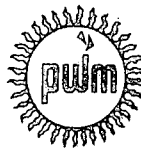


MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SH	✓
YE	✓	✓		✓

NINETEENTH
ANNUAL REPORT
1997-98

Report  junction.com



PRAKASH WOOLLEN MILLS LIMITED

Regd. Office : Prakash Lane, Civil Lines
Kanth Road, Moradabad-244 001



PRAKASH WOOLLEN MILLS LTD.

PRAKASH WOOLLEN MILLS LIMITED

BOARD OF DIRECTORS :

SHRI PRAKASH CHAND GUPTA	-	Managing Director
SHRI VED PRAKASH GUPTA	-	Director
SHRI JAI KISHAN GUPTA	-	Whole Time Director
SHRI DAYA KISHAN GUPTA	-	Whole Time Director
SHRI VIJAY KUMAR GUPTA	-	Whole Time Director
SHRI RISHI KUMAR KAUL	-	Director
DR. VIJAY KRISHNA SAXENA	-	Director
SHRI B. RAI	-	Director

REGISTERED OFFICE : Prakash Lane, Civil Lines, Kanth Road, Moradabad

WOOLLEN DIVISION : Vill. Mangupura, P.O. Pakbara, Delhi Road, Moradabad

ACRYLIC DIVISION : Vill. Amhera, P.O. Chaudherpur, Delhi Road, J.P. Nagar

BANKERS : STATE BANK OF INDIA

AUDITORS : AGARWAL PAWAN KUMAR & CO.
Chartered Accountants

PRAKASH WOOLLEN MILLS LIMITED

Regd. Office : Prakash Lane, Civil Lines, Kanth Road, Moradabad

PRAKASH WOOLLEN MILLS LTD.**PRAKASH WOOLLEN MILLS LIMITED**

Regd. Office : Prakash Lane, Civil Lines, Kanth Road, Moradabad

NOTICE

NOTICE is hereby given that Nineteenth Annual General Meeting of the Shareholders of Prakash Woollen Mills Limited will be held on Friday, the 25th day of September 1998 at 11:30 A.M. at Moradabad Club Pvt. Ltd., Civil Lines, Moradabad to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider, and adopt the Directors Report, Auditors Report, Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 1998.

2. To appoint a Director in place of Shri Daya Kishan Gupta, who retires by rotation and being eligible offers himself for reappointment.

3. To appoint a Director in place of Shri B. Rai, who retires by rotation and being eligible offers himself for reappointment.

4. To appoint a Director in place of Shri V.K. Saxena, who retires by rotation and being eligible offers himself for reappointment.

5. To appoint auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration. M/s Agarwal Pawan Kumar & Co., Chartered Accountants, Meerut the retiring auditors being eligible, for re-appointment, offer themselves for reappointment.

SPECIAL BUSINESS :

6. To consider and if thought fit, to pass the following resolution, with or without modification, as a Special Resolution:

RESOLVED that the sitting fees presently payable to the Directors for attending the meetings of the Board and Committees thereof be increased from Rs. 500/- to Rs. 1000/- and that the Article 133 of the Articles of Association of the Company be altered by deleting therefrom the figures and words "Rs. 500/-" and substituting therefor the figures and words "Rs. 1000/-".

7. To consider and if thought fit to pass the following resolution, with or without modification as a special resolution :

RESOLVED that the Company hereby accords its consent and approval under section 314 and other applicable provisions (if any) of the Companies Act, 1956 and subject to approval of Central Govt. (if any) to Mr. Shalab Gupta, a relative of Mr. V.P. Gupta, a Director of the Company, who holds an office of profits of the Company at Rs.9500/- per month for placing him in the scale of Rs. 9500-2000-25500 together with the usual allowances and benefits, amenities and facilities including retiring gratuity applicable to other employees occupying similar post or posts within the same salary scale or grade.

