



SUPREME
YARNS LIMITED

SUPREME YARNS LIMITED

Board of Directors

Shri. A.K. Mahajan

Chairperson

Shri. S.K. Ahuja

Shri. S.S. Chugh

Shri. S.K Duggal

Shri. B.K. Malhotra

Shri. R.C. Singal

Shri. S.C. Popli

Shri. Ram Lal Gupta

Shri. Ajay Gupta

Shri. Sanjay Gupta

Executive Director

Jt. Managing Director

Managing Director

Secretary Cum V.P. (Finance)

Shri Rajeev Bhambri

Auditors

M/s S.C. Vasudeva & Co.

Bankers

The Jammu & Kashmir Bank Ltd.

Registered Office & Works

Village Kanganwal,

P.O. Juginana, Ludhiana

E-mail: swml@satyam.net.in

website: [www@supremeyarns.com](http://www.supremeyarns.com)

Phone: 061-2510320, 2510321, 2510097, 2510622

Report  junction.com

SUPREME YARNS LIMITED

NOTICE

NOTICE is hereby given that Fifteenth Annual General Meeting of the shareholders of SUPREME YARNS LIMITED will be held at the Registered Office of the Company at Village Kanganwal, P.O. Jugiana, Ludhiana on Thursday, the 21st day of August, 2003 at 11 A.M. to transact the following Business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report and Audited Balance Sheet as at 31st March, 2003 and Profit and Loss Account for the year ended on that date, together with Auditors' Report thereon.
2. To appoint Director in place of Sh. Sanjay Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Director in place of Sh. Ajay Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Director in place of Sh. S.K. Duggal, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors for the year 2003-2004 and fix their remuneration and for that matter to consider and if thought fit, with or without modification(s) the following resolution as special resolution:-
"RESOLVED THAT pursuant to the provisions of Section 224, 224A and other provisions, if any, of the Companies Act, 1956, M/s.S.C.Vasudeva & Company, the retiring Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting at such remuneration and other expenses as are incidental to the audit as may be approved and fixed by the Managing Director.
6. TO CONSIDER AND IF THOUGHT FIT, TO PASS, WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:-
"RESOLVED THAT Mr. A.K. Mahajan, who was appointed as an Additional Director of the Company by the Board and who holds office of Director under section 260 of the Companies Act, 1956 upto the conclusion of the meeting and in respect of whom the Company has received notice proposing his candidature for the office of the Director be and is hereby appointed as a Director of the Company."
7. TO CONSIDER AND IF THOUGHT FIT, TO PASS, WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:-
"RESOLVED THAT Mr. S.K. Ahuja, who was appointed as an Additional Director of the Company by the Board and who holds office of Director under section 260 of the Companies act, 1956 upto the conclusion of the meeting and in respect of whom the Company has received notice proposing his candidature for the office of the Director be and is hereby appointed as a Director of the Company."

BY ORDER OF THE BOARD

PLACE : CHANDIGARH

DATE : 27.06.2003

(RAJEEV BHAMBRI)
COMPANY SECRETARY

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 SUCH PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEM NO. 6 & 7 ARE ANNEXED HERETO AND FORMS PART OF THIS NOTICE.
3. THE REGISTER OF MEMBERS AND THE SHARE TRANSFER BOOKS OF THE COMPANY SHALL REMAIN CLOSED FROM 16TH AUGUST, 2003 TO 19TH AUGUST, 2003 (BOTH DAYS INCLUSIVE).

SUPREME YARNS LIMITED

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 6

Mr. A.K. Mahajan was appointed as an Additional Director by the Board pursuant to the provisions of Section 260 of the Companies Act, 1956. Accordingly he holds office upto the conclusion of this Annual General Meeting. Notice under section 257 has already been received by the Company, proposing the candidature of Mr. A.K. Mahajan for appointment as Director. The Board recommend his appointment as director of the Company. None of the Director except the proposed appointee himself is interested in the resolution.

