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7th

ANNUAL REPORT

1996 - 97

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Winsome Yarns Limited



**IS/ISO
9002**



Board of Directors

SHRI S.C. AGRAWAL	CHAIRMAN
SHRI S.C. BAGRODIA	VICE CHAIRMAN
SHRI C.S. JHA	
SHRI DINESH KHAITAN	
SHRI OPINDER SINGH	
SHRI R.R. DHARAMDASANI	(IFCI NOMINEE)
SHRI BRIJ KHANNA	
SHRI MANISH BAGRODIA	MANAGING DIRECTOR

COMPANY SECRETARY :

Shri O.P. Gupta

AUDITORS :

M/s Lodha & Company
Chartered Accountants
12, Bhagat Singh Marg, New Delhi

BANKERS :

Canara Bank
State Bank of Patiala

REGISTERED OFFICE :

S.C.O. 144 - 145, Sector 34 - A,
Chandigarh - 160022

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WINSOME YARNS LIMITED

NOTICE

NOTICE is hereby given that the 7th Annual General Meeting of the Members of Winsome Yarns Limited, will be held on Friday the 26th September, 1997 at 9.30 A.M. at Tagore Theatre, Sector 18-C, Chandigarh to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March 1997, and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Brij Khanna, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Opinder Singh, who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution:

"RESOLVED THAT M/s. Lodha & Co., Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be decided by the Board of Directors."

Registered Office :

SCO 144-145
SECTOR 34-A
CHANDIGARH - 160022

By order of the Board

Dated 17.08.1997

O.P. GUPTA
COMPANY SECRETARY

NOTES :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
2. The proxy should be deposited with the company at its Registered Office not less than forty-eight hours before the meeting.
3. Since PSIDC, a Punjab Government undertaking, holds more than 25% of the paid up Capital, Resolution as per item No. 4 is proposed as a Special Resolution.
4. The Register of Members and Share Transfer Book of the Company will remain closed from 17.9.97 to 26.9.97 (both days inclusive)

Directors' Report**WINSOME YARNS LIMITED**

Your Directors have pleasure in presenting the 7th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 1997.

Financial Highlights

	Year ended 31.3.97 (Rs.in lacs)	Year ended 31.3.96 (Rs.in lacs)
Sales	5749.01	4860.07
Profit before Interest & Depreciation	1354.69	1151.17
Less: Interest	437.12	562.68
Profit before Depreciation	917.57	588.49
Less: Depreciation	240.82	240.90
Profit before Taxes	676.75	347.59
Profit after Taxes	676.75	347.59

Operations & Performance

During the year under review, your Company has been able to achieve satisfactory results. The Sales Turnover has increased over 18% and the Net Profit has shown significant improvement from Rs. 347.59 lacs to Rs. 676.75 lacs i.e an increase of 94.70% over previous year.

With the excellent response to the quality of Your Company's product, the operations for the current financial year are also expected to be very encouraging. Further, looking to the growing demand of Company's product, your Company has planned for expansion of capacity by another 25000 Spindles.

In spite of good profits during the year under review, your Directors expressed their inability to recommend any dividend with a view to conserve funds for aforesaid expansion and to augment resources in the initial years of operation.

IS/ISO 9002

During the year, the Company has been accredited with an IS/ISO 9002 certificate by Bureau of Indian Standards.

Present Operations

In the first two months of the current year, your Company has made sales of Rs.848 lacs. The working is satisfactory and barring unforeseen circumstances, your Directors are hopeful of still better results during the current year.

Directors

PSIDC vide its letters dated 27.8.96, 7.11.96 and 10.3.97 had nominated its Managing Directors Shri P S Bajwa, Smt. Poonam Khetrapal Singh and Shri S C Agrawal as Director and Chairman/Chairperson of the Company in place of Shri Ramesh Inder Singh, IAS, Shri P. S. Bajwa and Smt. Poonam Khetrapal Singh respectively. IFCI vide its letter dated 10.3.97 has nominated Shri R R Dharamdasani as Director of the Company in place of Shri M M Sikka. Sh. P.N. Vijay, Director resigned from the Board vide his letter dated 9-4-97. The Board of Directors in its meeting held on 28.11.96 has also appointed Shri S C Bagrodia, Director of the Company as its Vice Chairman.

Your Directors wish to place on records their appreciation for the valuable advices and guidance given by Shri Ramesh Inder Singh, Shri P S Bajwa, Smt. Poonam Khetrapal Singh, Shri M M Sikka and Shri P.N. Vijay, the outgoing Directors.

In accordance with the Company's Articles of Association, Shri Brij Khanna and Shri Opinder Singh retire by rotation and being eligible offer themselves for re-appointment.

Auditors

M/s Lodha & Co, Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible for re-appointment. In terms of Section 224 A of the Companies Act, 1956, special resolution is proposed for their re-appointment. The Company has received Certificate from them to the effect that their re-appointment, if made, will be within the limits specified in Section 224 of the Companies Act, 1956.

Particulars of the Employees

As required by Section 217(2A) of the Companies Act, 1956, a statement of employees is given in the Annexure which forms a part of this report.

Conservation of Energy

As required by the Companies (Disclosure of Particulars in the Report of Directors) Rules 1988, the relevant data pertaining to conservation of energy, technology absorption and other details are given in the Annexure to this report.

Auditors' Report

The Auditors' Report and Notes on accounts are self-explanatory and therefore do not require any further comments.

