

STARVOX ELECTRONICS LIMITED

13TH

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

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ANNUAL REPORT & ACCOUNTS

(1997-98)

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)

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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 Thirteenth Annual General Meeting of STARVOX ELECTRONICS LTD will be held on Thursday, the 3rd day of September, 1998, 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 Balance Sheet as at 31st March, 1998 and the Profit & Loss A/C for the year ended on 31st March, 1998, together with the Directors' and Auditors' Report thereon.
- [2] To appoint a Director in place of Shri Shirish G. Patel, a Director, who retires by rotation and being eligible offers himself for reappointment.
- [3] To appoint a Director in place of Shri Rambhai B. Patel, a Director, who retires by rotation and being eligible offers himself for reappointment.
- [4] To re-appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

- [5] To consider and if thought fit to pass with or without modification the following resolution as an ordinary Resolution :

"RESOLVED THAT pursuant to Section 269 read with Schedule XIII and section 198, 309, 310, 314 and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the increase in the remuneration payable to Shri Jitendra C. Mehta, the Managing Director of the Company from Rs. 10,500/- per month in the grade of Rs. 10,500 - 1,000 - 14,500 to Rs. 17,500/- (Rupees Seventeen Thousand Five Hundred only) in the grade of Rs. 17,500 - 1,500 - 25,000 effective from 1st October, 1997 and also to the next increment which has become due on 1st June, 1998".

"RESOLVED FURTHER THAT consent of the Company be and is hereby accorded also to the suitable increase in all other perquisites listed in Category - 'A', 'B' & 'C' corresponding to the enhancement in the basic salary".

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary to give effect to the revision".

By order of the Board Of Directors
Jitendra C. Mehta
 Managing Director

Place : Ahmedabad
 Date : 15th June, 1998

Note :

- [1] An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is enclosed.
- [2] 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.
 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 Tuesday, the 25th day of August, 1998 to Thursday, the 3rd day of September, 1998 (both days inclusive).
- [4] Members are requested to bring their copy of Annual Report at the Meeting.

STARVOX ELECTRONICS LIMITED

EXPLANATORY STATEMENT

[Pursuant to Section 173(2) of the Companies Act, 1956]

Item No. 5 : Shri Jitendra C. Mehta was reappointed as a Managing Director of the Company for a period of five years with effect from 1st June, 1996 at a remuneration and other terms and conditions as approved by the members at the *Eleventh Annual General Meeting of the Company held on 28th June, 1996*. The Board of Directors of the Company at its meeting held on 20th September, 1997 and subject to approval of the members of the Company, has decided to revise the remuneration being paid to Shri Jitendra C. Mehta for the remaining tenure of his office from Rs. 10,500/- in the grade of Rs. 10,500 - 1,000 - 14,500 fixed at the time of appointment to Rs. 17,500/- in the revised grade of Rs. 17,500 - 1,500 - 25,000.

The Board recommends passing of the resolution.

A copy of the draft supplemental agreement to be entered into with Shri Jitendra C. Mehta is available for inspection during business hours on all working days at the Registered Office of the Company upto the date of the Annual General Meeting.

The terms and conditions of the supplemental agreement may be deemed as the abstracts pursuant to section 302(2) of the Companies Act, 1956.

Shri Jitendra C. Mehta himself and Shri Chandrakant P. Mehta being related to him are deemed to be concerned or interested in the said resolution. No other Directors is, in any way concerned or interested in the said resolution.

By order of the Board Of Directors
Jitendra C. Mehta
Managing Director

Place : Ahmedabad

Date : 15th June, 1998

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DIRECTORS' REPORT

Dear Shareholders,

Your Directors present herewith their Thirteenth Annual Report for the year ended 31st March 1998 together with the Audited Accounts and the Auditors' Report thereon.

FINANCIAL RESULTS

	Rs. in Lacs	
	1997-98	1996-97
Sales and Other Income	59.84	81.29
Interest	1.94	0.78
Depreciation	3.43	2.94
Profit (Loss)	(0.26)	9.10
Balance Brought forward	(43.32)	(52.42)
Balance Carried to Balance Sheet	(43.58)	(43.32)
	=====	=====

On account of general trade depression and financial crunch faced by the industry and the not-so-encouraging state of the economy itself, the liquidity of the Company too was adversely affected and hence the Company could not achieve the desired turnover and the Sales has declined from Rs. 76.58 Lacs to Rs. 55.42 Lacs.

Your Directors regret their inability to recommend a dividend for the year under review due to loss and with a view to augment the long term financial requirements of the Company. 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 Shirish G. Patel and Shri Rambhai B. Patel, Directors retires by rotation and being eligible offer themselves for re-appointment.

You are requested to re-appoint the above Directors.

AUDITORS

M/S B. M. Vashi, Chartered Accountants, Ahmedabad, retire at the ensuing Annual General Meeting. You are requested to reappoint them and fix their remuneration.

DEPOSITS

During the year, the Company has not accepted any deposits pursuant to the provisions of Section 58-A of the Companies Act, 1956.

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. 14,80,645 on purchase of Raw Material.

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.

Place : Ahmedabad
Date : 15th June, 1998

For and on behalf of Board of Directors
Jitendra C. Mehta G. S. Patel
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, 1998 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 the goods are auctioned by custom authorities.

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

[a] Demand for Central Excise including penalty	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 at 31st March, 1998 and
- (ii) In the case of Profit & Loss Account of the Loss 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.