

winsome**Textile Industries Ltd.**

SCO # 191-192, Sector 34-A

Chandigarh - 160 022 INDIA

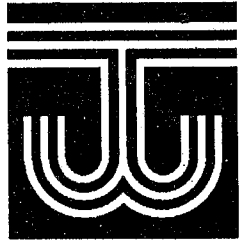
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E-mail : wtil@winsometextile.com

Website : www.winsometextile.com



Ref. No. WTI/SECT/17/

Date: 5th September, 2017

**BOMBAY STOCK EXCHANGE LIMITED
CORPORATE RELATIONSHIP DEPTT.
ROTUNDA BUILDING P.J. TOWERS
DALAL STREET FORT, MUMBAI - 400001**

Subject:- Outcome of Annual General Meeting (Proceedings of AGM, Voting Results, Scrutinizer Report, and Annual Report)

Dear Sir,

This is to inform you that the 36th Annual General Meeting of shareholders of Company was held on Monday, 4th September 2017 at 10:00 A.M. at registered office of Company: 1, Industrial Area, Baddi, Distt. Solan (H.P.). In this regard, we are enclosing herewith the followings:

1. Proceedings of Annual General Meeting (Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015) as an Annexure – I
2. Voting Results (Regulation 44(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015) as an Annexure -II
3. Scrutinizer's Report dated 5th September 2017 (Section 108 of Companies Act 2013 read with Companies (Management and Administration) Rules, 2014) as an Annexure - III
4. Annual Report for F.Y. 2016-17 (Regulation 34 of SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015) duly approved and adopted by the members of Company as per the provisions of Companies Act 2013 as an Annexure - IV

This is for your information and records.

Sincerely yours,

For Winsome Textile Industries Limited**Videshwar Sharma****Company Secretary****ACS-17201**

Encl : as above



*Passion
for
Innovation*

36th ANNUAL
REPORT
2016-17



winsome
Textile Industries Ltd.

COMPANY INFORMATION

BOARD OF DIRECTORS

Shri Ashish Bagrodia	Chairman & Managing Director
Shri Chandra Mohan	Independent Director
Shri Satish Girotra	Independent Director
Shri Amrit Lal Batra	Independent Director
Smt. Neena Singh	Independent Director

PRESIDENT & CHIEF EXECUTIVE OFFICER

Shri Anil Sharma

CHIEF FINANCIAL OFFICER

Shri Sanjay Kedia

COMPANY SECRETARY

Shri Sourabh Gupta

STATUTORY AUDITORS

M/s Lodha & Co.

Chartered Accountants

COST AUDITORS

M/s Aggarwal Vimal & Associates

Cost Accountants

SECRETARIAL AUDITORS

Shri Ramesh Bhatia

Practicing Company Secretary

BANKERS

UCO Bank

Central Bank of India

Andhra Bank

Bank of India

Canara Bank

Vijaya Bank

Punjab National Bank

Dena Bank

Axis Bank

REGISTERED OFFICE

1, Industrial Area, Baddi

Distt. Solan (H.P.) - 173205

CORPORATE OFFICE

SCO 191-192, Sector 34-A

Chandigarh – 160022

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.

44, Community Centre, 2nd Floor

Naraina Industrial Area, Phase-1

Near PVR, Naraina, New Delhi-110028

CORPORATE IDENTIFICATION NO.(CIN)

L17115HP1980PLC005647

INDEX

Corporate Identity	1
Chairman's Overview	7
Performance Highlights	9
Business Segments	11
Management Discussion & Analysis	14
Company Policies	21
Director's Report	25
Corporate Governance Report	61
Independent Auditor's Report	76
Balance Sheet	85
Statement of Profit and loss	86
Cash flow Statement	87
Significant Accounting Policies & Notes for the Financial Statements	88
Notice	117

CORPORATE IDENTITY

Passion for Innovation

Even after more than three decades, our purpose has remained the same. To innovate and deliver additional value for money.

In the industry full of companies, we differentiate ourselves as a company whose passion is innovation and with continuous efforts, we have emerged as a major player in industry with our differential approach of providing maximum value addition in our products.

OUR VISION AND MISSION

"Global Player in Innovative and value added Textile."

OUR VALUES

To provide customer satisfaction and value addition, through teamwork, honesty and integrity, for continuous growth and development.



