

**STARVOX
ELECTRONICS
LIMITED**

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**ANNUAL
REPORT
&
ACCOUNTS**

[2002-2003]

STARVOX ELECTRONICS LIMITED

Board of Directors

Shri Jitendra C. Mehta, Managing Director
Shri Kandarp R. Kinariwala
Shri Chandrakant P. Mehta
Shri Gordhandas S. 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 Eighteenth Annual General Meeting of STARVOX ELECTRONICS LTD. will be held on Thursday, the 18th day of September, 2003, 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, 2003 and the Profit & Loss A/C for the year ended on 31st March, 2003, together with the Directors' and Auditors' Report thereon.
- 2) To appoint a Director in place of Shri Gordhandas S. Patel, a Director, who retires by rotation and being eligible offers himself for reappointment.
- 3) To appoint a Director in place of Shri Hasmukh R. Modi, 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 M/S M. C. Gupta & Co., Company Secretaries, Ahmedabad, be and are hereby appointed as Secretary in Whole-time practice to issue to the Company the Compliance Certificate as required under Sub-rule (1) of Rule 3 of Companies (Compliance Certificate) Rules, 2001 under Section 383A of the Companies Act, 1956 for the financial year 2003-2004 at a remuneration which may be determined by the Board of Directors of the Company in consultation with the said Company Secretaries."
- 6) To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution :
"RESOLVED THAT pursuant to Section 314 (1B) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the company be and is hereby given to the appointment of Mr. Bharat R. Modi, a relative of Mr. Hasmukh R. Modi, a Director of the company and payment of remuneration in the range of Rs. 13,000/- per month to Rs. 20,000/- per month as may be decided by the Board of Directors of the company from time to time."
- 7) To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution :
"RESOLVED THAT Mr. Niren M. Nagri, who was appointed as an Additional Director of the Company on 30th June, 2003 and hold office upto the date of the ensuing Annual General Meeting of the Company pursuant to Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature pursuant to Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of Director by rotation."

Place : Ahmedabad
Date : 30th June, 2003

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

STARVOX ELECTRONICS LIMITED**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 13th day of September, 2003 to Thursday, the 18th day of September, 2003 (both days inclusive).
- (3) Members are requested to bring their copy of Annual Report at the Meeting.
- (4) Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is annexed.

EXPLANATORY STATEMENT**Item No. 5 :**

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 :

Pursuant to Sub-section (1) of 383A of the Companies Act, 1956, every Company having a paid-up Capital of Rs. 10 Lacs is required to file with the Registrar of Companies, a Compliance Certificate from a Secretary in Whole-time practice and a copy of such Certificate shall be attached to the Director's Report referred to in Section 217 of the Act.

The Board of Directors of your Company recommends the appointment of M/S M. C. Gupta & Co., Company Secretaries, Ahmedabad for the financial year 2003-2004 to furnish a Compliance Certificate for the Company.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

Item No. 6 :

Mr. Bharat R. Modi, a relative of Mr. Hasmukh R. Modi, who is presently working as a Commercial Manager, has been in the employment of the company for last more than 10 years. Keeping in mind his dedication and sincerity, it is proposed to increase his remuneration above Rs. 10,000/- per month, for which consent of the members under Section 314 (1B) of the Companies Act, 1956 is required by way of a Special Resolution in the General Meeting of the Company.

The Directors recommend passing of the resolution set out at Item No. 6 of the accompanying notice.

None of the Directors of the Company except Mr. Hasmukh R. Modi may be deemed to be concerned or interested in the said resolution.

Item No. 7 :

Mr. Niren M. Nagri was appointed as an Additional Director of the Company on 30th June, 2003 and pursuant to Section 260 of the Companies Act, 1956 holds office upto the ensuing Annual General Meeting of the Company. The Company is in receipt of notice in writing pursuant to Section 257 of the Companies Act, 1956, from members of the Company proposing the candidature of the above person as a Director of the Company.

Mr. Niren M. Nagri is a senior Chartered Accountant and the Company is likely to be greatly benefitted by his association with the Company in the capacity as a Director.

The Directors recommend passing of the resolution set out at Item No. 7 of the accompanying notice.

No Director, except Mr. Niren M. Nagri, may be deemed to be concerned or interested in the said resolution.

Place : Ahmedabad
Date : 30th June, 2003

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

18TH ANNUAL REPORT

DIRECTORS' REPORT

Dear Shareholders,

Your Directors present herewith their Eighteenth Annual Report for the year ended 31st March 2003 together with the Audited Accounts and the Auditors' Report thereon.

FINANCIAL RESULTS

	<u>Rs. in Lacs</u>	
	<u>2002-2003</u>	<u>2001-2002</u>
Sales and Other Income	34.11	27.75
Interest	0.12	1.44
Depreciation	2.32	2.73
Profit (Loss)	0.03	(4.80)
Balance Brought forward	(58.62)	(53.82)
Balance Carried to Balance Sheet	(58.59)	(58.62)
	=====	=====

The Sale during the year has increased from Rs. 25.89 Lacs to Rs. 31.53 Lacs. The increase is due to efforts put by the management. Your Directors are making efforts to enhance the sale of SMPS and other Products by concerted marketing efforts. Your Company has earned a Profit of Rs. 0.03 Lacs, as against a Loss of Rs. 4.80 Lacs during the previous year. The accumulated losses as at 31st March, 2003 stands reduced at Rs. 58.59 Lacs.

In view of meager profits, your Directors express their inability to recommend any dividend on Equity Shares of the Company for the year under review.

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 spent Foreign Currency of Rs. 4,61,144 consisting of Rs. 4,36,369 on account of Purchase of Raw Materials and Rs. 24,775 on account of 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.

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 :

- 1) in the preparation of the account for the financial year ended 31st March, 2003, the applicable accounting standards have been followed alongwith proper explanation relating to material departures.

STARVOX ELECTRONICS LIMITED

- 2) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- 3) the Directors have taken proper and sufficient care for the maintenance of adequate record in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 4) the Directors have prepared the accounts for the financial year ended 31st March, 2003 on a going concern basis.

DIRECTORS

Shri Gordhandas S. Patel and Shri Hasmukh R. Modi Directors retire by rotation and being eligible offer themselves for reappointment.

Shri Niren M. Nagri was appointed as an Additional Director of the Company on 30th June, 2003 to hold office upto the ensuing Annual General Meeting of the Company. You are requested to record your approval to the resolution for his appointment as regular Director of the Company.

You are requested to re-appoint them.

CORPORATE GOVERNANCE

The paidup Share Capital of the Company is less then Rs. 300 Lacs and therefore a report on pursuant to clause 49 of the Listing Agreement is not annexed.

AUDITORS

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

COMPLIANCE CERTIFICATE

In accordance with Section 383A of the Companies Act, 1956 and Companies (Compliance Certificate) Rules, 2001, the Company has obtained a Certificate from a Secretary in Whole-time Practice that the Company has complied with the provisions of the Companies Act, 1956 and a copy of such certificate is annexed to this report.

AUDITORS REPORT

With reference to the comments made by Auditors in their Report, the explanations given in the Notes on Accounts 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 : 30th June 2003

For and on behalf of Board of Directors
Jitendra C. Mehta
Chairman