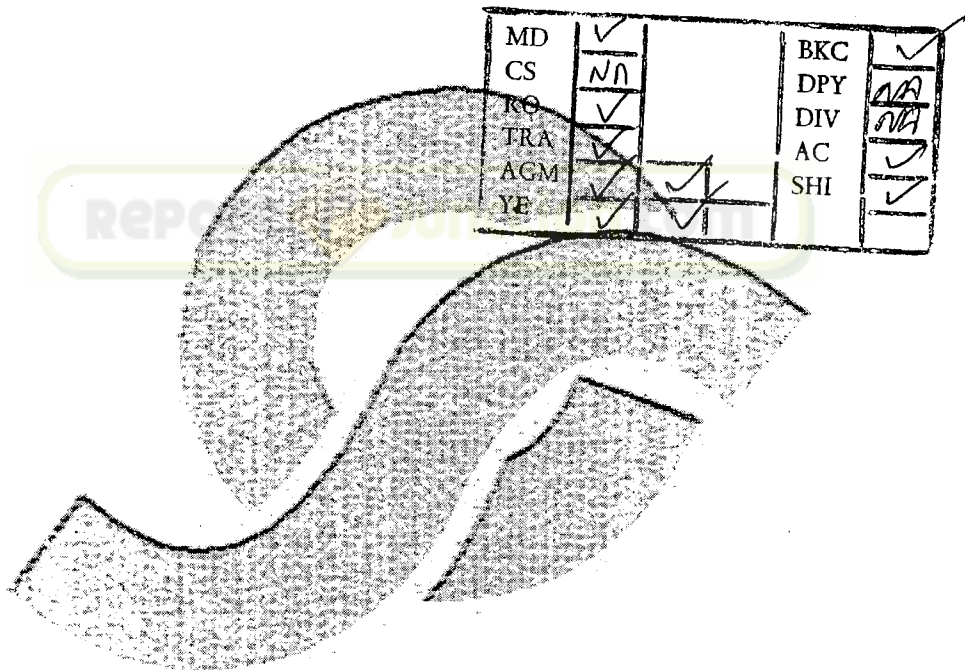




SCANA COLOR (INDIA) LIMITED



**21ST
ANNUAL REPORT 1997 - 98**

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21ST ANNUAL REPORT 1997-98

BOARD OF DIRECTORS	: Smt. Sushila Devi Birla, Chairperson. Smt. Nandita Damani Managing Director., Shri S.K.Saksena Shri Ajay Daga Shri Kamal Lakhota Shri Navkesh Batra Shri Ashok Kela
AUDITORS	: M/s. Dosi & Jain Chartered Accountants.
BANKERS	: Central Bank of India
REGISTERED OFFICE	: 125 T.V. Industrial Estate Opp. Hind Cycle, Pandurang Budhkar Marg, Worli Mumbai 400 025 INDIA. www.scanacolor.com
REGISTRARS AND SHARE: TRANSFER AGENT	: System Support Services 209, Shivai Industrial Estate 89 Andheri Kurla Road, Sakinaka, Andheri (E) Mumbai 400 072.

21ST ANNUAL REPORT, 1997-98	
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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 21st Annual General Meeting of the Shareholders of Scana Color (India) Limited will be held at 110, T.V. Industrial Estate, Opp Hind Cycle, Pandurang Budhkar Marg, Worli, Mumbai 400 025 on Wednesday September 30, 1998 at 11.30 a.m. to transact the following Business.

ORDINARY BUSINESS

1. To receive consider and adopt the Profit & Loss Account for the year ended March 31, 1998, the Balance Sheet as at that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Nandita Damani who retires by rotation and being eligible, offers herself for reappointment.
3. To appoint a Director in place of Shri Kamal Lakhota who retires by rotation and being eligible, offers for reappointment.
4. To reappoint Auditors M/s. Dosi & Jain Chartered Accountants, from the conclusion of this AGM until the conclusion of the next AGM.

By Order of the Board of Directors
For Scana Color (India) Limited

Place : Mumbai

Dated : 2nd September, 1998

Smt. NANDITA DAMANI
(Managing Director)

NOTES :

- (a) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and a proxy need not be a member of the company. Proxies in order to be effective must be received by the company not less than 48 hours before the meeting.
- (b) The Register of Members and Transfer Books of the company will be closed from Monday, September 21, 1998 to Saturday, September 26, 1998 both days inclusive.
- (c) Members are requested to immediately intimate to the Company any change in their address as registered with Company, mentioning the Pin Code number.
- (d) Members who hold shares in identical order of name in more than one Folio, are requested to write to the Company to enable consolidation of their Holdings in one Folio.
- (e) Members are requested to intimate to the company details, if any, required in relation to this Annual Report at least 7 (seven) days before the meeting to enable the Management keep the information ready at the meeting.
- (f) All documents referred to in the accompanying notice are open for inspection at the registered office of the Company on all working days between 11.00 a.m. to 1.00 p.m. upto the date of Annual General Meeting, except on Sunday and other Holidays
- (g) A member or his proxy is requested to produce at the entrance of the Meeting Hall Admission Slip forwarded to the Member duly completed and signed by the Member in accordance with the specimen signature registered with the Company. Xerox copy/torn Admission Slip will not be Accepted at the entrance of the Meeting Hall.