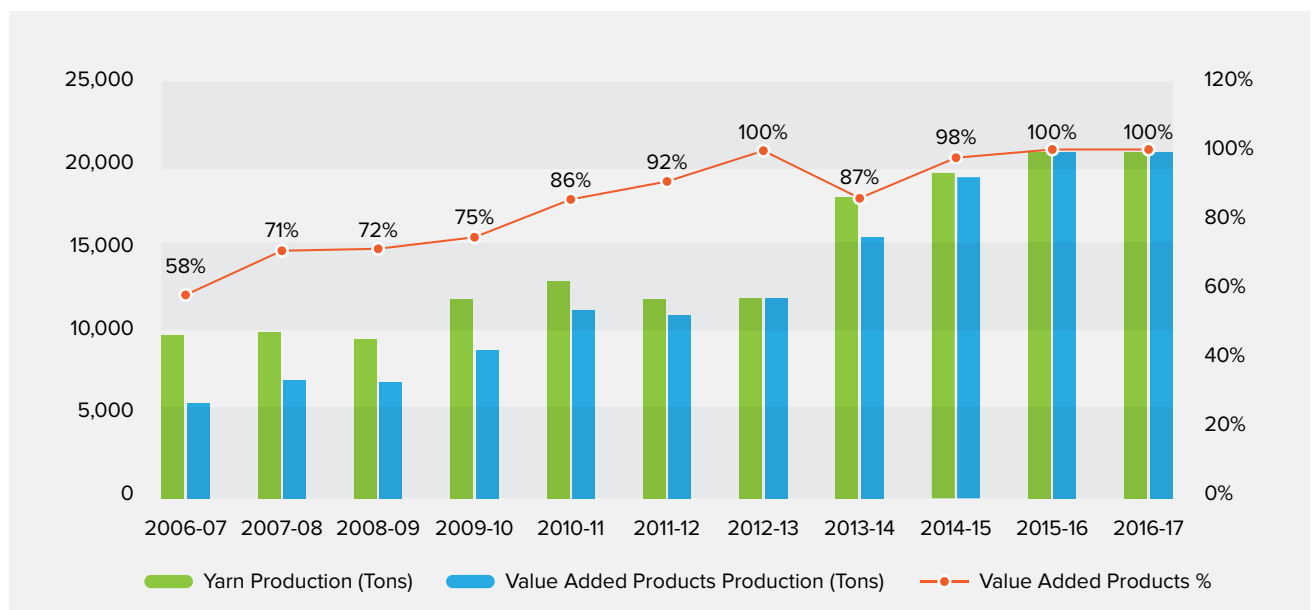
OUR POSITIONING

Trend setter for the Mélange yarn manufacturing in India.

OUR PHILOSOPHY

To continue growth and innovation by leading national and international standards and ethical means, in coherence with the customer satisfaction, stakeholders' trust and social responsibility.

Innovation and value addition has been the core value of Winsome Textile. We always strive to maximize the value to our product offerings. Our



goal has been to understand the needs of our customer and deliver solutions through our products.

We have state of the art research & development team which is innovation driven and determined to add value to our products. With persistent efforts of our R&D team, we have been able to increase our value added products production from 58% in FY 2006-07 to 100% in FY 2016-17.

Manufacturing Locations: Yarn/ Knitting at Baddi/ Kaundi in Himachal Pradesh & Hydro Plant at Manuni, Himachal Pradesh.

Business Vertical	Products	Operating Capacity
Yarn	Yarn	110,000 Spindles (Approx.)
Dyeing	Dyed Yarn / Fibre	29 Tons/Day
Knitting	Fabric	6 Tons/Day
Hydro Plant	Power	3.5MW/Day

THE RECOGNITION

- **2009 and 2010:** 3rd highest exporter Award for Processed yarns from India from TEXPROCIL
- **2010:** Winner of Trident Quality Pioneer Award for Total Quality Management in Northwest Qualtech
- **2011 / 2012 / 2013:** Highest exporter Award for Processed yarns from India from TEXPROCIL
- **2013:** Runner up of Trident Quality Pioneer Award for Total Quality Management in Northwest Qualtech
- **2014:** 2nd highest exporter Award for Processed yarns from India from TEXPROCIL Business Segments: Yarn and Fabric
- **2015 and 2016:** Runner up at Trident quality pioneer award at the North-West Qualtech Awards

