (Gujarat), the Registered office of the Company to transact the following business :

ORDINARY BUSINESS

- [1] To receive, consider and adopt the **Audited Balance Sheet** of the Company as at **31st March, 1997** and the **Profit & Loss A/c** for the year ended on **31st March, 1997**, together with the **Directors' Report** and **Auditors' Report** thereon.
- [2] To appoint a Director in place of **Shri Hasmukh R. Modi**, a Director, who retires by rotation and being eligible offers himself for reappointment.
- [3] To appoint a Director in place of **Shri Gordhandas S. Patel**, a Director, who retires by rotation and being eligible offers himself for reappointment.
- [4] To re-appoint **Auditors** and to fix their remuneration.

By order of the Board Of Directors

Place : Ahmedabad

Date : 14th June, 1997

Jitendra C. Mehta

Managing Director

Note :

- [1] A member entitled to attend and vote at the meeting, is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
- [2] A proxy in order to be valid should be lodged at the Registered Office of the Company, not later than 48 hours of the time of the Annual General Meeting of the Company.
- [3] The Register of Members and Share Transfer Book of the Company shall remain closed from Thursday, the 11th day of September, 1997 to Saturday, the 20th day of September, 1997 (both days inclusive).
- [4] Members are requested to bring their copy of Annual Report at the Meeting.

STARVOX ELECTRONICS LIMITED

DIRECTORS' REPORT

Dear Shareholders,

We, the Directors of your company take pleasure in presenting the Twelveth Annual Report together with Audited Accounts and the Auditors Report for the year ended 31st March 1997.

FINANCIAL RESULTS

	Rs. in Lacs	
	1996-97	1995-96
Sales and Other Income	81.29	54.78
Interest	0.78	0.50
Depreciation	2.94	2.75
	-----	-----
Profit	9.10	2.69
Balance Brought forward	(52.42)	(55.11)
	-----	-----
Balance Carried to Balance Sheet	(43.32)	(52.42)
	=====	=====

The Company has earned a profit of Rs. 9.10 Lacs after providing for interest of Rs.0.78 lacs and Depreciation of Rs.2.94 Lacs during the year under review.

On account of general trade depression and financial crunch faced by the industry, the liquidity of the Company too was adversely affected and hence the Company could not achieve the desired turnover. In spite of this the Sales has increase from Rs. 52.58 Lacs to Rs. 76.58 Lacs.

With a view to augment the long term financial requirements of the Company, the Directors have decided to plough back the profits and skip dividend for the year under review. The Directors are hopeful that the Company shall be in a position to wipe off its accumulated losses in near future and shall be in a position to declare dividend.

DIRECTORS

Shri Hasmukh R. Modi and Shri Gordhandas S. Patel, Directors retires by rotation and being eligible offer themselves for re-appointment.

AUDITORS

M/S B. M. Vashi, Chartered Accountants, Ahmedabad, the statutory Auditors of the Company retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. You are requested to reappoint them and fix their remuneration.

DEPOSITS

The Company has not accepted any deposits to which the provisions of Section 58-A of the Companies Act, 1956 and the rules made thereunder are applicable.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars regarding conservation of energy in Form-A are not applicable, as the Company is engaged in manufacturing and assembly of Electronic Items. During the year, the Company has spent Foreign Currency of Rs. 15,64,049 on purchase of Raw Material and Rs. 1,42,900 on Foreign Travel.

PARTICULARS OF EMPLOYEE

There is no employee, who is in receipt of remuneration exceeding the limits specified under Section 217 (2-A) of the Companies Act, 1956.

AUDITORS REPORT

With reference to the comments made by Auditors in their Report, the explanations are given in the Notes on Accounts, which are self explanatory.

APPRECIATION

The Board of Directors places on record its appreciation for the services and support provided by the Employees of the Company and the co-operation received from the Bankers, Government Departments, Customers and other associates and look forward to their continued support in the years to come.

For and on behalf of Board of Directors

Place : Ahmedabad

J. C. Mehta

G. S. Patel

Date : 14th June, 1997

Managing Director

Director

STARVOX ELECTRONICS LIMITED

AUDITORS' REPORT

To,
The Members of
STARVOX ELECTRONICS LIMITED

We have audited the Balance Sheet of **STARVOX ELECTRONICS LIMITED** as at 31st March, 1997 and the Profit and Loss Account of the Company for the year ended on that date annexed thereto and report as under :-

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit.
2. Subject to clause (i), (ii) and (iii) of paragraph No.4 below relating to non accounting of expenses/income for the year on accrual of accounting, 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 these books.
3. The **Balance Sheet** and **Profit & Loss Account** are in agreement with the books of accounts of the Company.
4. In our opinion and to the best of our information and according to the explanations given to us, the accounts subject to :-

(i) Note No. 6 relating to non provision of custom duty for goods in transit, not shown as purchase and goods auctioned by custom authorities.

(ii) Note No. 10(a) to (e) relating to non provision of :

[a] Demand for Central Excise including panetty	Rs. 5,80,466
[b] Custom Duty on Capital Goods	Rs. 89,606
[c] Custom Duty on Raw Materials	Rs. 42,411
[d] Disputed demand in respect of royalty claims by NRDC	Rs. 85,000
[e] Claims of Ex-employees	Unascertainable

(iii) Note No. 12 relating to non provision of inter corporate deposit placed with M/S Advanced Energy Systems P. Ltd.

and read alongwith our notes thereon give the informations required by the Companies Act, 1956 in the manner so required and gives true and fair view.

(i) In the case of **Balance Sheet** of the State of affairs of the Company as **31st March, 1997** and

(ii) In the case of **Profit & Loss Account** of the **Profit** for the year ended on that date.

5. As required by manufacturing and other companies (Auditors Report) 1988, and on the basis of such examination of the Books and records of the company as we considered appropriate and the information and explanations given to us during the course of our audit, we further report that :-

(1) The Company is maintaining proper records showing full particulars including quantitative details and situation on fixed assets. The fixed assets of the Company

have been physically verified by the management at the end of the year and no discrepancies between book record and physical inventory were noticed.

- (2) The Company has not revalued any of its fixed assets during the year.
- (3) The Management has conducted physical verification of finished goods, stores, and raw materials and component other than goods in transit and stocks lying with third parties at the end of the year.
- (4) The procedures of physical verification of stocks as followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (5) Discrepancies noticed on physical verification of stock as compared to book records were not material and the same have been properly dealt with in the books of the accounts.
- (6) The valuation of inventory is fair and proper and in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
- (7) We are informed that the company has not taken any loans Secured or Unsecured, from the companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. We are informed that there are no companies under the same management as defined under section 370(1B) of the Companies Act 1956.
- (8) The Company has not granted any loans to Companies, or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (9) The Company has given interest free loans to its employees who are repaying the principal amount as stipulated. Company with whom inter corporate deposits are placed is not paying interest thereon and is considered doubtful.
- (10) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with size of the company and nature of its business with regard to the purchase of stores, raw material including components, plants and machinery, equipment and other assets and for the sale of goods.
- (11) In our opinion and according to the information and explanations given to us and having regard to the explanations that some of the items purchased are of a special nature for which comparable alternative quotations are not available, the transactions of purchase/sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs.50,000/- or more in respect of each party, have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services.
- (12) The Company has procedure to determine unservicable or damaged stores, raw materials and finished goods. The company does not have any unservicable or damaged stores, raw materials and finished goods.
- (13) The Company has not accepted any deposits from the public during the year.