

STARVOX ELECTRONICS LIMITED

16th ANNUAL REPORT

& ACCOUNTS

[2000-2001]

STARVOX ELECTRONICS LIMITED

Board of Directors

Shri Jitendra C. Mehta, Managing Director
Shri V. S. Narayanan Air Vice Marshal (Retd.)
Shri Kandarp R. Kinariwala
Shri Chandrakant P. Mehta
Shri Gordhandas S. Patel
Shri Rambhai B. Patel
Shri Shirish G. Patel
Shri Hasmukh R. Modi

Bankers

State Bank Of India
Bank Of Baroda

Auditors

M/S Shah Merchant & Associates
Chartered Accountants
Ahmedabad

Registered Office

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

STARVOX ELECTRONICS LIMITED

NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting of STARVOX ELECTRONICS LTD will be held on Thursday, the 27th day of September, 2001, 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, 2001 and the Profit & Loss A/C for the year ended on 31st March, 2001, 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 Sections 198, 309, 314 and other applicable provisions, if any, of the Companies Act, 1956, Shri Jitendra C. Mehta be and is hereby reappointed as Managing Director of the Company for a further period of five years with effect from 1st June, 2001, on the following terms and conditions :

- (i) SALARY : Rs. 16,000/- (Rupees Sixteen Thousand Only) per month in the grade of Rs. 16,000 - 500 - 18,000.
- (ii) In addition to the Salary, he shall be entitled to the perquisites listed in Category A, B & C below :

CATEGORY - A :

- [A] Housing : The expenditure by the Company on hiring furnished accommodation for Managing Director will be subject to a ceiling of 60% of the Salary over and above 10% payable by the Managing Director.

In case the accommodation is owned by the Company, 10% of Salary of the Managing Director shall be deducted by the Company.

In case no accommodation is provided by the Company, the Managing Director shall be entitled to House Rent Allowance subject to ceiling laid down above.

Explanation : The expenditure incurred by the Company on Gas, Electricity, Water and Furnishing shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of 10% of the Salary of the Managing Director.

- [B] Medical Reimbursement : Expenses incurred for the Managing Director and Family, subject to a ceiling of one month's salary in a year or three month's Salary over a period of three years.
 - [C] Leave Travel Concession : For the Managing Director and his Family, once in a year in accordance with the Rules specified by the Company.
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STARVOX ELECTRONICS LIMITED

[D] Club Fees : Fees of Clubs subject to a maximum of two clubs, excluding admission and life membership fees.

[E] Personal Accident Insurance : Premium not exceeding Rs. 4000/- per annum.

Explanation : For the purpose of Category - 'A' Family means the Spouse, the dependent Children and dependent Parents of the Managing Director.

CATEGORY - B :

[A] Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these singly or put together are not taxable under the Income-Tax Act. Gratuity payable shall not exceed half a month's Salary for each completed year of service.

[B] Encashment of Leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

CATEGORY - C :

Provision of Car for use on Company's business and Telephone at residence will not be considered as perquisites. However, personal long distance calls on Telephone and use of Car for private purpose shall be billed by the Company to the Managing Director.

(iii) Commission : He shall also be entitled to a commission at the rate of 1% of the net profits of the Company computed in the manner laid down under Section 309 (5) of the Companies Act, 1956.

In case the Company has no profits or inadequate profit in any financial year during the terms of office, the Managing Director shall be entitled to receive the above Salary and Perquisites as minimum remuneration.

However the total remuneration by way of Salary, Commission, Perquisites and other allowances shall not exceed 5% of net profit computed in the manner laid down under Section 198 and 309 of the Companies Act, 1956, for one such managerial person in any financial year.

The Company will reimburse to the Managing Director such expenses as he may incur on behalf of the Company.

The Managing Director shall be entitled to earned privilege leave on full pay and allowance as per the rules of the Company not exceeding one month's leave for every eleven months service.

The Managing Director shall not be liable to retire by rotation.

The Managing Director shall not be entitled to receive any sitting fees for attending the meeting of the Board of Directors or Committee thereof from the date of his appointment.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things for giving effect to the said re-appointment of Mr. Jitendra C. Mehta as Managing Director of the Company."

Place : Ahmedabad
Date : 3rd August, 2001

By order of the Board Of Directors
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.
- 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.
- [2] The Register of Members and Share Transfer Book of the Company shall remain closed from Saturday, the 22nd day of September, 2001 to Thursday, the 27th day of September, 2001 (both days inclusive).
- [3] Members are requested to bring their copy of Annual Report at the Meeting.

EXPLANATORY STATEMENT

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

Item No. 5 :

Shri Jitendra C. Mehta was re-appointed 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 General Meeting of the Company held on 28th June, 1996.

Under the guidance and supervision of Shri Jitendra C. Mehta, the Company has improved its working and there has been reduction in losses of the Company. The Board of Directors at its meeting held on 16th April, 2001, has decided, in the interest of the Company, to reappoint Shri Jitendra C. Mehta as a Managing Director of the Company for a further period of five years. Your Directors recommend passing of the resolution as set out at item No. 5 of the accompanying notice.

A copy of the draft 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.

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 Director is, in any way, concerned or interested in the said resolution.

Place : Ahmedabad
Date : 3rd August, 2001

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

STARVOX ELECTRONICS LIMITED**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors present herewith their Sixteenth Annual Report for the year ended 31st March 2001 together with the Audited Accounts and the Auditors' Report thereon.

FINANCIAL RESULTS**Rs. in Lacs**

	<u>2000-2001</u>	<u>1999-2000</u>
Sales and Other Income	<u>44.67</u>	<u>28.46</u>
Interest	—	1.29
Depreciation	<u>2.97</u>	<u>3.11</u>
Profit (Loss)	<u>8.71</u>	<u>(8.01)</u>
Balance Brought forward	<u>(62.53)</u>	<u>(54.52)</u>
Balance Carried to Balance Sheet	<u>(53.82)</u>	<u>(62.53)</u>
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On account of general trade depression, financial crunch faced by the industry, not-so-encouraging state of the economy and political uncertainty, the working of the Company was adversely affected. The Company could not achieve the desired turnover but the Sales has increased from Rs. 26.45 Lacs to Rs. 36.80 Lacs.

Your Directors regret their inability to recommend a dividend for the year under review, due to loss. The Directors are hopeful that the Company shall be in a position to wipe off its accumulated losses in future and shall be in a position to declare dividend.

DEPOSITS

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

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 earned Foreign Currency of Rs. 5,12,138 on account of Sales and has spent Foreign Currency of Rs. 4,26,610 on account of Purchase of Raw Materials.

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.

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 :