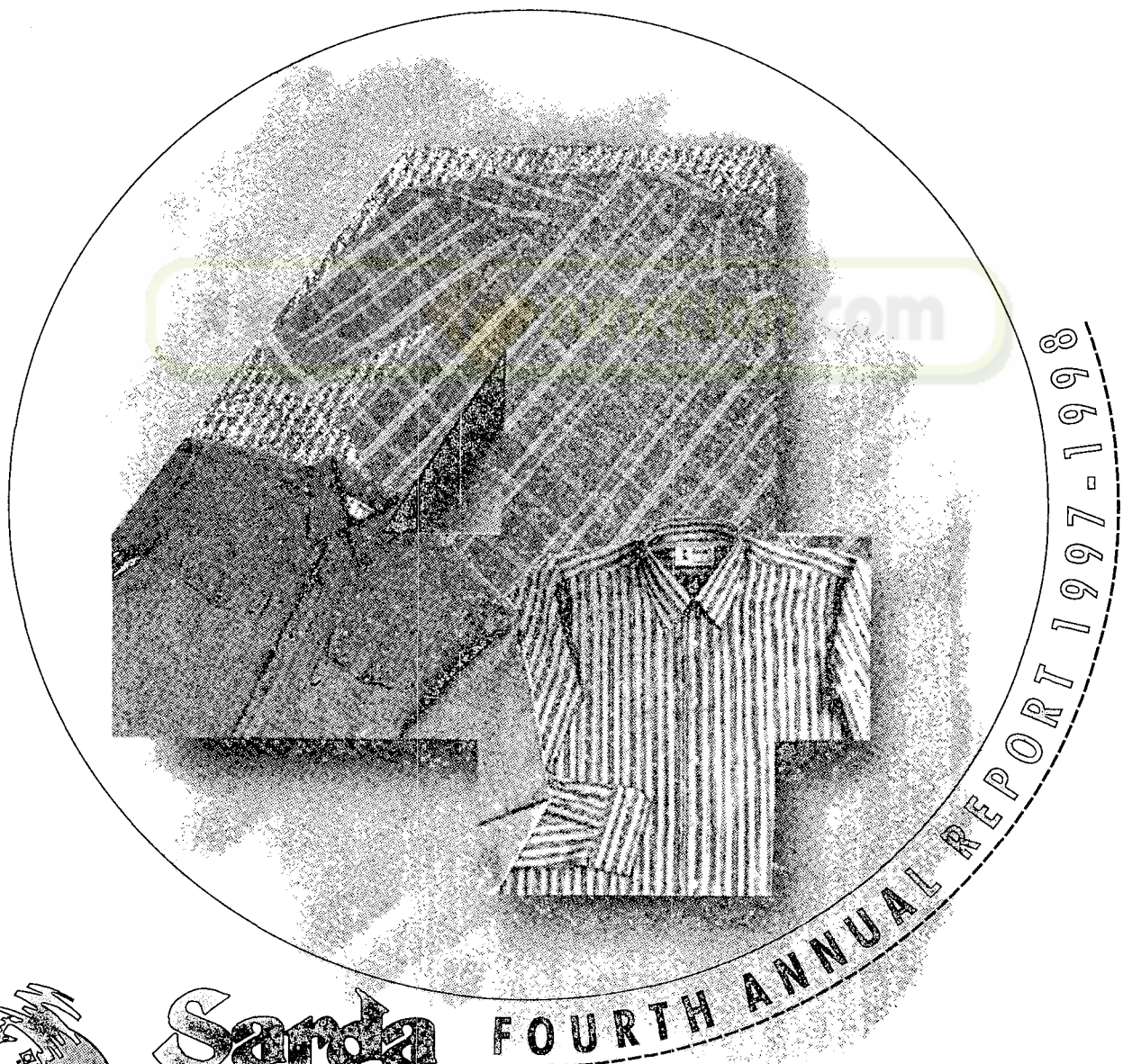


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AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>



Sanda
FASHIONS LTD.

