

**STARVOX
ELECTRONICS
LIMITED**

**27th
ANNUAL
REPORT
&
ACCOUNTS**

[2011-2012]

STARVOX ELECTRONICS LIMITED

Board of Directors

Shri Jitendra C. Mehta,	Managing Director
Shri Kandarp R. Kinariwala	Director
Shri Chandrakant P. Mehta	Director
Shri Gordhandas S. Patel	Director
Shri Shirish G. Patel	Director
Shri Hasmukh R. Modi	Director
Shri Asit R Shah	Additional Director

Auditors

M/S BPA & Company
Chartered Accountants
Ahmedabad

Bankers

State Bank Of India
Bank Of Baroda

Registered Office

Plot No. 39, Opp. Amraiwadi Talavadi,
AEC Zonal Office Road, Amraiwadi,
Ahmedabad - 380 026. (India)

STARVOX ELECTRONICS LIMITED

NOTICE

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the members of Starvox Electronics Limited will be held on Thursday, the 27th day of September, 2012 at 10.00 a.m. at the Registered office of the Company at Plot No. 39, Opp. Amraiwadi Talawadi, AEC Zonal Office Road, Amraiwadi, Ahmedabad – 380 0026 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2012 and the Profit & Loss Account for the period ended on that date, together with the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Gordhandas S. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Hasmukh R. Modi, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT M/s. BPA & Company, Chartered Accountants, Ahmedabad (Membership No. 31122) be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

SPECIAL BUSINESS:

5. To consider and if thought fit to pass with or without modification the following resolution as 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 2011- 2012 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 Ordinary Resolution:
"RESOLVED THAT Mr. Asit R Shah, who was appointed as an Additional Director of the Company with effect from 20th December, 2011 and holds office up to the ensuing Annual General Meeting of the Company under Section 260 of the Companies Act, 1956 and in respect of who the Company has received a notice in writing 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 Directors by rotation."

PLACE: AHMEDABAD
DATED: 30th May, 2012

BY ORDER OF THE BOARD OF DIRECTORS
JITENDRA C. MEHTA
MANAGING DIRECTOR

NOTES:

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 effective, should be lodged at the Registered Office of the Company not later than 48 hours of the time of the Annual General Meeting.
2. The Register of Members and Share transfer books shall remain closed from 20th September 2012 to 27th September, 2012 (both days inclusive).

STARVOX ELECTRONICS LIMITED

3. Members are requested to intimate the change in their addresses, if any, immediately to the Company.
4. Members are requested to bring their copy of the Annual Report at the meeting.
5. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item No. 5 and 6 are enclosed.
6. The Shares of the Company are listed at Ahmedabad and Bombay Stock Exchanges.

EXPLANATORY STATEMENT

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

Item No. 5:

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 2012-2013 to furnish a Compliance Certificate for the Company.

None of the Director of the Company is in any way concerned or interested in the resolution.

Item No. 6:

Mr. Asit R. Shah was appointed as Additional Director of the Company at the meeting of the Board of directors of the Company held on 20th December, 2011. Pursuant to Section 260 of the Companies Act, 1956, he holds office up to the ensuing Annual general Meeting of the Company. The Company is in receipt of a Notice from a member of the Company under Section 257 of the Companies Act, 1956 proposing his candidature for the office of director, liable to retire by rotation along with a deposit of Rs. 500/-. Mr. Shah is having long business experience. His experience would help the company to expand business activities.

Your directors recommend passing of the resolution set out at item No. 6 of the accompanying notice for your approval. None of the directors of the Company, except Mr. Asit R. Shah may be deemed to be concerned or interested in the resolution.

PLACE: AHMEDABAD
DATED: 30th May, 2012

BY ORDER OF THE BOARD OF DIRECTORS
JITENDRA C. MEHTA
MANAGING DIRECTOR

DIRECTORS' REPORT

Dear Shareholders.

Your Directors have pleasure in presenting the **Twenty Seventh** Annual Report for the year ended 31st March, 2012.