ITEM NO. 7

Mr. S.K. Ahuja was appointed as an Additional Director by the Board pursuant to the provisions of Section 260 of the Companies Act, 1956. Accordingly he holds office upto the conclusion of this Annual General Meeting. Notice under section 257 has already been received by the Company, proposing the candidature of Mr. S.K. Ahuja for appointment as Director. The Board recommend his appointment as director of the Company. None of the Director except the proposed appointee himself is interested in the resolution.

BY ORDER OF THE BOARD

PLACE: CHANDIGARH

DATE: 27.06.2003

(RAJEEV BHAMBRI)
COMPANY SECRETARY

SUPREME YARNS LIMITED

DIRECTORS' REPORT

Dear Members,

The Directors are hereby pleased to present their Fifteenth Annual Report together with Audited Accounts of the company for the year ended 31st March, 2003.

FINANCIAL RESULTS

	2002-2003 (Rs. in lacs)	2001-2002 (Rs. in lacs)
Gross Turnover	6823.87	5112.46
Cash Profits	655.93	390.41
Net Profit before Tax	45.52	219.47
Provision for Tax		
a) Current Tax	6.15	17.29
b) Deferred Tax	8.61	60.90
Excess provision for Income Tax W/back	1.47	0.00
Profit after Tax	32.23	141.28

REVIEW OF OPERATIONS

Production increased from 44.37 Lacs Kg. to 68.35 Lacs Kgs. showing an increase of 54% as compared to previous year. This increase is due to implementation of new plant. Turnover during the year under review, is increased by 34%. Cash Profits increased by 68%.

DIVIDEND

Due to ongoing expansion, Company is unable to declare any dividend.

EXPANSION PLAN

Company has successfully installed 14464 spindles in its expansion plan alongwith Dye House. During the year to part finance the above said project Company had issued Equity Capital of Rs. 200 lacs on preferential basis.

AUDITORS

The Auditors, M/s.S.C.Vasudeva & Co., Chartered Accountants, New Delhi will retire at the

SUPREME YARNS LIMITED

conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS' REPORT

Auditors' report on the Accounts is self-explanatory and requires no comments.

COST AUDITORS

The Board of Directors have appointed M/s.Khushwinder Kumar & Co., Cost Accountants, as the Cost Auditors of the Company under Section 233-B of the Companies Act, 1956 for the year 2003-2004.

DIRECTORS

During the year the nomination of Mr. Vivek Pratap Singh was withdrawn and Mr. Viswajeet Khanna was appointed in his place by PSIDC. Then, Mr. Viswajeet Khanna was replaced by Mr. A.K. Mahajan. Mr. S.S. Khurana was replaced by Mr. S.K. Ahuja as nominee of PSIDC. Mr. Sanjay Gupta, Mr. Ajay Gupta and Mr. S.K. Duggal retire by rotation at the conclusion of the forthcoming Annual General Meeting.

Mr. A.K. Mahajan and Mr. S.K. Ahuja, who was appointed additional director during the year, hold office upto the conclusion of the ensuing Annual General Meeting. Board records its appreciation to Mr. Vivek Pratap Singh and Mr. Viswajeet Khanna for their contribution rendered to the Company.

PERSONNEL

Since there is no employee receiving salary more than Rs.24 Lacs P.A. or Rs.2.00 Lacs P.M., there is no information required to be given pursuant to the provisions of Section 217(2A) of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Particular with respect to conservation of energy and other areas as per Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are annexed hereto and form part of this report.

SUPREME YARNS LIMITED

CORPORATE GOVERNANCE

Company was required to comply with the provision of Clause 49 of the of the Listing Agreements with Stock Exchanges and Company has complied all the required provisions as detailed in annexure of Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, confirm that:-

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- ii) that have, in the selection of the Accounting Policies, consulted the Statutory Auditors and have applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) they have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT

The Directors express their sincere appreciation of the co-operation extended by Industrial Development Bank of India, Punjab State Industrial Development Corporation Limited & The Jammu & Kashmir Bank Limited.

