



SIXTH ANNUAL REPORT 1999-2000

Sarda
FASHIONS LTD.

SARDA FASHIONS LTD.

BOARD OF DIRECTORS

Shri. PURUSHOTTAM D. SARDA	Chairman
Shri. ARUNKUMAR H. FIRODIA	
Shri. SHAMSUNDER P. SARDA	
Shri. SHREEVALLABH G. KABRA	
Shri. SATYANARAYAN B. SARDA	
Shri. SHRIKANT G. MANTRI	
Shri. MADHUSUDAN Z. SARDA	Managing Director
Shri. BAJARANG Z. SARDA	
Shri. SUSHIL D. MAHESHWARI	
Shri. SHREEGOPAL R. SARDA	
Shri. NIMISH V. MAHESHWARI	
Shri. AMIT V. SARDA	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

MCS LIMITED
'Shri Venkatesh Bhavan'
Plot No. 27, 11 M.I.D.C. Area,
Andheri (East), Mumbai - 093

REGISTERED OFFICE

Sarda House, Adte Bazar,
Ahmednagar 414 001.
Maharashtra, India.

FACTORY

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


Sarda
 FASHIONS LTD.

NOTICE

Notice is hereby given that the Sixth Annual General Meeting of the Company will be held on Saturday, 30th September, 2000 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, 2000 and Profit & Loss Account for the year ending on that date together with the Directors' Report and Auditors' Report thereon.
- 2) To appoint a Director in place of Shri. Nimish V. Maheshwari who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint a Director in place of Shri. Arunkumar H. Firodia who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Shri. Purshottam D. Sarda who retires by rotation and being eligible, offers himself for re-appointment.
- 5) To appoint a Director in place of Shri. Shamsunder P. Sarda who retires by rotation and being eligible, offers himself for re-appointment.
- 6) To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

- 7) To consider, and, if thought fit, to pass, with or without modification(s), the following Resolution as Special Resolution : "Resolved That pursuant to Section 31 and all other relevant provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered as follows:

(a) Insert the following Article as Article 61A after Article 61 :
 Nomination by Security-holders

61A. A holder or joint holders of shares in or debentures (including fixed deposit holder under Section 58A of the Companies Act, 1956) the Company may nominate, in accordance with the provisions of Section 109A of the Companies Act, 1956 (including amendment thereto or any re-enactment thereof) and in the manner prescribed thereunder, any person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of such holder(s). Any nomination so made shall be dealt with by the Company in accordance with and in manner prescribed under the provisions of Section 109B of the Companies Act, 1956 or any other statutory modification or re-enactment thereof for the time being in force.

(b) Insert the following Article as Article 62B after Article 62A:
 Transmission of Securities by Nominees

62B. A nominee, upon production of such evidence as may be required by the Board and subject to hereinafter provided:

(i) Elect, either to be registered himself/herself as holder of the share or debenture (including fixed deposit holder under Section 58A of the Companies Act, 1956) or to make such transfer of the share or debenture as the deceased shareholder or debenture holder, as the case may be, could have made;

(ii) If the nominee elects to be registered as holder of the share or debenture, himself/herself, as the case may be, he/she shall deliver or send to the Company a notice in writing signed by him/her stating that he/she so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debentureholder, as the case may be;

(iii) A nominee, upon becoming entitled to a share or debenture by reason of the death of the holder, shall be entitled to the

same dividends and other advantages to which he/she would be entitled to, if he/she were the registered holder of the share or debenture except that he/she shall not, before being registered a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself/herself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share or debenture, until the requirements of the notice have been complied with."

By order of the Board of Directors,

Sd/-

Madhusudan Z.Sarda,
 (Managing Director)

Regd.Office:

Sarda House, Adat Bazar, Ahmednagar, 414001

Place : Ahmednagar, Date : 05.09.2000

NOTES :

1. An Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 in respect of item No. 7 above is annexed.

2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a member. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956 in respect of item 7 of the accompanying Notice dated 5th September, 2000 convening the Sixth Annual General Meeting of the Company on 30th September, 2000)

ITEM NO.7

As per the provisions of Sections 109A and 109B of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 1999, every holder of shares in, or debentures of the Company may at any time nominate in the prescribed manner, a person to whom his/her shares in, or debentures of the Company shall vest in the event of his/her death.

It is therefore, proposed to insert new Articles 61A and 61B in the Articles of Association of the company to give effect to the said provisions as detailed in the Special Resolution.

None of the directors of the Company is concerned or interested in the said resolution.

By order of the Board of Directors,

SARDA FASHIONS LTD.,
Madhusudan Z.Sarda,
 (Managing Director)
DIRECTOR

Regd.Office:

Sarda House, Adat Bazar, Ahmednagar, 414001

Place: Ahmednagar,

Date: 05.09.2000



6th Annual report 1999-2000

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the Sixth Annual Report and Audited statement of Accounts of the Company for the year ending on 31st March, 2000.

(1) Financial Results

	1999-2000 (Rs.lacs.)	1998-99 (Rs.lacs.)
a) Sales and Other Income	2434.00	2461.73
b) Profit before depreciation	24.22	21.66
c) Depreciation	18.84	17.68
d) Profit before tax	5.38	3.98
e) Provision For Tax	0.62	0.42
f) Profit after tax	4.76	3.56
g) Balance carried to Balance	4.76	3.56

(2) Dividend

The Directors do not propose any dividend for the year under consideration.

(3) Business Prospects

The overall performance of your company was satisfactory during the year under review. The prospects for the Industry as a whole and for your Company in particular appear to be bright. The Company has entered into the promising venture of Information Technology and the results for the same are expected during the current year. Your company is hopeful of doing well in the days ahead in view of the said new venture.

