ANNUAL REPORT 1997-98

MD	✓	BKC	✓
CS	✓	DPY	NA
RO	✓	DPV	NA
TRA	NA	AC	✓
AGM	✓ ✓	SH	✓
YE	✓ ✓		

ATTESTED TO BE TRUE COPY

FOR WINSOME YARNS LTD.

O P GUPTA
COMPANY SECRETARY

Winsome Yarns Limited

BOARD OF DIRECTORS

SHRI S.S. BRAR	CHAIRMAN
SHRI S.C. BAGRODIA	VICE CHAIRMAN
SHRI S.K. DUGGAL	
SHRI DINESH KHAITAN	
SHRI BRIJ KHANNA	
SHRI MANISH BAGRODIA	MANAGING DIRECTOR

COMPANY SECRETARY :
Shri O.P. Gupta

AUDITORS :
M/s Lodha & Co.
Chartered Accountants
12, Bhagat Singh Marg, New Delhi

BANKERS :
Canara Bank
State Bank of Patiala

REGISTERED OFFICE :
SCO 144-145, Sector 34 A,
Chandigarh - 160022

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ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 173 of the Companies Act, 1956:

5. Section 77 of the Companies Act, 1956 restricts the Company to purchase its own shares unless the same is done with a view to reduce its capital in pursuance of sections 100 to 104 and 402 of the Companies Act, 1956. Considering the expected amendment in the Companies Act, 1956 regarding buy-back of shares, the Directors therefore, feel that it would be desirable to have an enabling power from the Shareholders of this purpose. The Board recommend resolution at item No. 5 of the Notice for approval.

   None of the Directors are interested in the resolution.

6. Article 96 of the Articles of Association of the Company provides a maximum of Rs. 500/- as fee for attending each meeting of a Board or a Committee of a Board by Directors of the Company.

   It was felt that Directors fee for attending Board and or Committee, fee should be increased and the Board should be given power to determine the fee payable to them. Hence, the Board recommend resolution at item No. 6 of the Notice for approval of the Shareholders.

   Except the Managing Director, all the Directors may be considered as interested.

[illegible]

Your Directors have pleasure in presenting the 8th Annual Report of the Company [illegible] Audited Accounts for the year ended 31st March, 1998.

Financial Highlights	Year ended 31.3.98 (Rs in lacs)	Year ended 31.3.97 (Rs in lacs)
Sales	683[illegible]	[illegible]
Profit before Interest & Depreciation	137[illegible]	[illegible]
Less: Interest	35[illegible]	[illegible]
Profit before Depreciation	102[illegible]	[illegible]
Less: Depreciation	24[illegible]	[illegible]
Profit before Tax	78[illegible]	[illegible]
Profit after Tax	78[illegible]	[illegible]

[illegible]

During the year under review, your Company has achieved [illegible] Rs. 5724.07 lacs in the previous year. But despite the [illegible] against the Net Profit of Rs. 679.78 lacs in previous year [illegible]

In view of high Raw Material prices, corresponding [illegible] the profitability is expected to be strained during the current year.

However, with the excellent response to the quality of your Company's product [illegible] are expected to be satisfactory.

During the year your Company has also commenced [illegible] of expansion [illegible] existing site with a capital outlay of Rs. 5385 lacs. The cost of expansion [illegible] IFCI is providing [illegible] US$ 5.00 Million equivalent to about Rs. [illegible] provided by Canara Bank.

The civil work is in advanced stage of completion. The Company [illegible] other equipments. Your Company expects commencement of production by [illegible]

Inspite of satisfactory results during the year under review, your Directors [illegible] with a view to conserve funds for the expansion programme.

Directors

PSIDC vide its letter dated 17.11.1997 has nominated its Managing Director [illegible] Director and Chairman of the Company in place of Shri S C Agrawal. PSIDC vide its letter dated [illegible] Director of the Company in place of Shri Ophinder Singh. IFCI vide its letter [illegible] Director of the Company.

Your Directors place on record the sad demise of Shri [illegible] Director of the Company [illegible] value, guidance and affection shown by him through out his association with the Company. [illegible] appreciation for the valuable advices and guidance given by Shri S C Agrawal, Shri [illegible] the outgoing Directors.

In accordance with the Company's Articles of Association, Shri [illegible] retire by rotation and being eligible offer themselves for re-appointment.

Auditors

M/s [illegible] & Co, Chartered Accountants, retire at the ensuing Annual General Meeting [illegible] 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 prescribed under 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 [illegible] 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, WTIL, 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: 23.06.1998

(S S Brar)
Chairman

[illegible]

[illegible] COMPANIES (DISCLOSURE [illegible]) [illegible] THE DIRECTORS REPORT [illegible]

[illegible]

a) [illegible] measures taken : [illegible]

[illegible]

b) [illegible] and proposal [illegible]

c) Impact of the measures at (a) & (b) [illegible] production of goods:

[illegible]

d) Total energy consumption and energy consumption per unit of production as per Form A [illegible] industries specified in the schedule [illegible]

A)	[illegible]	Current Year	[illegible]
1.	Electricity		
	a) Purchased Unit (KWH)	[illegible]	[illegible]
	Total amount (Rs in lacs)	[illegible]	[illegible]
	Rate/Unit (Rs)	[illegible]	[illegible]
	b) Own Generation through Diesel Generator Unit(KWH)	[illegible]	[illegible]
	Units/ Litre of Diesel Oil	[illegible]	[illegible]
	Cost/Unit(Rs/KWH)	[illegible]	[illegible]
2.	Coal (Specify quality and where used)	Nil	[illegible]
3.	Furnace Oil Qty (KL)	Nil	[illegible]
	Total amount (Rs in lacs)		
	Average rate (Rs per unit)		
4.	Gas (Qty)	Nil	[illegible]
	Total amount (Rs in lacs)		
	Average rate (Rs per unit)		
B)	Consumption per Unit of Production		
	Electricity (KW)	[illegible]	[illegible]
	Furnace Oil (Ltrs)	Nil	[illegible]
	Gas (Ltrs)	Nil	[illegible]

B) [illegible]

[illegible] technology absorption as per Form [illegible]

1) Research & Development (R&D)

a) Specific areas in which R&D carried out by the Company

- [illegible] new technology was adopted

b) Benefits derived as a result of the above R & D

- [illegible]

c) Future plan of Action :

- Areas are being identified where technology can be [illegible]

d) Expenditure on R&D (Rs. in lacs)

- Expenditure on in house research & development [illegible] profit & loss account, as no separate account [illegible]

2) Technology absorption, adoption and innovation.

a) Efforts, in brief, made towards technology absorption and innovation :

- Equipments of latest technology have been [illegible]