FOURTH ANNUAL REPORT 1997-1998



SFL Shopee at Ahmednagar



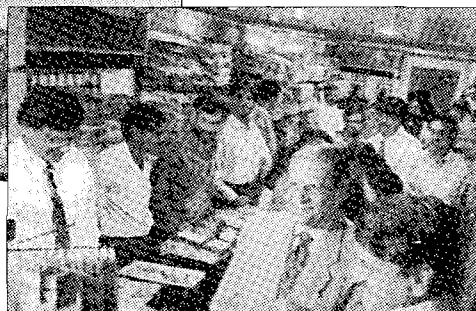
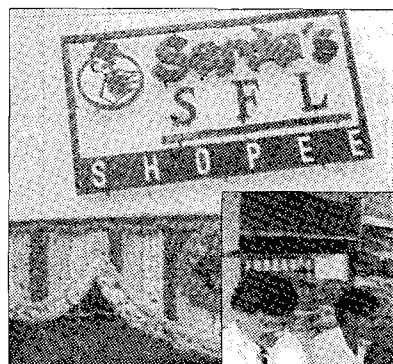
SFL Shopee at Laxmi Road, Pune



SFL Shopee at Kirkee, Pune



SFL Shopee at Satara



SFL Shopee at M G Road, Pune



Sarda
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SARDA FASHIONS LTD.

BOARD OF DIRECTORS

Shri PURUSHOTTAM D. SARDA
Shri ARUNKUMAR H. FIRODIA
Shri SHAMSUNDER P. SARDA
Shri SHREEVALLABH G. KABRA
Shri SATYANARAYAN B. SARDA
Shri SHRIKANT G. MANTRI
Shri MADHUSUDAN Z. SARDA
Shri BAJRANG Z. SARDA
Shri SUSHIL D. MAHESHWARI
Shri SHREGOPAL R. SARDA
Shri NIMISH V. MAHESHWARI
Shri AMIT V. SARDA

Chairman

Managing Director

Executive Director

AUDITORS

M/s. N.B. MUNDADA & CO.
Chartered Accountants

LEGAL ADVISORS

Shri S.B. PALLOD

BANKERS

THE UNITED WESTERN BANK LTD.

SHARE TRANSFER AGENTS

VIDEOCON SERVICES LIMITED
Plot No. 159-A, Vinay Bhavya Complex, 'B' Wing,
1st Floor, Kalina, Santacruz (East)
MUMBAI - 400 098.

REGISTERED OFFICE

Sarda House, Adat Bazar,
Ahmednagar - 414 001.
Maharashtra, India.

FACTORY

Plot No. 44 to 50, Industrial Estate,
Nagar Pune Road, Ahmednagar - 414 005
Maharashtra, India.

4th Annual Report 1997-98
Sarda
 FASHIONS LTD.
NOTICE

Notice is hereby given that the Fourth Annual General Meeting of the Company will be held on Wednesday, 30th September, 1998 at 9.00 A.M. at plot No. 44-50, Industrial Estate, Nagar Pune Road, Ahmednagar 414 005, Maharashtra, India to transact the following business.

ORDINARY BUSINESS

- 1) To receive and adopt the Audited Balance Sheet of the Company as on 31st March, 1998 and Profit and Loss Account for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
- 2) To appoint a Director in place of Shri Satyanarayan B. Sarda, who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint a Director in place of Shri Bajrang Z. Sarda, who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Shri Sushil D. Maheshwari, who retires by rotation and being eligible, offers himself for re-appointment.
- 5) To appoint a Director in place of Shri Shreegopal R. Sarda, who retires by rotation and being eligible, offers himself for re-appointment.
- 6) To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

- 7) Buy-Back of Shares/Securities:- To pass the following resolution, with or without modification, as a Special Resolution.

"RESOLVED THAT if and where permitted by the law and subject to all applicable provisions of the law and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company

(hereinafter referred to as the "Board" which expression shall also include a Committee thereof), or as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to or accepted by the Board, the consent of the Company be and is hereby accorded to the Board, to purchase such number of Ordinary Shares or other Securities specified by the Government, of the Company, as may be thought fit, from the holders of the Ordinary Shares or other securities of the present paid-up capital of the Company, from such funds of the Company as are permitted to be used for this purpose or out of the proceeds of any issue made by the Company on such terms and subject to such conditions as may be prescribed by the law.

FURTHER RESOLVED THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts and things and give such directions as may be necessary or desirable and to settle all questions or difficulties whatsoever that may arise with regard to the said purchase of Ordinary Shares or other Securities.

FURTHER RESOLVED THAT nothing herein above contained shall confer any right on any shareholder to offer or any obligation on the Company or the Board to buy back any Ordinary Shares or Securities."

