



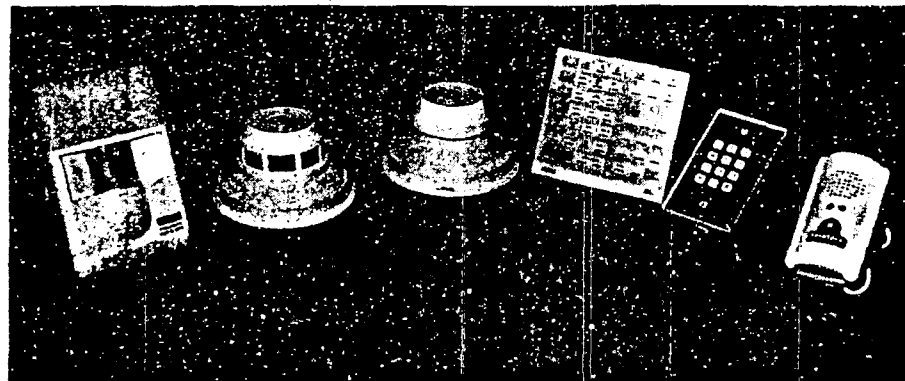
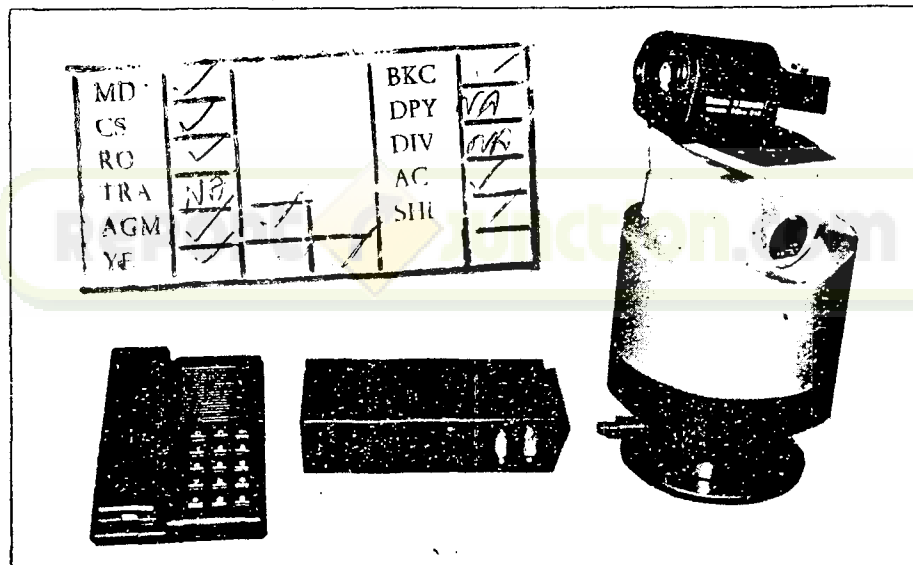
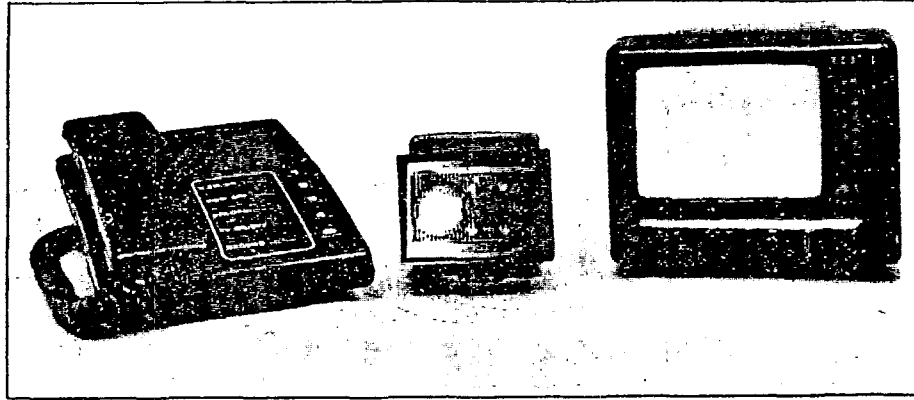
SPARC SYSTEMS LIMITED