By Order of the Board of Directors
For Scana Color (India) Ltd.

Smt. Nandita Damani
Managing Director

Place : Mumbai

Dated : 2nd September, 1998

ANNUAL REPORT 1997-98**Director's Report****TO THE MEMBERS**

1. Your directors hereby present the Twenty First Annual Report with the Audited Accounts for the year ended 31st March, 1998.

2. Financial Results (Rs. in '000s)

	Current Year	Previous Year
Profit before depreciation & interest	4459	4351
Less : Depreciation	4156	4090
Interest	1173	1489
	<hr/>	<hr/>
Profit/(Loss) before tax	(870)	(1228)
Provision for tax	-	-
	<hr/>	<hr/>
Profit/(Loss) after tax	(870)	(1228)
Add : Balance B/F from previous Year	(893)	335
	<hr/>	<hr/>
Loss carried to Balance Sheet	1763	893
	<hr/>	<hr/>

3. Year in retrospect

During the year the Printing Industry has been reeling under an unprecedented crisis, occasioned by many factors, particularly by the recession in industry and business as a whole. Consequently, the Ad-spenders have drastically slashed their budgets, which were channelised more for TV, rather than for the Print media. Pre-press houses, like your company, are a service industry to Printing. As such, we have been affected even more drastically, resulting in unmet targets.

The Management has been successful in arranging tie-up with industrial houses and large printers. Both backward and forward integration is being undertaken to serve all aspects of service to the Media Industry.

4. Dividend

Your Directors do not recommend any dividend in view of loss incurred during the year ended 31st March, 1998.

5. Energy Conservation

The Company has taken effective steps to minimize power and fuel consumption at their unit.

6. Technology absorption

No technology was imported by the company during the year under review.

7. Research and Development

The Management of the company keeps itself abreast of the latest changes in this field by visiting the factories of the machinery manufacturers abroad as well as attending Trade Fairs from time to time.

8. Foreign Exchange Earnings and Outgoings.

Foreign Exchange Earnings Nil. The outgoing of Foreign Exchange during the year amounted to Rs. 16,81,771 as under:

Imported Raw Material	13,60,801
Membership & Subscription	8,963
Travelling expenses	31,2007

9. Statement under clauses 43 of the listing agreement with stock exchange
Comparison of the projections with the actual performance.

	Actuals	(Rs.in '000s) Projections as per prospectus dated 23rd May, 1994
Total Income	21930	47657
Profit before tax	(870)	26400
Profit after tax	(870)	17400

* Refer Note No. 3. for the explanation of the company not achieving its Projections.

10. Particulars of employees

As no employee is covered under section 217 (2A) of the Companies Act, 1956 read with Companies (particulars of Employees Rules, 1975), the relevant information is not applicable.

No provision is made by the company in respect of gratuity and leave salary payable to employees, as the same will be accounted in the year of payment.

11. Deposit

The company has not accepted any deposits from the public during the year under review.

12. Directors

Smt. Nandita Damani and Shri Kamal Lakhota, Directors of the company retire from the Board of Directors and being eligible offer themselves for re-appointment.

13. Auditors

M/s. Dosi & Jain Chartered Accountants, Statutory Auditors of the company retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

14. Change of Registered Office

The Company has changed its registered office from 812A, Embassy Centre, Nariman Point Mumbai 400 021 to 125, T.V. Industrial Estate, Opp. Hind Cycles, Pandurang Budhkar Marg, Worli, Mumbai - 400 025.

15. Acknowledgements

Your directors wish to place on record their appreciation to Industrial Development Bank of India and Central Bank of India for their continued support from time to time. Further the directors wish to thank the employees of the company without which it would not have been possible to run the company. The directors expect to receive the same cooperation from them in the future.

For and on behalf of the Board of Directors.

Smt. Nandita Damani
(Managing Director)

Place : MUMBAI,

Dated : 2nd September, 1998

ANNUAL REPORT 1997-98**AUDITOR'S REPORT**

The Members of

Scana Color (India) Limited

We have audited the attached Balance Sheet of SCANA COLOR (INDIA) LIMITED, as on 31st March, 1998 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto and report that:

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, and as per the information & explanations furnished to us and the books and records examined by us in the normal course of our audit, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet and Profit and Loss Account referred to in this Report are in agreement with the books of account.
 - d) In our opinion and to the best of our information and according to the explanation given to us, the said accounts and subject to Note (C) of Schedule 20 in respect of retirement benefits give the information as required by the Companies Act, 1956, in the manner so required and give a true and fair view :
 - i) In the case of Balance Sheet of the State of affairs of the Company as at 31st March, 1998 and
 - ii) In the case of Profit and Loss Account, of the losses of the Company for the year ended on that date.

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For DOSI & JAIN
Chartered Accountants

(CHANDRESH G. GANDHI)
Partner

Place : Mumbai

Dated : 2nd September, 1998