- 8) Amendments to the Articles of Association: To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution :-

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and is hereby altered by inserting therein a new Article 10(B) after the existing Article 10(A) as under:

4th Annual Report 1997-98
Sansco
 FASHIONS LTD.
Issue of Shares without voting rights :

10(B) In the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such shares upon such terms and conditions and with such rights and privileges annexed thereto as thought fit and as may be permitted by law."

9) Issue of Securities in the International Market :
 To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution :-

"RESOLVED THAT in accordance with provisions of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or reenactment thereof) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the company (hereinafter referred to as the "Board" which expression shall also include a Committee thereof), or as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to or accepted by the Board the consent of the company be and is hereby accorded to the Board to issue, in one or more tranches, in the international market to Foreign Financial Institutions, Foreign Investors/Companies and/or Foreign Investment Institutions operating in India, whether shareholders of the Company or not (hereinafter collectively referred to as "Investors") through a public issue and/or on private placement basis and/or on preferential allotment basis, Ordinary Share related instruments, including Convertible Bonds or Bonds with Share Warrants attached (hereinafter collectively referred to as "Securities") as may be thought fit inclusive of such premium as may be payable on the Ordinary Shares, at such time or terms, on such terms and at such price or prices as the Board in its absolute discretion deems fit.

FURTHER RESOLVED THAT the Board be and is hereby authorised to issue and allot such number of additional Ordinary shares as may be required in pursuance of the above issue, and that the Ordinary Shares so allotted shall rank in all respects *pari passu* with the existing Ordinary Shares of the Company save and except that :

- (i) If prior to the issue of any of the Securities hereinabove mentioned, the Company is enabled as a result of any legislative changes or enactments, to issue Ordinary Shares without voting rights attached to them (such shares hereinafter being referred to as the "Non-voting Shares") the Board may, at its discretion issue the whole or any part of such Shares without voting rights upon such terms and conditions and with such rights and privileges annexed thereto as may be permitted by the relevant law and,
- (ii) such Ordinary Shares, which may be with or without voting rights, shall carry the right to receive either the full dividend or a pro rata dividend from the date of allotment, as may be decided by the Board, declared for the financial year in which the allotment of the Shares shall become effective.

FURTHER RESOLVED THAT the consent of the Company be and is hereby granted in terms of Section 293(1) (a) and other applicable provisions, if any, of the Companies Act, 1956 and subject to all necessary approvals to the Board to secure, if necessary, all or any of the above mentioned securities to be issued, by the creation of mortgages and/or charges on all or any of the company's immovable and/or movable assets, both present and future in such form and manner and on such terms as may be deemed fit and appropriate by the Board.

4th Annual Report 1997-98



FURTHER RESOLVED THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to determine the quantum, form and terms of the Issue, the Issue price and other terms and matters connected therewith including the creation of mortgages and/or charges and to make and accept any modifications in the proposal as may be required by the concerned authorities in India and abroad and to settle any questions or difficulties that may arise in regard to the issue."

For and on behalf of the Board of Directors
For **Sarda Fashions Limited**

Sd/-

Place: Ahmednagar
Date: 12/6/98

M. Z. Sarda
Managing Director

4th Annual Report 1997-98**Notes**

- 1) Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business under item No, 7, 8, and 9 are annexed.
- 2) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE SAID MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND THE PROXY NEED NOT BE A MEMBER.
- 3) The register of members and share transfer books of the Company will remain closed from 22nd to 23rd September, 1998 (both days inclusive) for the purpose of Annual General meeting.

Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956.

Item No. 7 : The Company had passed a Special Resolution for Buy-Back of shares in the last Annual General Meeting held on 30th August, 1997 and suitably amended the Articles of Association by inserting, therein a new Article No. 10(A) for enabling the Buy-Back arrangement, if permitted law. It is now proposed to authorise the Board of Directors to take necessary steps if Buy-Back arrangement becomes permissible under the law.

None of the Directors of the Company is interested in the said resolution.

Item No. 8: The issue of shares without voting rights by companies is presently not permitted under the Act. The Companies Bill, 1997, however, proposes to lay down the operative provisions to regulate the issue of shares without voting rights. It is expected that, in course of time, the law will be amended to permit issue of Shares without voting rights by the Companies. Hence, it is proposed to introduce a new Article 10(B) in the Article of Association as set out in the Resolution as item No. 8 to enable the Company to issue shares without voting rights, as may be permitted by law.