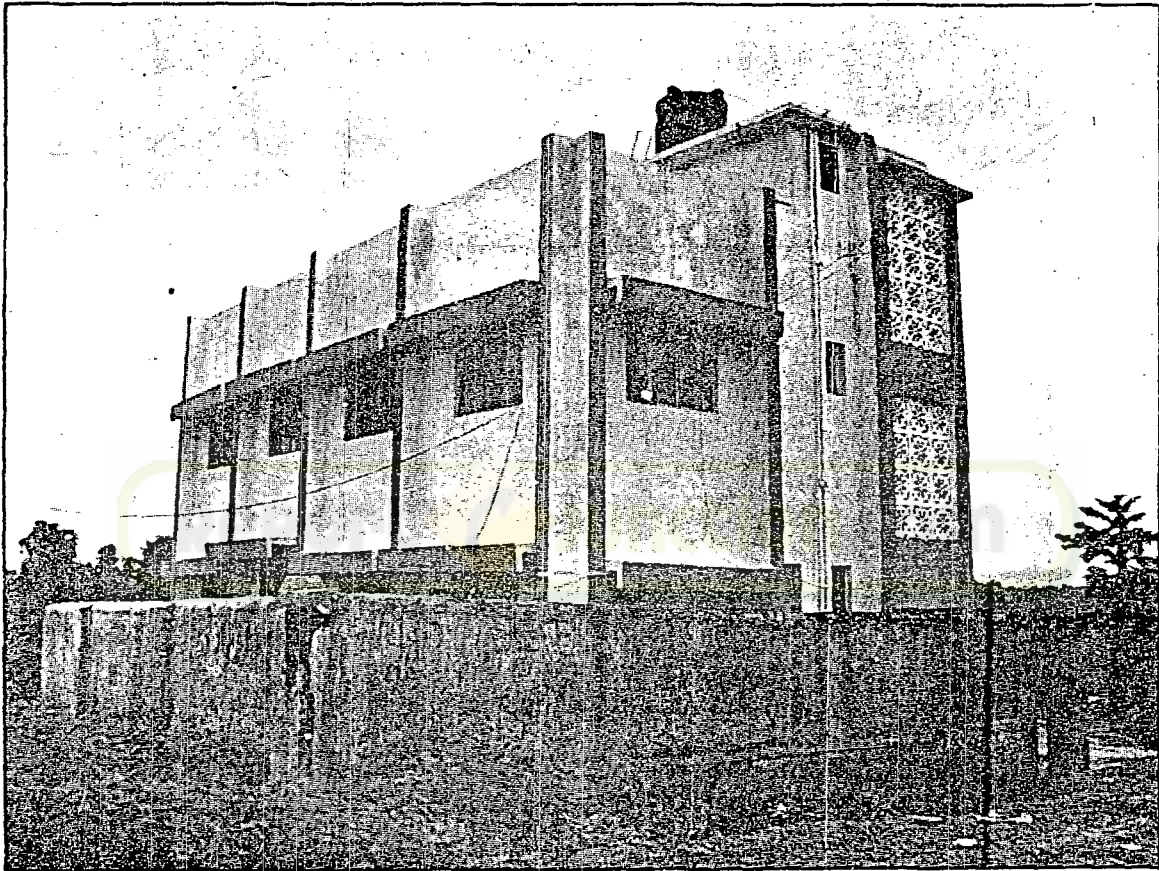
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ANNUAL REPORT 1996-97

For SPARC SYSTEMS LTD.

J.T.D'SOUZA
Managing Director.





SPARC SYSTEMS LTD.**BOARD OF DIRECTORS**

J. T. D'souza- Chairman & Managing Director
 Anand Raj Jain - Director
 Zafar Ali Khan - Wholetime Director
 Ajay Munsif - Director
 Ms. Punit Neb - Wholetime Director
 Ramesh J. Sukadia - Director
 T. Vivek Menon - Director
 Sriram Iyer - Director
 Ralph D'souza - Director

COMPANY SECRETARY

P. G. Potdar

BANKERS

Union Bank of India
 Indian Overseas Bank
 Oriental Bank of Commerce

AUDITORS

M/s. Bhandari Pradeep & Co., Chartered Accountants, Mumbai

REGISTERED OFFICE

#1 Bussa Estate, Century Bazaar Lane,
 Prabhadevi, Mumbai - 400 025.

WORKS

Plot No. 10, Survey No. 118/1 & 118/2,
 Village Pundhe, Tal. Shahpur, Dist. Thane

CERTIFIED TRUE COPY

For SPARC SYSTEMS LTD.

J. T. D'SOUZA

Managing Director.

