

# SARABHAI ELECTRONICS LIMITED

MD	✓		BKG	✓
CS	✓		DPY	✓
ED	✓		DIV	✓
TRA	✓		AC	✓
ACM	✓	✓	SEI	✓
TE	✓	✓		

Annual Report 1997-98

**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, Vadodara 390 007.

### Notice

The Twenty Second Annual General Meeting of the Company will be held on Thursday, the 24th September, 1998 at 11.00 A.M. at Vanijya Bhavan, Race Course, Vadodara 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 31.3.1998 and the Balance Sheet as on that date.

#### Item 2

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

#### Item 3

To appoint a Director in place of Dr. V. C. Shah, 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 the 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 resolution.

#### Item 5 - Special Resolution

"RESOLVED THAT pursuant to the provisions of Section 370 and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company for giving any guarantee or providing any security in connection with any loans availed of/ to be availed of by any body corporate, from time to time, upon and subject to such terms and conditions as the Board may deem fit, provided that the aggregate outstanding liabilities of the Company in respect of such guarantees or securities shall not exceed the sum of Rs.20 Crore at any point of time."

By Order of the Board of Directors,

CVS Narayanan  
Director.  
29th July, 1998

#### 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 item 5 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 16.9.1998 to 24.9.1998 (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 Second Annual General Meeting of the Company.

#### Item 5

As members are aware, in course of Company's business, at times, it becomes necessary for the Company to give guarantees or to provide securities favouring Financial Institutions, Banks and Government/Semi Government Authorities for securing them against any loan(s) taken/to be taken by any other Bodies Corporate(s).

Section 370 of the Companies Act, 1956, requires prior approval of members by a special resolution for giving any such guarantee or for providing any security as aforesaid.

It is therefore proposed at item 5 of the Notice to authorise the Board of Directors of the Company to provide such guarantee/ security, provided that the aggregate outstanding amount of such guarantee/security shall not exceed Rs.20 Crore at any point of time.

The Directors commend the resolution as set out at item 5 of the accompanying Notice.

By Order of the Board of Directors,

CVS Narayanan  
Director.  
29th July, 1998.

## Directors' Report

To the Shareholders,

Your Directors present the Annual Report and Audited Statement of Accounts for the year ended on 31.3.1998. The financial results are :

	1997-98 Rs.lakh	1996-97 Rs.lakh
Turnover .....	172.90	257.09
Expenditure .....	213.07	234.09
Gross Profit/(Loss) .....	(40.17)	23.00
Interest .....	0.22	0.64
Depreciation .....	10.93	10.99
Net Profit/(Loss) .....	(51.32)	11.37

On account of loss incurred by the Company during the year under report, your Directors regret their inability to recommend payment of any dividend.

There was decrease in the turnover of the Company and the loss for the year was Rs.51.32 lakh compared to a profit of Rs.11.37 lakh during the earlier year. The loss incurred by the Company was mainly due to termination of a major software export order. The facility at Noida for export of Software is highly underutilised. There has also been a fall in the number of placement of men abroad. Necessary actions are being initiated to correct this.

To accelerate the growth of the Company, and to strengthen the export market, your Company has identified and launched a new area of operation viz. "ORG-GIS". "ORG-GIS" is positioned to focus on the high end solution business of the rapidly evolving global Geographic Information System Market.

Your Directors propose to place before the members a resolution to enable the Board of Directors to give guarantees and to provide securities for Bodies Corporate favouring Financial Institutions, Banks and Government/ Semi-Government authorities, upto an aggregate limit of Rs. 20 Crore.

Mr. CVS Narayanan and Dr. V.C. Shah 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,

Kartikya V. Sarabhai  
Chairman  
29th July, 1998.

## 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	: 38.95
Foreign Exchange Expenditure	: 15.89