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Annual Report 1996-97

Board of Directors

Kartikeya V. Sarabhai
Chairman
 Ajay R. Mehta
Vice-Chairman
 Anand S. Sarabhai
 CVS Narayanan
 Himanshu B. Dave
 Kshitish J. Divatia
 KVM Yerkadithaya
 Vinodchandra C. Shah

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Auditors

Messrs Sorab S Engineer & Co.
 Chartered Accountants
 Ismail Building
 381, Dr. D. Naoroji Road,
 Fort, Mumbai.

Report  Junction.com

Sarabhai Electronics Limited

Regd. Office : Wadi Wadi, Baroda 390 007.

Notice

The Twenty First Annual General Meeting of the Company will be held on Thursday, the 18th September, 1997 at 11.00 A.M. at Vanijya Bhavan, Race Course, Baroda to transact the following business :

Item 1

To receive, consider and adopt the Directors' Report and Audited Profit and Loss Account for the year ended 31.3.1997 and the Balance Sheet of the Company as on that date.

Item 2

To appoint a Director in place of Dr. H. B. Dave who retires by rotation and being eligible offers himself for re-appointment.

Item 3

To appoint a Director in place of Mr. KVM Yerkadithaya who retires by rotation and being eligible offers himself for re-appointment.

Item 4

To appoint Messrs Sorab S. Engineer & Co. Chartered Accountants, Mumbai as Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business :

To consider and if thought fit to pass with or without modifications, the following resolutions.

Item 5

To appoint a Director in place of Mr. Ajay R. Mehta who holds office of a Director upto a date of this Annual General Meeting and being eligible offers himself for re-appointment.

Item 6

To appoint a Director in place of Dr. Anand Sarabhai who holds office of a Director upto a date of this Annual General Meeting and being eligible offers himself for re-appointment.

By Order of the Board of Directors,

CVS Narayanan

Director.

23rd June, 1997

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 A PROXY NEED NOT BE A MEMBER.
2. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of business under items 5 & 6 set out above is annexed hereto.
3. Pursuant to Section 154 of the Companies Act, 1956, the Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 16th September, 1997 to Thursday, the 18th September, 1997 (both days inclusive).
4. Members are requested to -
(i) bring their copy of the Annual Report at the Meeting and

- (ii) notify change in their Address, if any, at the earliest.

Explanatory Statement

required under Section 173 of the Companies Act, 1956, to accompany the notice of Twenty First Annual General Meeting of the Company.

Item 5 & 6

The Board of Directors of the Company, now at its meeting held on 29th March, 1997 appointed Mr. Ajay R. Mehta and Dr. Anand Sarabhai as Additional Directors on the Board of Directors of the Company. In terms of the provisions of Section 260 of the Companies Act, 1956, each of them hold office of a Director only upto the date of ensuing Annual General Meeting of the Company, but they are eligible for re-appointment. As required under Section 257 of the Companies Act, 1956, notices have been received from a member signifying his intention to propose their names for the office of Directors. The Board of Directors considers it desirable that the company continues to avail of the services of Mr. Ajay R. Mehta and Dr. Anand Sarabhai as Directors of the Company. Mr. Ajay R. Mehta and Dr. Anand Sarabhai may be considered to be interested in the respective resolutions. Your Directors commend the Resolutions as set out in the accompanying notice.

By order of the Board of Directors,

CVS Narayanan

Director.

23rd June, 1997.

Directors' Report

To the Shareholders,

Your Directors present the Annual Report and Audited Statement of Accounts for the year ended on 31.3.1997. The financial results are :

	1996-97 Rs.lakh	1995-96 Rs.lakh
Turnover.....	257.09	209.95
Expenditure.....	234.09	210.36
Gross Profit/(Loss).....	23.00	(0.41)
Interest	0.64	0.11
Depreciation.....	10.99	8.71
Net Profit/(Loss).....	11.37	(9.23)

In view of the charge to the accounts of prior years adjustments of Rs.15.06 lakh, your Directors regret their inability to recommend payment of any dividend.

There was an increase of about 22% in the turnover of the Company and the profit for the year was Rs.11.37 lakh compared to a loss of Rs.9.23 lakh during the earlier year. The Software Development Centre has achieved a turnover of Rs.177.49 lakh during the year under report compared to Rs.146.57 lakh during the earlier year. However the profitability of this operation has been under pressure.

Action has already been initiated to revamp and restructure the Software Development Centre at Noida and also to increase the number of consultants. Efforts are also being made to increase placement of consultants in US, the major software importing country.

The application made by your Company for subscribing to the share capital of ORG Systems Inc., USA, is being followed up.

Mr. Ajay R. Mehta and Dr. Anand Sarabhai were appointed as Additional Directors of your Company with effect from 29th March, 1997. Pursuant to the provisions of Section 260 of the Companies Act, 1956, they hold office upto the ensuing Annual General Meeting of your Company. Being eligible, both of them offer themselves for reappointment. Notices as required under Section 257 of the Companies Act, 1956, have been received from a member proposing their candidatures as Director.

Mr. Ajay R. Mehta was the Vice Chairman of PSI Data Systems, a subsidiary of Bull Corporation, USA. Dr. Anand Sarabhai has wide experience in Scientific Research and has varied business connections.

Dr. H. B. Dave and Mr. KVM Yerkadithaya retire by rotation and being eligible offer themselves for reappointment.

The Company has no unpaid/unclaimed deposits.

The Buildings, Plant and Machinery and Stock-in-trade have been adequately insured. The Company carries a risk for certain assets like

goods in transit in respect of which any loss resulting from non-insurance is small.

The Auditors, Messrs Sorab S Engineer & Co. retire at the conclusion of the ensuing Annual General Meeting and offer themselves for reappointment. Members are requested to appoint and fix their remuneration.

The information required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is appended herewith and forms part of this report.

Your Directors record their appreciation of the services of the employees in furthering the Company's interest.

For and on behalf of the Board of Directors,

Kartikeya V. Sarabhai
Chairman
23rd June, 1997.

ANNEXURE TO DIRECTORS' REPORT

Information required under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

A. Conservation of Energy

Although the Computer Services Industry as such is not an energy intensive industry, efforts are being made continuously by the Company for the conservation of energy through improved operational methods and other means.

B. Form of Disclosure of Particulars with respect to Absorption of Technology, Research & Development (R&D).

FORM B

1. Research and Development	Not Applicable
2. Foreign Exchange Earnings/Outgoings	Rs. lakh
Foreign Exchange Earnings	104.36
Foreign Exchange Expenditure	56.64