NOTICE

NOTICE is hereby given that the Eighth Annual General Meeting of SPARC SYSTEMS LIMITED will be held at 10.30 a.m. on Saturday September 27, 1997 at #1 Bussa Estate, Century Bazaar Lane Prabhadevi, Mumbai - 400 025 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 1997 and the Profit & Loss Account for the year ended on that date alongwith the Directors' and Auditors' Report thereon
2. To appoint a Director in place of Mr. Ajay Munsif and Mr. Ralph D'souza, who retire by rotation and being eligible offer themselves for reappointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

4. To consider, and if thought fit, to pass the following resolution as a Special Resolution with or without modifications:-
 "RESOLVED that consent be given to the Company to withdraw the Listing arrangement with the Bangalore Stock Exchange pertaining to 50,40,000 Equity Shares of the Company."
 "RESOLVED FURTHER that any one of the Directors be and are hereby authorised to do all acts, deeds and things as may be necessary and to execute all documents and papers as required by the said Stock Exchange, in this behalf."

NOTES:**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT**

The following Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 sets out all the material details in respect of the items of Special Business in the accompanying Notice.

ITEM No. 4

At present Equity Shares of the Company are listed at the Mumbai, Bangalore and Ahmedabad Stock Exchanges. It is desired by the Directors to withdraw the Listing arrangement with the Bangalore Stock Exchange pertaining to 50,40,000 Equity Shares of the Company.

None of the Directors are interested in this Resolution except to the extent of the Equity Shares held by them.

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The instrument appointing Proxy should be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from September 25, 1997 to September 27, 1997, both days inclusive.

For & on behalf of the Board of Directors

P. G. POTDAR
 COMPANY SECRETARY

Mumbai, August 28, 1997

DIRECTORS' REPORT

To,
The Members,
SPARC SYSTEMS LTD.

Your Directors are pleased to present herewith their Eighth Annual Report with the Audited Statements of Accounts for the year ended 31st March, 1997.

The working results for the year under report with the corresponding figures for the previous year are as under:

	(Rs. in Lacs)	
	1996-97	1995-96
Profit / (Loss) before Depreciation & Tax	(2.82)	19.44
Less: Depreciation	7.78	4.42
Profit / (Loss) before tax	(10.60)	15.02
Less: Provision for tax	NIL	NIL
Profit / (Loss) after tax	(10.60)	15.02

PERFORMANCE V/s. PROJECTIONS:

As required under Clause 43 of the Listing Agreement comparison between the performance and projection made in the Prospectus dated September 21, 1995 is given below:

	(Rs. in Lacs)	
	Projections	Performance
- Sales	1550.38	19.83
- Other Income	95.00	13.00
- Depreciation	44.31	7.78
- Profit After Tax	99.23	(10.60)

In view of the losses incurred by the Company, your Directors regret their inability to declare any dividend.

The variation in the projected and actual performance is on account of the general economic recession and major recession in the construction industry.

REVIEW OF OPERATIONS AND FUTURE PROSPECTS:

During the year under review, the Company has launched the Gas Detector which is being accepted by the market. The Company has setup a branch office at Ahmedabad to strengthen marketing of the products.

The in house R&D division of the Company has successfully designed and developed a range of new products in keeping the current market demands. These products are scheduled to be launched in the market during the current year.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:

The information required under the Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 relating to conservation of energy, technology absorption, foreign exchange earning and outgo, forming part of this Report, is annexed.

EMPLOYEES:

Relations with Employees continue to be co-ordial through out the year. None of the Employees of the Company was in receipt of remuneration in exceeding the limit prescribed under Section 217(2A) of the Companies Act, 1956 read with the relevant rules made thereunder. Hence the particulars of such employees are not applicable.

DIRECTORS:

Pursuant to the provisions of the Companies Act, 1956 and Articles of Association, Mr. Ajay Munsif and Mr. Ralph D'souza shall retire by rotation at the ensuing Annual General Meeting and being eligible, they offer themselves for reappointment.

AUDITORS:

The Company's Auditors M/s. Bhandari Pradeep & Co., Chartered Accountants, retire at the conclusion of the ensuing General Meeting and being eligible offer themselves for reappointment.

ACKNOWLEDGEMENT:

Your Directors acknowledge with gratitude the co-operation and assistance extended to the Company by its Bankers, the Maharashtra State Financial Corporation, Shareholders and Employees.

For & on behalf of the Board of Directors

J. T. D'SOUZA

CHAIRMAN & MANAGING DIRECTOR

Mumbai, August 28, 1997