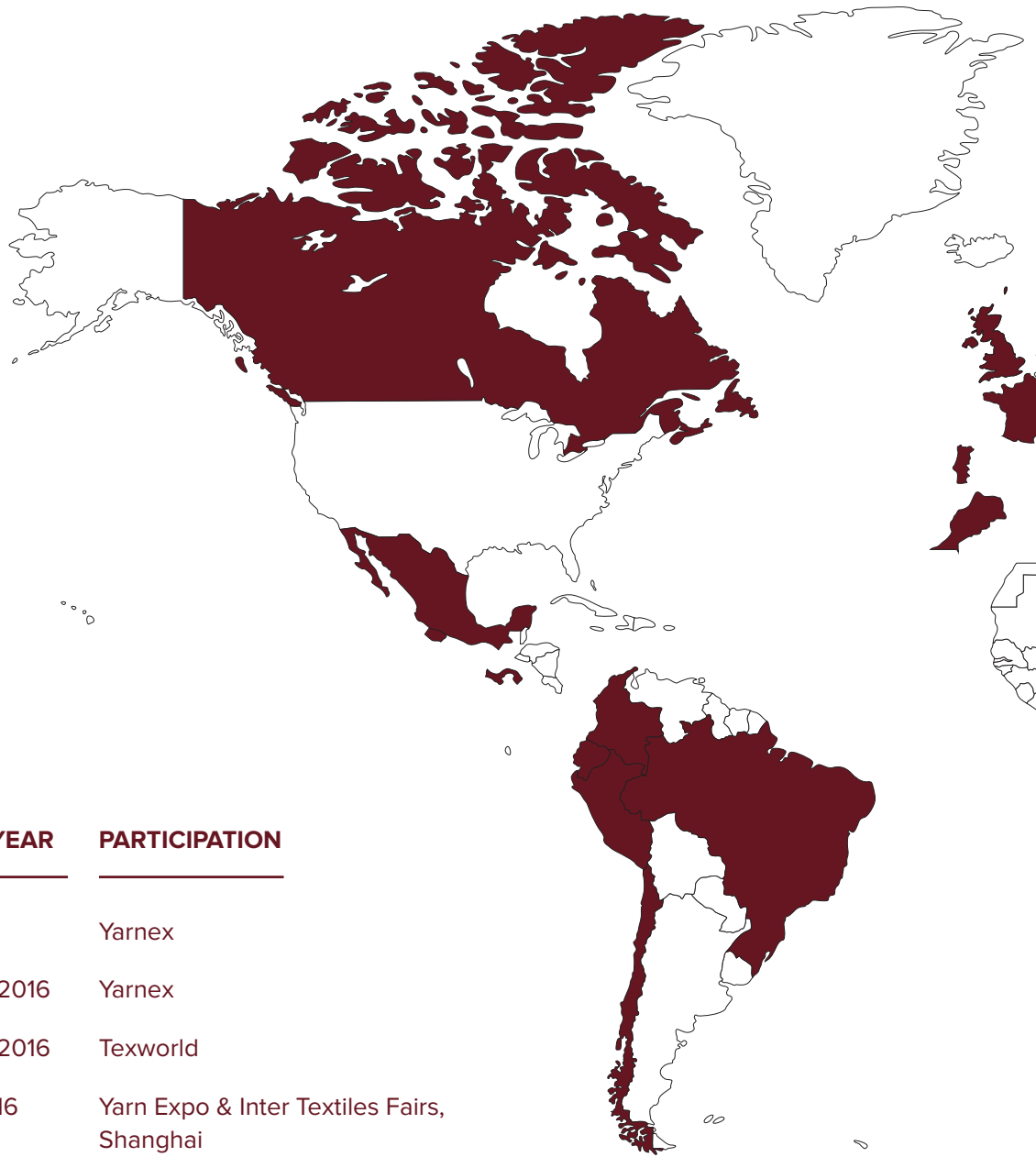
- **2015-16:** 2nd highest exports of cotton yarn (processed yarns) in the category II from TEXPROCIL.
- **2016:** Excellent Trophy for the LQC (Lean Quality Circle) in the Allied Concept category at the 30th National Convention on Quality Concepts at Shri Shankaracharya Institute of Professional Management and Technology at Raipur
- **2016:** Gold Trophy in the LQC (Lean Quality Circle) /Allied Concept category (at the First Baddi Center Convention on Quality Concepts) held on 24th October 2016 at Hotel Clarke Exotica, Zirakpur.

HYDRO POWER PLANT:

Constant demand for energy for industries is one of the major concerns for the developing economies like India. With depleting fossil fuels reserves throughout the world, the importance of renewable energy resources has been increasing steadily. One of the most abundantly available renewable energy source of energy is water in India. To harness the energy from the perennial rivers of the Himalayan region, we synchronized with the state grid our Hydro power Plant of 3.5MW at Manuni near Dharmasala which is expected to generate approx. 20 million units per year which is approx. 30% of our total consumption.