The Board place on record its appreciation of the co-operation received from all section of the employees.

FOR AND ON BEHALF OF THE BOARD

PLACE : CHANDIGARH
DATED : 27.06.2003

(SANJAY GUPTA)
MANAGING DIRECTOR

SUPREME YARNS LIMITED

ANNEXURE TO THE DIRECTORS' REPORT

INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2003:-

1. CONSERVATION OF ENERGY:

With continuous efforts, the consumption of fuel has been controlled and consumption of electricity has been significantly reduced.

FORM A :

A) POWER AND FUEL CONSUMPTION :

Electricity - Own Generation	<u>2002-2003</u>	<u>2001-02</u>
a) Unit Produced - (KWH IN LACS)	14.51	5.18
b) Unit Produced /Ltr. of Diesel (KWH)	3.05	3.03
c) Cost Per Unit (RS.)	5.30	5.45

B) CONSUMPTION PER UNIT OF PRODUCTION

Electricity Consumed Per Kg of Production (KWH/KG)	1.96	1.31
--	------	------

2. TECHNOLOGY ABSORPTION:

Technology absorption, Innovation and Research & Development (R & D) is a continuing Process and a continued emphasis is given on quality improvement and product upgradation. Information as per Form-B of the Annexure to the Rules is given below :

RESEARCH & DEVELOPMENT (R & D)

(a) Specific Areas in which R & D carried by the Company :

The Company has adopted latest new technology. However, R & D has been carried in the areas of new product development, improvement in the production process and quality of products.

(b) Benefits desired as a result of above R & D :

The efforts have resulted in cost competitiveness. The product range has been employed.

(c) Future Course of action :

The management is committed to continued R&D to increase market competitiveness.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(Rs.in Lacs)

Foreign Exchange Earned	Nil
Foreign Exchange Used (CIF Value of Imports)	856.72

SUPREME YARNS LIMITED

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company, while conducting its business has been upholding the core values of Supreme i.e. transparency, integrity, honesty, accountability and compliance of laws. In continuation of its efforts towards performance, the Company intends to seize opportunities of tomorrow and create a future that will make it the best Company in its area of operations. This in turn will help to improve the quality of life of the communities it serves, e.g. customers, suppliers, Government, shareholders, local community, etc.

Your company is committed to follow the best & established Corporate practices. We are happy to inform you that your company's practices and policies are significantly in conformity with the requirements stipulated by the SEBI.

1. BOARD OF DIRECTORS

a) Size & Composition of Board

The Board presently Comprises of the directors including the Non-Executive Independent Chairman and three executive directors and the majority of directors on the board are Independent.

The detail of the Composition of the Board, number of directorship and committee position held by each of the directors are given here under:

NAME	DESIGNATION	CATEGORY	NO. OF DIRECTORSHIP HELD IN OTHER COMPANIES	NO. OF BOARD COMMITTEE MEMBERSHIP HELD IN OTHER COMPANIES	NO. OF BOARD COMMITTEE CHAIRMAN HELD
VIVEK PRATAP SINGH	CHAIRMAN	NON-EXECUTIVE INDEPENDENT REPRESENTING PSIDC	1	—	—
S.S.KHURANA	DIRECTOR	NON-EXECUTIVE INDEPENDENT REPRESENTING PSIDC	1	—	—
S.S.CHUGH	DIRECTOR	NON-EXECUTIVE INDEPENDENT REPRESENTING PSIDC	6	3	—
S.K.DUGGAL	DIRECTOR	NON-EXECUTIVE INDEPENDENT	13	4	5
B.K.MALHOTRA	DIRECTOR	NON-EXECUTIVE INDEPENDENT	—	—	—
R.C.SINGAL	DIRECTOR	NON-EXECUTIVE INDEPENDENT	16	6	4
S.C.POPLI	DIRECTOR	NON-EXECUTIVE INDEPENDENT REPRESENTING IDBI	1	—	—