(4) Awards :

The directors of your company are happy to state that your company has been awarded during the year the prestigious National Award for Quality Products in Small Scale Sector, 1998 from the Central Government. Managing Director of your company Shri. Madhusudan Sarda received the said Award on 30th August, 2000 in the ceremony held at New Delhi from the Prime Minister of India Shri Atal Bihari Vajpayee. The directors are also happy to state that your company has been awarded Small Industrial District Award, 1998 during the year.

Both these awards speak about the hard efforts put in by the management in the development of the company.

5) Promises Vs Performance

Due to the market constraints and escalation in the input cost, company could not achieve the targeted performance during the year.

Particulars	Year ended 31 st March, 2000	
	Projected	Actual
	(Rs. in Lacs.)	
Sales & Other Income	2289.00	2434.00
Profit Before Tax	427.38	5.38
Provision for Tax	126.07	0.62
Profit After Tax	301.31	4.76

(6) Fixed Deposits

The Company has not accepted any deposits from the public.

(7) Directors

Subject to the provisions of section 256 of the Companies Act and Article No 132 of Articles of Association, Shri. Nimish V. Maheswari, Shri. Arunkumar H. Firodia, Shri. Purushottam D. Sarda & Shri. Shamsunder P. Sarda retire at the ensuing annual general meeting and being eligible, offer themselves for reappointment.

(8) Auditors

M/s N.B.Mundada and Co., Chartered Accountants, Ahmednagar, the Auditors of the Company, hold office until the conclusion of the forthcoming Annual General Meeting and are eligible for reappointment.

(9) 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 the Companies (Particulars of employees) Rules, 1975, as amended.

(10) Particulars of energy conservation & technology absorption-


Sarda
 FASHIONS LTD.

The company has installed brand new imported as well as indigenous machinery and equipments. Upgradation of technology is also tried at regular intervals. Plant operations are also being streamlined for getting additional productivity and standardization of processes. The Company is also upgrading the process and quality of its existing products on a continuous basis. The new range of products have been introduced. As a result of these factors the Company's brand image and consumer demand have remained high. These steps have resulted in overall benefits to the Company.

(11) Acknowledgements

The Board places on record the efforts put in by its employees at all levels. The Board is also thankful to its shareholders and bankers for giving a wholehearted support.

On Behalf of the Board of Directors.

Sd/-

Madhusudan Z. Sarda
 (Managing Director)

Registered Office :-

Sarda House
 Adte Bazar,
 Ahmednagar - 414 001

Date:- 05/09/2000.

6th Annual report 1999-2000

**ANNEXURE TO THE DIRECTOR'S REPORT**

Generator/Boiler Diesel Ltrs. 123012
 Unit per liter of Diesel 12.94
 Cost of Diesel Rs. 1535516

II Consumption per unit of production:- 4.15

Annexure : I

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES.1998

Conservation of Energy

- a) Energy conservation measures taken:
Proper up-keep and maintenance of machinery has resulted in reduction of energy losses.
- b) Additional investment and proposals:
Company feels that energy conservation is a continuous process and is taken appropriate efforts in this direction. However, no additional investment is proposed because of installation of brand new machines and their proper maintenance.
- c) Impact of above measures:
The continuous energy conservation measures have resulted in controlling consumption of energy in the plant.
- d) Total energy consumption and energy consumption per unit production.

FORM "A"

Form for disclosure of particulars with respect to Conservation of energy.

I) Power and Fuel consumption:

1999-2000 1998-1999

i) Electricity		
Purchased Units	214248	202147
Total amount (Rs)	966261	869961
Rate per unit (Rs)	4.51	4.30

- ii) Own boiler for production of Readymade Garments
Utilisation of Diesel.
Own Generator/Boiler
D.G.Set

FORM B

Form of disclosure of particulars with respect to Technology absorption for 1999-2000

1. Specific areas in which Research and Development carried out by the company.

The company is engaged in carrying research activities in the plant throughout the year so as to achieve automation and cost reduction.
2. Benefits Derived.
Though the benefits cannot be quantified, it has resulted in achieving process control and quality standards.
3. Future Plan of Action.
a) No specific programme has been made
b) Expenditure on R&D cannot be quantified.
4. Foreign Exchanges Earning & Outgo.
a) Earnings - Nil

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

Sd/-

M.Z.Sarda.
Managing Director

Place: Ahmednagar

Date : 05/09/2000

6th Annual report 1999-2000

**AUDITOR'S REPORT**

To,
The Members of
SARDA FASHIONS LIMITED
Sarda House, Adat Bazar,
Ahmednagar 414 001.

We have audited the attached Balance Sheet of **SARDA FASHIONS LIMITED**, as at 31st March, 2000 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 Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we give in the annexure a statement on the matters specified in paras 4 and 5 of the said Order.
- 2) Further to our Comments in Annexure referred to in para one above:
 - i) 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;
 - ii) In our opinion, proper books of accounts, as required by law have been kept by the Company, so far as it appears from our examination of books;
 - iii) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of accounts;
 - iv) In our opinion, the Profit & Loss Account and the Balance sheet comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - v) In our opinion and to the best of our information according to the explanations given to us, the said Balance Sheet and

Profit and Loss Account read together with the Significant Accounting Policies and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :

- (a) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31st March, 1999 and
- (b) In so far as it relates to the Profit and Loss Account, of the Profit of the Company for the year ended on that date.

For N. B. MUNDADA & CO.
Chartered Accountants

N. B. MUNDADA
Proprietor

Place : Ahmednagar.

Date : 05/09/2000