FINANCIAL PERFORMANCE

	(Rs.)	
	Current Year 2011-2012	Previous Year 2010-2011
Total Income	22,21,363	63,51,566
Financial Expenses	12,390	4,844
Depreciation	1,41,246	1,53,768
Profit/ (Loss) Before Taxation	(7,48,500)	35,91,211
Less: Provision for Income Tax	NIL	7,65,000
Less: Provision for Deferred Tax	NIL	NIL
Profit After Taxation	(7,48,500)	28,26,211
Less: Prior Period adjustment	NIL	NIL
Transfer to General Reserve	NIL	NIL
Surplus Brought Forward	(49,78,778)	(78,04,989)
Balance carried to balance Sheet	(57,27,278)	(49,78,778)

The sales and other income during the year has decreased from Rs.63,51,566/- to Rs. 22,21,363/- Your Directors are making strenuous efforts to enhance the sale of SMPS and other Products by concerted marketing efforts. Your Company has suffered a Loss of Rs.7,48,500/- in current year against a profit of Rs. 35,91,211/- in the previous year. The accumulated losses as at 31st March, 2012 stands increased to Rs.57,27,278/-.

With a view to conserve resources, your Directors have decided not to recommend any dividend on Equity Shares of the Company for the year under review.

DEPOSITS

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

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

The particulars regarding Conservation of Energy and Technology Absorption pursuant to Section 217(1) (e) of the Companies Act, 1956 are Nil. The Company has spent foreign currency of Rs. 1,29,144/- on account of purchase of raw material, and Rs. 25,000/- on traveling expense.

PARTICULARS OF EMPLOYEES

There is no employee who is in receipt of remuneration exceeding the limits specified under Section 217(2A) of the Companies Act, 1956 and hence the information required there under is not given.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm:

- that in the preparation of Annual Accounts, the applicable Accounting Standards except AS-2 regarding Valuation of Inventories, as reported by the Auditors, have been followed and that no material departures have been made from the same;
- that they have selected such Accounting Policies and applied them consistently and made judgments and estimates that are 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 that period;
- that they have taken proper and sufficient care for the maintenance of adequate accounting records 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;
- That they have prepared the Annual Accounts on a Going concern basis

DIRECTORS

Mr. Gordhandas S. Patel and Mr. Hasmukh R. Modi, the Directors retire by rotation at this Annual General Meeting and being eligible, offer themselves for reappointment. Mr. Asit R. Shah was appointed as Additional director of the Company with effect from 20th December, 2011. You are requested to accord your approval for their reappointments.

CORPORATE GOVERNANCE

The paid up 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. BPA & Company, Chartered Accountants, Ahmedabad retires at the ensuing Annual General Meeting and is eligible for re-appointment. You are requested to re-appoint the said Auditors and fix their remuneration

The observations made by the Statutory Auditors of the Company in their report are dealt with in the notes on accounts of the company, which are self explanatory

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.

ACKNOWLEDGEMENT

The Board of Directors wishes to express its appreciation for the co-operation received from the Bankers, customers and the employees of the Company and look forward to their continued support in the years to come

Place : Ahmedabad
Date : 30th May, 2012

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

Management Discussions & Analysis

- (A) The present market conditions and peer group review reveal that there is a space and scope for developing the business and to get the momentum. A Business unit with adequate technologies and network eyes the better future prospects for growth. For this, huge funds, material technologies and manpower are pre requisites. Considering this, the SWOT analyses reveal:

Opportunity:

Opportunities in terms of space and scope are there to catch the track of growth. In liberal market conditions, companies with strong technology and finance back up are likely to gain.

Risk Factors:

The Risk factor is but naturally involved in any type of industry including market risk. For the company, Constant threat of obsolete technologies and deficit of funds fears the management to stand in the competitive market. However, the company is under process to shake the hands with other corporate to gain the competitive stand and thereby to overcome the market risk.

Future Outlook:

The Company foresees some strategic decision with the other corporate to overcome the stringent condition of the Company and thereby hopes to get a stand in the competitive market. That expects the business operation to resume soon during the year.

(B) Internal Control System and their Adequacy:

The Internal Control System comprises of exercising control at various stages and is established in order to provide reasonable assurance for:

- i) Safeguarding Assets and their usage,
- ii) Maintenance of Proper Accounting Records and,
- iii) Adequacy and Reliability of the information used for carrying on Business Operations.

The Managing Director handles most of the day-to-day functions. The Directors are regularly looking after all the key areas of the Operations. Additionally the Audit Committee is reviewing all Audit Plans with significant control over all the matters and issues, internal control etc.

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Code of Governance:

As per the listing agreement clause 49 this report on Corporate Governance is given in order to enable the shareholders to get a true and fair view of the company's policies and procedures. The main aim of the company is to act in the best interest of its shareholders, customers, employees and society.