RESOLVED FURTHER that this resolution shall be deemed to confer the necessary authority to the Board of Directors to sanction at their discretion and with the approval of the Central Govt., where necessary increments within the grade as they may deem fit and proper to promote him to any higher grade or grades at their discretion and in due course together with the allowances and benefits as may be applicable to the grade or grades for the time being and to give increments within that grade or grades as they may deem fit and proper.

PRAKASH WOOLLEN MILLS LTD.

8. To consider and if thought fit to pass the following resolution, with or without modification as a special resolution :

RESOLVED that the Company hereby accords its consent and approval under section 314 and other applicable provisions (if any) of the Companies Act, 1956 and subject to approval of Central Govt. (if any) to Mr. ADEEP GUPTA, a relative of Mr. J.K. GUPTA, a Director of the Company, who holds an office of profits under the company at Rs. 9500/- per month for placing him in the scale of Rs. 9500-2000-25500 together with the usual allowances and benefits, amenities and facilities including retiring gratuity applicable to other employees occupying similar post or posts within the same salary scale or grade.

RESOLVED FURTHER that this resolution shall be deemed to confer the necessary authority to the Board of Directors to sanction at their discretion and with the approval of the Central Govt., where necessary increments within the grade as they may deem fit and proper to promote him to any higher grade or grades at their discretion and in due course together with the allowances and benefits as may be applicable to the grade or grades for the time being and to give increments within that grade or grades as they may deem fit and proper.

9. To consider and if thought fit to pass the following resolution, with or without modification as a special resolution :

RESOLVED that the Company hereby accords its consent and approval under section 314 and other applicable provisions (if any) of the Companies Act, 1956 and subject to approval of Central Govt. (if any) to MR. KAPIL GUPTA, a relative of MR. D.K. GUPTA, a Director of the Company, who holds an office of profits under the company at Rs. 9500/- per month for placing him in the scale of Rs. 9500-2000-25500 together with the usual allowances and benefits, amenities and facilities including retiring gratuity applicable to other employees occupying similar post or posts within the same salary scale or grade.

RESOLVED FURTHER that this resolution shall be deemed to confer the necessary authority to the Board of Directors to sanction at their discretion and with the approval of the Central Govt., where necessary increments within the grade as they may deem fit and proper to promote him to any higher grade or grades at their discretion and in due course together with the allowances and benefits as may be applicable to the grade or grades for the time being and to give increments within that grade or grades as they may deem fit and proper.

10. To consider and if thought fit to pass the following resolution, with or without modification as a special resolution :

RESOLVED that the Company hereby accords its consent and approval under section 314 and other applicable provisions (if any) of the Companies Act, 1956 and subject to approval of Central Govt. (if any) to MR. ASHISH GUPTA, a relative of MR. V.K. GUPTA, a Director of the Company, who holds an office of profits under the company at Rs. 9500/- per month for placing him in the scale of Rs. 9500-2000-25500 together with the usual allowances and benefits, amenities and facilities including retiring gratuity applicable to other employees occupying similar post or posts within the same salary scale or grade.

RESOLVED FURTHER that this resolution shall be deemed to confer the necessary authority to the Board of Directors to sanction at their discretion and with the approval of the Central Govt., where necessary increments within the grade as they may deem fit and proper to promote him to any higher grade or grades at their discretion and in due course together with the allowances and benefits as may be applicable to the grade or grades for the time being and to give increments within that grade or grades as they may deem fit and proper.

PRAKASH WOOLLEN MILLS LTD.**EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO. 6 :**

Considering the fact that all the Directors are outstation directors save and except Whole Time Directors (who are otherwise not entitled to sitting fees) and considering further the high cost of living, the present sitting fee, being too inadequate, is proposed to be increased to Rs. 1000/-. The proposal to increase the sitting fees as aforesaid would require amendment in the article 133 of the Articles of Association for which approval of the shareholders would be required in the general meeting. Hence, this special resolution.

All the Directors except the Managing and Whole-Time Directors are interested in the resolution.

