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CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
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TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
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White House Cotton Industries Ltd.

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7th ANNUAL REPORT

1997 - 98

BOARD OF DIRECTORS

A. ABDUL BARI	CHAIRMAN AND MANAGING DIRECTOR
A. ABDUL THAHIR	
A. ABDUL WAJEED	
A. MOHAMED IDRIS	
A. MOHAMED ELYAS	
A. MOHAMED MUKHTHAR	WHOLE-TIME DIRECTOR
A. MOHAMED SHERIFF	
R. SIVASAILAM	
J. RADHAKRISHNAN	
D.R. JAWAHAR	IDBI NOMINEE

COMPANY SECRETARY	L.B. JAYARAM
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AUDITORS	M/s. SOMASUNDARAM & SIVARAMAN CHARTERED ACCOUNTANTS CHENNAI.
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BANKERS	THE SOUTH INDIAN BANK LTD. INDUSTRIAL FINANCE BRANCH No.1, RAMAKRISHNA ROAD 'KENCES TOWERS', T. NAGAR, CHENNAI - 600017.
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REGISTERED OFFICE & SHARE DEPARTMENT	1096, E.V.R. PERIYAR ROAD, PERIAMET, CHENNAI - 600003.
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FACTORY	S.F. No.1, VEDANTHANGAL ROAD KOLAMBAKKAM VILLAGE MADURANTHAGAM TALUK KANCHEEPURAM DISTRICT - 603 308.
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WHITE HOUSE COTTON INDUSTRIES LIMITED

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Seventh Annual General Meeting of the Members of White House Cotton Industries Limited will be held on Monday, the 21st September 1998 at "Vani Mahal", 50, G.N. Chetty Road, T. Nagar, Chennai - 600017 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March 1998, the Balance Sheet as at that date together with the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri. A. Mohamed Sheriff, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri. R. Sivasailam, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri. J. Radhakrishnan, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the close of this Annual General Meeting till the close of the next Annual General Meeting and to authorise the Board of Directors to fix the remuneration.

The retiring auditors M/s. Somasundaram & Sivaraman, Chartered Accountants, Chennai being eligible offer themselves for re-appointment.

By order of the Board
for WHITE HOUSE COTTON INDUSTRIES LTD.

Place : Chennai.
Date : 28th July, 1998.

L.B. JAYARAM
COMPANY SECRETARY

Registered Office :
1096, E.V.R. Periyar Road,
Periamet, Chennai - 600003.

Notes :

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and proxy need not be a Member of the company.
2. Proxies in order to be effective should be lodged with the company at the Registered Office atleast 48 hours before the commencement of the Meeting.
3. The Register of Members and Share Transfer Books of the company will remain closed from 19.9.98 to 21.9.98 (both days inclusive).
4. Members desiring any information on the workings of the company at the Annual General Meeting are requested to write to the company atleast 7 days in advance, so as to enable the company to keep the information ready.
5. All communications relating to shares are to be addressed to the Registered Office of the company at 1096, E.V.R. Periyar Road, Periamet, Chennai- 3.

WHITE HOUSE COTTON INDUSTRIES LIMITED**DIRECTORS' REPORT**

To the Members,

Your Directors have pleasure in presenting the Seventh Annual Report on the working of the company together with the Audited Statement of Accounts for the year ended 31st March, 1998.

FINANCIAL RESULTS

	Year ended 31.03.1998 (Rs. in lacs)	Year ended 31.03.1997 (from 22.8.96) (Rs. in lacs)
Income from Operations	1608.19	888.64
Other Income & Stock differential	271.22	99.90
	-----	-----
	1879.41 (A)	988.54
	-----	-----
Total Expenditure	1563.67	898.42
Interest	247.56	121.03
	-----	-----
	1811.23 (B)	1019.45
	-----	-----
Gross Profit / (Loss) before Depreciation & Taxation (A-B)	68.18 (C)	(30.91)
Depreciation	178.70 (D)	97.52
Provision for taxation	-	-
Net Profit / (Loss) (C-D)	(110.52)	(128.43)

As per Clause 43 of the Listing Agreement between the company and Stock Exchange where the company's shares are listed, we give below the requisite details for the year ended March '98.

