

**STARVOX
ELECTRONICS
LIMITED**

**20th
ANNUAL
REPORT
&
ACCOUNTS
[2004-2005]**

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

Shri Rajan A. Patel, Additional Director

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
Regd. Office : B-5, GIDC Electronics Estate, Gandhinagar - 382 044

FORM OF PROXY

I/We _____
of _____ in the district of _____
being a member/members of the above named Company, hereby appoint _____
_____ in the district of _____ or failing him
_____ of _____ in the district of _____
_____ as my/our Proxy to attend and vote for me/us and on my/
our behalf at the Twentieth Annual General Meeting of the Company, to be held at 10.00 A.M. on
Thursday, the 22nd September, 2005 or at any adjournment thereof.

Signed this _____ day of _____ 2005.

Regd. Folio No. _____ Signature _____
No. of Shares held _____

Affix
15 Paise
Revenue
Stamp

Notes :

- (1) The form should be signed across the stamp as per specimen signature registered with the Company.
- (2) A proxy need not be a member.
- (3) The form thus completed should be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

STARVOX ELECTRONICS LIMITED
Regd. Office : B-5, GIDC Electronics Estate, Gandhinagar - 382 044

ATTENDANCE SLIP

Please complete the Attendance Slip and hand it over at the entrance of the Meeting Hall.

Regd. Folio No. _____ No. of Shares held _____

Full Name of the Shareholder : _____
[In Block Letters]

Full name of the Proxy : _____
[To be filed if the proxy attends instead of the Member]

I hereby record my presence at 20th Annual General Meeting of the Company, at Registered Office, at 10.00 A.M. on Thursday, the 22nd September, 2005.

Signature of the attending Member/Proxy : _____

- Note :**
- (1) Shareholders/proxyholders wishing to attend the Meeting must bring the Attendance Slip to the Meeting and hand over the same duly signed, at the entrance.
 - (2) Shareholders/proxyholders disiring to attend the Meeting should bring their copy of the Annual Report, as spare copies will not be available in the Meeting.

STARVOX ELECTRONICS LIMITED

NOTICE

NOTICE is hereby given that the Twentieth Annual General Meeting of STARVOX ELECTRONICS LTD. will be held on Thursday, the 22nd day of September, 2005, 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, 2005 and the Profit & Loss Account for the year ended on 31st March, 2005, together with the Directors' and Auditors' Report thereon.
- 2) To appoint a Director in place of Shri Kandarp R. Kinariwala, 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 2005-2006 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 Mr. Rajan A. Patel, who was appointed as an Additional Director of the Company on 31st March, 2005 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."

By order of the Board Of Directors

Jitendra C. Mehta
Managing Director

Place : Ahmedabad
Date : 30th June, 2005

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 17th day of September, 2005 to Thursday, the 22nd day of September, 2005 (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.

STARVOX ELECTRONICS LIMITED**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 and above 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 2005-2006 to furnish a Compliance Certificate for the Company.

Item No. 6 :

Mr. Rajan A. Patel was appointed as an Additional Director of the Company on 31st March, 2005 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 member of the Company proposing the candidature of Mr. Rajan A. Patel, as Director of the Company.

Mr. Rajan A. Patel is a leading Industrialist and the Company is likely to be greatly benefited by his association with the Company in the capacity as a Director.

The Directors recommend passing of the resolution set out at Item No. 6 of the accompanying notice. No Director, except Mr. Rajan A. Patel, may be deemed to be concerned or interested in the said resolution.

By order of the Board Of Directors

Place : Ahmedabad

Date : 30th June, 2005

Jitendra C. Mehta

Managing Director

DIRECTORS' REPORT

Dear Shareholders,

Your Directors present herewith their Twentieth Annual Report for the year ended 31st March 2005 together with the Audited Accounts and the Auditors' Report thereon.

FINANCIAL RESULTS

Rs. in Lacs

	<u>2004-2005</u>	<u>2003-2004</u>
Sales and Other Income	23.05	39.34
Interest	0.87	0.44
Depreciation	2.02	2.09
Profit (Loss)	(3.24)	5.19
Balance Brought forward	(53.40)	(58.59)
Balance Carried to Balance Sheet	(56.64)	(53.40)
	=====	=====

The Sales during the year has decreased from Rs. 36.34 Lacs to Rs. 21.30 Lacs. The decrease is due to market situation and competition with Imported goods. Your Directors are making efforts to enhance

the sale of SMPS and other Products by concerted marketing efforts. Your Company has incurred a Loss of Rs. 3.24 Lacs, as against a Profit of Rs. 5.19 Lacs during the previous year. The accumulated losses as at 31st March, 2005 stands increased at Rs. 56.64 Lacs.

In view of accumulated losses, 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. 1,32,828 on account of Purchase of Raw Materials and has earned Rs. 63,997 on account of sale of SMPS.

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, 2005, the applicable accounting standards have been followed alongwith proper explanation relating to material departures.
- 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, 2005 on a going concern basis.

DIRECTORS

Shri Kandarp R. Kinariwala and Shri Hasmukh R. Modi Directors retire by rotation and being eligible offer themselves for reappointment. You are requested to re-appoint them.

Shri Rajan A. Patel was appointed as an Additional Director of the Company on 31st March, 2005 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.

CORPORATE GOVERNANCE

The paidup Share Capital of the Company is less than Rs. 300 Lacs and therefore a report on Corporate Governance 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

STARVOX ELECTRONICS LIMITED

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 2005

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

COMPLIANCE CERTIFICATE

Registration No. of the Company : 04/08539/1986-87
Nominal Capital : Rs. 1,00,00,000/-

To,
The Members,
STARVOX ELECTRONICS LIMITED
B-5, GIDC Electronics Estate
Gandhinagar - 382 044

We have examined the registers, records, books and papers of **M/S STARVOX ELECTRONICS LIMITED**, as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2005**. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year :

- 1) The Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
- 2) The Company has filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
- 3) The Company being a Public Company comments are not required.
- 4) The Board of Directors met seven times on 29th April, 2004, 30th June, 2004, 31st July, 2004, 16th September, 2004, 29th October, 2004, 28th January, 2005 and 31st March, 2005 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minute Book maintained in Loose Leaf Form.
- 5) The Company has closed its Register of Member from 11th September, 2004 to 16th September, 2004 and necessary compliance of Section 154 of the Act has been made.
- 6) The Annual General Meeting for the financial year ended on 31st March, 2004 was held on 16th September, 2004 after giving due notice to the members of the Company and the resolutions passed thereat were recorded in the Minutes Book maintained for the purpose.
- 7) No Extra Ordinary General Meeting was held during the financial year.
- 8) The Company has not advanced loans to its Directors or persons or firms or companies referred in Section 295.