None of the Directors of the Company is interested in the said resolution.

Item No. 9 : In order to part finance the capital expenditure programme, working capital requirement and/or for general corporate purpose, the Company may issue securities. Section 81(1A) of the Act, provides, inter alia, that whenever it is proposed to increase the Subscribed Capital of a Company by the allotment of further shares, such further shares shall be offered to the persons who on the date of the offer are holders of the Ordinary Shares of the Company in proportion to the capital paid-up on the date unless the Shareholders in General meeting decide otherwise. The consent of the Shareholders is, therefore, sought to authorise the Board of Directors to issue in one or more tranches the said Securities in the International Market to Foreign Financial Institutions, Foreign Investors/Companies and/or to Foreign investment Institutions operating in India, whether Shareholders of the Company or not, through a public issue and/or on private placement basis and/or on preferential basis as set out in Resolution No. 9

None of the Directors of the Company is interested in the said resolution.

For and on behalf of the Board of Directors
For **Sarda Fashions Limited**

Sd/-

Place: Ahmednagar
Date: 12/6/98

M. Z. Sarda
Managing Director

4th Annual Report 1997-98**DIRECTOR'S REPORT**

To,

The Members,

Your Directors have pleasure in presenting the Fourth Annual Report and Audited Statement of Accounts of the Company for the year ended on 31st March, 1998.

1) Financial Results

	1997-98 (Rs.Lacs)	1996-97 (Rs.Lacs)
a) Sales & other income	1680.56	1409.37
b) Profit before depreciation	27.71	53.57
c) Depreciation	13.01	8.75
d) Profit Before Tax	14.70	44.82
e) Provision for Taxation	1.54	4.68
f) Profit after Tax	13.16	40.14
g) Income Tax in respect of prior year	0.25	0.00
h) Balance carried to Balance Sheet	12.91	40.14

2) Dividend

In view of the Management policy of ploughing back of the profits for future financial requirements, the Directors do not recommend any dividend.

3) Business Prospects

The market conditions continue to be competitive resulting in higher operational cost during the year 1997-98. In view of this, there was a considerable pressure on the margins in inspite of a rise in turnover to the extent of 20%. The company spent Rs. 152 lacs during the year 1997-98 in acquisition of fixed assets which are mainly required for the prestigious Ruf and Tuf manufacturing plant. The benefits of this expansion are likely to come during the year under consideration resulting into higher turnover and profitability.

4) Promises Vs Performance

In view of the adverse working conditions faced by your company, the results are not comparable with the targets. However, it is the continuous endeavour of the Management to tide over the situation and achieve the targeted results in the shortest span of time.

Year ended 31st March, 1998

	Projected	Actual
Sales & Other Income	2009.43	1680.56
Profit before tax	353.65	14.70
Provision for Tax	111.69	1.54
Profit after Tax	241.96	13.16

5) Fixed Deposits

The Company has not accepted any deposits from the public.

6) Directors

Subject to the provisions of Section 256 of the Companies Act and Article No. 132 of Articles of Association, Shri Satyanarayan B. Sarda, Shri Bajarag Z. Sarda, Shri Sushil D. Maheshwari, and Shri Shreegopal R. Sarda retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

7) Auditors

The members are requested to appoint Auditors and to fix their remuneration. M/s N. B. Mundada & Co., Chartered Accountants, Ahmednagar, the Auditors of the Company, hold office until the conclusion of the forthcoming Annual General meeting.

8) Particulars of Employees

None of the employees of the Company received remuneration during the year as provided under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended.

9) Particulars of energy conservation, technology absorption and Foreign Exchange earnings and outgo.

**Sarda**
FASHIONS LTD.4th Annual Report 1997-98

Information in accordance with the provisions of Section 217(i) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1998 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the statement annexed hereto (Annexure I).

10) Acknowledgement :

The Board acknowledges with thanks the share holders and the United Western Bank Limited for the co-operation extended to the Company throughout the year. The Board is also thankful to the employees of the Company for the efforts put in by them.

By order of the Board of directors
For **Sarda Fashions Limited**

Sd/-

M. Z. Sarda
Managing Director

Registered Office :

Sarda House,
Adat Bazar,
Ahmednagar - 414 001.

Date 30/07/98