ITEM NO. 7 :

As the members are aware Mr. Shalab Gupta, a relative of Mr. V.P. Gupta, is working as a Manager Finance of the company. Considering his experience and his contribution to the company it is proposed to place him in the time scale of Rs. 9500-2000-25500. Increase in remuneration will be reasonable and in line with the salary offered to other personnels in the similar post or posts and will be in the best interest of the company. The members are requested to grant their consent for placing Shri Shalab Gupta in the scale of Rs. 9500-2000-25500 on the terms and conditions set out in the aforesaid resolution. No director except Mr. V.P. Gupta is interested or concerned in this resolution.

ITEM NO. 8 :

As the members are aware, Mr. Adeep Gupta, a relative of Mr. J.K. Gupta, is working as a Manager Production of the company. Considering his experience and his contribution to the company it is proposed to place him in the time scale of Rs. 9500-2000-25500. Increase in remuneration will be reasonable and in line with the salary offered to other personnels in the similar post or posts and will be in the best interest of the company. The members are requested to grant their consent for placing Shri Adeep Gupta in the scale of Rs. 9500-2000-25500 on the terms and conditions set out in the aforesaid resolution. No director except Mr. J.K. Gupta is interested or concerned in this resolution.

ITEM NO. 9 :

As the members are aware, Mr. Kapil Gupta, a relative of Mr. D.K. Gupta, is working as a Manager Sales of the company. Considering his experience and his contribution to the company it is proposed to place him in the time scale of Rs. 9500-2000-25500. Increase in remuneration will be reasonable and in line with the salary offered to other personnels in the similar post or posts and will be in the best interest of the company. The members are requested to grant their consent for placing Shri Kapil Gupta in the scale of Rs. 9500-2000-25500 on the terms and conditions set out in the aforesaid resolution. No director except Mr. D.K. Gupta is interested or concerned in this resolution.

ITEM NO. 10 :

As the members are aware, Mr. Ashish Gupta, a relative of Mr. V.K. Gupta, is working as a Manager Stores of the company. Considering his experience and his contribution to the company it is proposed to place him in the time scale of Rs. 9500-2000-25500. Increase in remuneration will be reasonable and in line with the salary offered to other personnels in the similar post or posts and will be in the best interest of the company. The members are requested to grant their consent for placing Shri Ashish Gupta in the scale of Rs. 9500-2000-25500 on the terms and conditions set out in the aforesaid resolution. No director except Mr. V.K. Gupta is interested or concerned in this resolution.

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy so appointed need not be a member of the Company. Proxies, in order to be effective, must be received at the registered office of the company not less than 48 hours before the time for holding the meeting.

2. Members desiring any information about the accounts and operations of the Company are requested to send their queries atleast ten days before the date of the Annual General Meeting so that information can be made available at the meeting.

PRAKASH WOOLLEN MILLS LTD.

3. The Register of Members and Share Transfer Books of the company will remain closed from 18th September 1998 to 25th September 1998 (both days inclusive) for the purpose of Annual General Meeting.

4. Members are requested to bring their copy of Annual Report and Attendance slip (duly completed) alongwith them at the Meeting.

5. Members are requested to quote their folio numbers in all correspondence with the Company.

By order of the Board of Directors

Place : Moradabad

Date : 24.06.1998

(PRAKASH CHAND GUPTA)
Managing Director



PRAKASH WOOLLEN MILLS LTD.**DIRECTORS REPORTS FOR THE YEAR ENDED 31st. MARCH, 1998**

To the Members,

The Directors have pleasure in presenting Nineteenth Annual Report together with the audited statements of accounts of the company for the financial year ended 31st. March, 1998.