PROJECTION Vs PERFORMANCE 97-98

Particulars	Projection	Actuals (Rs. in lacs)
Sales	1947	1608.19
Net Profit	226	(110.52)

The variation in the Projection Vs Performance is mainly due to the increase in the prices of raw cotton and the severe economic crisis in the South East Asian countries.

WHITE HOUSE COTTON INDUSTRIES LIMITED**INDUSTRY REVIEW**

Due to a poor cotton crop on account of unseasonal rainfall and pest attack during the year under review, prices of cotton remained very high almost throughout the year. The second half of the financial year 1997-98 witnessed the collapse of the economies in South East Asian Countries which affected our sales and margins. During the year 1997-98 your company was quick enough to identify newer overseas markets in Morocco and Mauritius. Indian yarn export prices gained in terms of competitiveness in the global market but the price realisation of yarn has slipped compared to the previous years.

For the coming season Market Report says that acreage under cotton crop cultivation has gone up by about 15%. In view of the above, the Management expect better crop for the season 1998-99 in terms of quality and quantity. An abundant crop is expected to stabilise prices of cotton which has witnessed peak rates.

PERFORMANCE

The company sold about 9.4 lac kgs of cotton yarn and 3.10 lac kgs. of knitted grey fabric totalling Rs.1608 lacs out of which Rs.746 lacs came from exports.

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

As required under Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, the information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the Annexure forming part of this report.

DIRECTORS

Shri. A. Mohamed Sheriff, Shri. R. Sivasailam and Shri. J. Radhakrishnan, Directors retire by rotation at the forthcoming Annual General Meeting of the company. The retiring Directors being eligible, offer themselves for re-appointment.

AUDITORS

M/s. Somasundaram & Sivaraman, Chartered Accountants, Chennai, Auditors of the company will retire at the forthcoming Annual General Meeting of the company and being eligible, offer themselves for re-appointment.

PERSONNEL & INDUSTRIAL RELATIONS

The Board wishes to place on record its appreciation for the efforts put in by the employees. Industrial relations were very much satisfactory.

ACKNOWLEDGEMENTS

Your Directors place on record their appreciation for the support and guidance received from I.D.B.I. The South Indian Bank Ltd., and all Government Agencies and thank all the Shareholders, Customers and Suppliers for their continuous support and co-operation.

for and on behalf of the Board

A. ABDUL BARI

Chairman & Managing Director

Chennai.
28th July, 1998

WHITE HOUSE COTTON INDUSTRIES LIMITED**Annexure to Directors' Report**

Information as per section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report.

A. Conservation of Energy

- a) Energy conservation measures taken :
Usage of energy is being monitored carefully and awareness to conserve energy has been created.
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy.
Nil.
- c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.
Wastages have been avoided.
- d) Total energy consumption and energy consumption per unit of production as prescribed in form "A".

		31.3.1998	31.3.1997
A)	Power and Fuel Consumption		
1)	Electricity		
a)	Purchased :		
	Units (in Lakhs)	55.09	32.20
	Total amount (Rs. in lakhs)	178.41	94.07
	Rate per unit (Rs.)	3.24	2.92
b)	Own generation through Diesel Generator		
	Units (in lakhs)	1.29	4.83
	Units per litre of diesel oil	3.01	2.60
	Cost per Unit (Rs.)	3.41	3.09
B)	Consumption per unit of production		
	Electricity - units per Kg. yarn	3.79	3.71

B. Technology Absorption

Efforts made in Technology Absorption as per Form "B".

Indigenous technology alone is used and Research and Development is carried out by South India Textile Research Association (SITRA), in which the Company is a member.

WHITE HOUSE COTTON INDUSTRIES LIMITED

C. Foreign exchange earnings and outgo :

- a) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans;

The company is presently exporting 100% cotton yarn. Steps are being taken to explore new markets and to export value added products.

- b) Total Foreign exchange used and earned :

Earned : Rs. 746.07 lacs.

Used : Rs. 14.39 lacs.

Information as per Sec. 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report.

No employee is in receipt of remuneration exceeding the limits set out under section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

for and on behalf of the Board

A. ABDUL BARI

Chairman & Managing Director

Chennai.
28th July, 1998

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