Acknowledgement

Your Directors acknowledge with gratitude the assistance and cooperation received from IFCI, IDBI, ICICI, PSIDC, WTI, Canara Bank, State Bank of Patiala and State Bank of India, Govt. of Punjab and other Government Agencies.

Your Directors take this opportunity to thank customers, suppliers and others for the cooperation, trust and confidence reposed by them in the Company.

Your Directors also place on record their appreciation for the sincere services and hard work put in by the employees at all levels.

By order of the Board

Place: Chandigarh
Dated: 17.06.1997

(S C Agrawal)
Chairman

Annexure to Directors' Report**WINSOME YARNS LIMITED**

INFORMATION AS PER SECTION 217(1)(E) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF DIRECTORS) RULES 1988 AND FORMING PART OF THE DIRECTORS REPORT FOR THE PERIOD ENDED 31ST MARCH,1997.

I. CONSERVATION OF ENERGY

- a) Energy conservation measures taken :
Measures taken to reduce the light and power consumption.
Every possible step has been undertaken for conservation of energy.
- b) Additional investments and proposals,if any,being implemented for reduction of consumption of energy.
No additional investment made.
- c) Impact of the measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods. Energy Consumption per unit of production reduced by 6%.
- d) Total energy consumption and energy consumption per unit of production as per Form-A of the annexure to the rules in respect of industries specified in the schedule thereto:

A) Power and Fuel consumption	Current Year	Previous Year
1. Electricity		
a) Purchased Unit (KW)	12830691	13228672
Total amount (Rs in lacs)	299.81	232.70
Rate/Unit (Rs)	2.34	1.76
b) Own Generation through Diesel Generator Unit(KW)	2484220	1852909
Units/Ltr.of Diesel Oil	3.44	3.37
Cost/Unit(Rs/KW)	2.75	1.83
2. Coal(Specify quality and where used)	NIL	NIL
3. LSHS & Furnace Oil Qty.(MT)	NIL	NIL
Total amount (Rs.in lacs)		
Average rate(Rs.per M.T)		
4. Gas	NIL	NIL
(Qnty.(M.T.)		
Total amount (Rs.in lacs)		
Average rate(Rs.per Kg)		
B) Consumption per Unit of Production		
Electricity (KW)	3.61	3.84
LSHS & Furnace Oil (Lts)	NIL	NIL
Gas (Kgs)	NIL	NIL

II. TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per Form-B of the Annexure to the Rules.

- 1) Research & Development (R&D)
 - a) Specific area in which R&D carried by the Company :
- Latest new technology was adopted.
 - b) Benefits derived as a result of the above R & D
- Nil
 - c) Future plan of Action :
- Areas are being identified where technology can be upgraded.
 - d) Expenditure on R&D (Rs. in lacs)
- Expenditure on in house research & development has been shown under respective heads of expenditure in the profit & loss account, as no separate account is maintained.
- 2) Technology absorption,adoption and innovation.
 - a) Efforts,in brief,made towards technology absorption and innovation :

WINSOME YARNS LIMITED

- Equipments of latest technology have been installed.
- b) Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.
 - There has been benefit in respect of quality and Productivity of the product.
- c) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year).
 - Nil

III. FOREIGN EXCHANGE EARNING AND OUTGO

- a) Activities relating to exports, initiatives taken to increase exports, development for new export market for products and services and export plans.
Exports of the Company has increased from Rs. 4523.07 lacs (1995-96) to Rs. 5562.62 lacs. New export markets have been developed and with this exports are likely to increase further.
- b) Total foreign exchange used and earned (Rs. in lacs)

	Current Year	Previous Year
Earnings	5562.62	4523.07
Outgo:		
i) Value of imports calculated on CIF basis by the Company:		
- Raw materials	40.84	89.97
- Components, Spares & Stores	5.42	12.23
- Capital Goods	3.25	11.28
ii) Expenditure in Foreign Currencies (Cash basis)		
- Foreign Travelling	13.83	9.32
- Commission on Sale	29.71	18.07
- Others	1.89	—

for and on behalf of the Board

Place: Chandigarh
Dated: 17.06.1997

S C Agrawal
Chairman

WINSOME YARNS LIMITED**ANNEXURE TO DIRECTORS' REPORT**

STATEMENT OF PARTICULARS OF EMPLOYEES, PURSUANT TO THE PROVISIONS OF THE SECTION 217(2A) OF THE COMPANIES ACT, 1956, READ WITH COMPANIES (PARTICULARS OF THE EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 1997.

Sr. No.	Name of the Employees	Designation/ Nature of duties	Qualification	Total Working Experience (Years)	Date of Commencement of Employment	Total Remuneration (Rs.)	Age (years)	Previous Employment held
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A: Persons employed throughout the year, who were in receipt of remuneration not less than Rs.300,000/-

1.	Shri Manish Bagrodia	Managing Director	M.Com.Advance Diploma in Computer Applications	10	01.07.1994	6,13,150	30	Winsome Textile Industries Ltd Baddi (HP)
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B: Persons employed for part of the year who was in receipt of remuneration for any part of the year at a rate which in aggregate was not less than Rs.25000/- per month.

NIL

NOTES:

1. Remuneration as above includes Salary, House Rent Allowance or Housing Accommodation and reimbursement of Medical Expenses and other perks/benefits provided by the Company.
2. Shri Manish Bagrodia, Managing Director is related to the Vice Chairman of the Company.