<u>FINANCIAL RESULTS</u>	<u>1997-98</u>	<u>(Rs. in Lacs)</u>	<u>1996-97</u>
Sales and other Income	2104.49		1380.60
Profit before interest tax and depreciation	282.74		181.93
Interest	187.64		132.45
Profit before Tax & Depreciation	95.10		49.48
Depreciation	67.26		45.11
Profit before tax & after interest and depreciation	27.84		4.37
Provision for taxation	2.92		0.56
Profit after tax	24.92		3.81
Net Profit available for appropriation	24.92		3.81
Appropriation :			
Proposed Dividened :	NIL		NIL
<u>Actual vs Projected</u>			

Comparison of actuals with projection made in the prospectus dated 14.9.95 is as under

	<u>Rs. in Lacs</u>	
	<u>Projected</u>	<u>Actual</u>
Sales	3861.46	2104.49
Profit after tax	484.33	24.92
EPS (Rs.)	9.52	0.52

During the year sales have gone up by about 52% over the previous year's sales. Production capacity utilisation in Acrylic Division is about 26% during the year. It is expected that production and sales during the current year will be higher.

DIVIDEND

Your Directors do not recommend any dividend for the year under review.

PRAKASH WOOLLEN MILLS LTD.

OPERATIONS**ACRYLIC DIVISION**

During the year 1997-98, total number of pieces of blankets produced were 113729 while this figure was 52457 for the year 96-97. Thus in comparison to previous year the production rose by 116.8%.

SHODDY DIVISION

The production of shoddy yarn rose by about 27% during the year 1997-98 but production of blankets has declined marginally by about 2% in terms of number of pieces. Overall performance of the division remained satisfactory during the year.

LABOUR RELATIONS

Relations between the labour and the Management during the year have been by and large cordial. Management has considered the demands of labour sympathically from time to time.

FIXED ASSETS

The company's fixed assets have been kept in proper state of repairs and all assets have been insured adequately.

DIRECTORS

As required by the provisions of section 256 of the Companies Act, 1956 Shri Daya Kishan Gupta, Shri B. Rai and Shri V.K. Saxena, Directors of the Company are due for retirement by rotation at the forthcoming Annual General Meeting and are being eligible offer themselves for reappointment.

PARTICULARS OF EMPLOYEES

Particulars of employees as required under section 217(2-A) of the Companies Act, 1956 are nil.

AUDITORS

M/s Agarwal Pawan Kumar & Co., Chartered Accountants, Meerut, the retiring Auditors are being eligible for re-appointment offer themselves for re-appointment.

CONSERVATION OF ENERGY

Your Management is attaching great importance to conservation of energy. Various schemes taken up in the past for energy saving continue. However periodical studies are being undertaken to identify new areas for efficient use of energy and utilities. Saving in the consumption of the energy as a result of such measures, however, can't be

PRAKASH WOOLLEN MILLS LTD.

quantified.

FORM A
(See Rule 2)**Form for disclosure of Particulars with respect to Conservation of Energy****97-98****96-97****A. Power & Fuel Consumption :****Current Year****Previous Year****1. Electricity**

(a) Purchased		
Unit (KWH)	7,31,932	5,37,070
Total Amount (Rs.'000)	4006	2717
Rate/Unit (Rs./Unit)	5.47	5.06
(b) Own Generation		
(i) Through diesel generator		
Unit (KWH)	10,68,306	11,45,845
Unit per Ltr. of Diesel oil	3.60	3.65
Cost/Unit	2.58	2.31
(ii) Through steam turbine/generator		
Unit	NIL	NIL
Unit per Ltr. of fuel oil/gas	NIL	NIL
Cost/Unit	NIL	NIL

2. Coal (Specify quality and where used)

Quantity (Tonnes)	NIL	NIL
Total Cost	NIL	NIL
Average rate	NIL	NIL

3. Furnace Oil

Quantity (K. Litres)	NIL	NIL
Total Amount	NIL	NIL
Average rate	NIL	NIL

4. Others/internal generation

(Baggase/Paddy husk)		
Quantity (Qtls.)	19,458.00	15,808.00
Total Cost (Rs.'000)	1252	921