Your company has been providing a true and fair view of its accounts and policy matters to the shareholders through full transparency and full disclosure. For the company, its' shareholders interests are on the first priority of consideration while taking any decision.

Name of Director	Designation	Attendance Particulars		Total Nos. of other Directorship and Membership	
		BM	AG M	Directorship	Committee Memberships
Kandarp Kinariwala	Director	7	1	6	2
Jitendra Mehta	Managing Director	7	1	1	2
Chandrakant Mehta	Director	7	1	1	1
Gordhanbhai Patel	Director	2	1	1	-
Hasmukhlal Modi	Director	-	-	1	-
Shirish Patel	Director	-	-	1	-
Asit Shah (w. e. f. 20.12.11)	Director	2	-	1	2

During the year under review, seven Board Meetings were held during the year 2011 - 12. The dates on which the meeting held were as follows: 29.04.2011, 30.05.2011, 30.07.2011, 22.09.2011, 31.10.2011, 20.12.2011, 30.01.2012. The maximum time gap between any two meetings was not more than four calendar months. None of the directors of the company was a member of more than 10 committees nor was the chairman of more than 5 committees across all companies in which he/she was a director.

2. Audit Committee:

The Board of Directors of Starvox Electronics Limited has constituted an Audit Committee, comprising of the following directors. The terms of reference of the committee are as provided under the Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The committee verifies the accounting policies framed by the company and gives suggestions for modification of the same as and when required. The committee also overlooks the internal audit section of the company. The committee met on the following dates to go through the company's accounting policies and presentations.

Composition and Attendance of Audit Committee

Name of Members of Audit Committee	Designation	28.04.11	30.05.11	30.07.11	31.10.11	30.01.12
Mr. Kandarp Kinariwala	Chairman	√	√	√	√	√
Mr. Asit shah	Director	-	-	-	-	√
Mr. Jitendra Mehta	Director	√	√	√	√	√
Mr. Chandrakant Metha	Director	√	√	√	√	√

3. Remuneration of Directors and details of Director's Shareholding

The Company has not set up the Remuneration committee. The company needs to disclose all pecuniary relationship or transactions of the executive & non-executive director's vis-a-vis the company.

The Company shall disclose the number of shares and convertible instruments held by non-executive directors in the annual report.

Details of Director's Shareholding in the Company are as follows:

Sr. No.	Details of present directors	No. of Shares
1.	Kandarp Kinariwala	100
2.	Jitendra Mehta	57,600
3	Hasmukhlal Modi	56000
4	Shirish Patel	76750
5	Asit Shah	200
6	Chandrakant Mehta	NIL
7	Gordhanbhai Patel	NIL

4. **Code of Conduct:**

The Board of directors of your company have laid down a code of conduct ("the Code") applicable to all Board of members and senior management personnel of your company. A declaration from the Managing Director of your company to the effect that all Board members and senior management personnel of your company have affirmed compliance with the Code forms a part of this Report.

5. **Declaration:**

As provided under Clause 49 of Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2012.

6. **Investor Grievance Committee:**

The Company has a Shareholder's/Investor's Grievance Committee comprising of Shri Asit Shah, Shri Kandarp Kinariwala and Shri Jitendra Mehta, directors of the company. The Committee inter alia approves issue of duplicate share certificates and oversees and reviews all matters connected with the securities transfer. The Committee also looks into redressal of shareholders complaints like transfer/transmission of shares, non- receipt of Annual Report, non receipt of declared dividends, etc. Shri Asit shah acts as the Chairman of the Committee. The Board has designated Shri Jitendra Mehta as the Compliance Officer.

There were no investor's complaints pending with the Company as on 31/03/2012.

8. **Details of last three AGM**

Year	Date	Time	Venue
2010-11	22/09/11	10.00 am	Registered office of the Company
2009-10	23/09/10	10.00 am	Registered office of the Company
2008-09	24/09/09	10.00 am	Registered office of the Company

During the year ended on 31st March, 2012 there have been no resolutions passed by the Company's shareholders through postal ballot.

9. **Disclosure:**

(i) **Disclosure on materially significant related party transactions:**

There are no transactions with related parties conflicting with the interest of the company at large.

(ii) **Details of non-compliance by the company, penalties and strictures imposed on the Company by the Stock Exchange or SEBI or any Statutory Authorities on any matter related to capital markets during the last 3 years:** None in last three years.

(iii) **Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices:**