GLOBAL PRESENCE



LOCATION	MONTH & YEAR	PARTICIPATION
Delhi	July 2016	Yarnex
Tirupur	September 2016	Yarnex
Paris	September 2016	Texworld
China	October 2016	Yarn Expo & Inter Textiles Fairs, Shanghai
Vietnam	November 2016	16th Vietnam Textile And Garment Industry Exhibition
Delhi	November 2016	YFA Trade Show
Columbia	January 2017	Columbiatex
Myanmar	February 2017	5th Myanmar Int'l Textile Industry Exhibition
Paris	February 2017	Premiere Vision Yarns
Egypt	March 2017	59th Cairo Fashion & Tex Fair
Mumbai	April 2017	Fibers & Yarns



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CERTIFICATIONS

In order of maintaining world class quality standards we have achieved different certifications related to global standards. Some of those certifications are following:



IS / ISO 9001



ISO-9001

ISO 9001 is a series of standards, developed and published by the International Organization for Standardization (ISO), that define, establish, and maintain an effective quality assurance system for manufacturing and service industries. Winsome acquired this certificate in 1993 and we were second textile unit in the country to acquire the certificate showing full commitment towards quality of our products.



IS / ISO 14001



ISO-14001

The ISO 14001 Environment Management System (EMS) standard is an internationally recognized environmental management standard which was first published in 1996 and Winsome acquired it in Mar 2000 becoming an environment friendly organization. WTIL had become the first in the northern region to be ISO 14001 certified.



IS 18001



ISO-18001

ISO 18001 is an Occupation Health and Safety Assessment Series for health and safety management systems. It is intended to help an organizations to control occupational health and safety risks. Winsome acquired this certificate in 2009 and became the first company in Northern zone to achieve this certificate.



GLOBAL ORGANIC TEXTILE STANDARD CERTIFICATE

This certification is regarding on-site inspection and certification of processors, manufacturers and traders performed by independent specially accredited bodies on the basis of the GOTS monitoring system in order to provide a credible assurance for the integrity of GOTS certified textiles.



ORGANIC CONTENT STANDARD (OCS)

The Organic Content Standard (OCS) relies on third-party verification to verify a final product containing the accurate amount of a given organically grown material. It does not address the use of chemicals or any social or environmental aspects of production beyond the integrity of the organic material. The OCS uses the chain of custody requirements of the Content Claim Standard (CCS).



GLOBAL RECYCLE STANDARD

The Global Recycled Standard is intended for companies that are making and/or selling products with recycled content. The standard applies to the full supply chain and addresses traceability, environmental principles, social requirements, and labeling. Developed with the textile industry in mind, the GRS may also be applied to products from any industry.



BETTER COTTON INITIATIVE (BCI)

BCI exists to make global cotton production better for the people who produce it, better for the environment it grows in and better for the sector's future, by developing better Cotton as a sustainable mainstream commodity. Winsome acquired this certificate considering the quality standards of raw material we use.



OEKO-TEX CERTIFICATION

The OEKO-TEX® Standard 100 is an independent test and certification system for textile raw, intermediate and end products at all stages of processing.



SUPIMA CERTIFICATION

Supima allows textile mills, manufacturers, and retailers around the world whose products are made of Supima Cotton to become licensed and gain full access to the Supima brand for marketing and promotional purposes. This select group of licensed high-quality, textile mills, apparel and textile manufacturers, and retailers benefit from the backing of government agencies and cotton industry organizations to ensure a viable marketing environment for American Pima cotton growers.

CHAIRMAN'S OVERVIEW



Dear Shareholders,

I would like to thank you all for your continuous support and trust in Winsome Textile. Over the years, Winsome Textile has evolved with an ambition to emerge as a leader in its respective business verticals and enhance shareholder prosperity. **The key to success in today's competitive and dynamic world is continuous innovation. And, at our Company it is a firm belief that success is the outcome of continuous growth, perpetual edification and sustained reinvention.** With a humble start as a spinning unit in 1983, today we stand at approx. 110,000 spindles from 16,000 spindles, dye house with capacity of 29 tons per day. The company is also increasing the yarn dyed knitted fabric capacity from 6 to 8 tons per day which is proposed in the current financial year with full integration covering the value chain of industry and providing 100 % value added products to our customers. We continue to be driven by best global practices and a vision for bringing about a positive change. Our state-of-the-art manufacturing facilities, built over the years, continue to give us strength and confidence in our ability to fulfill customer demand at all times.

In terms of the global market scenario, FY 2016-17 saw a slow pickup in the world economy with growth projected at 3.4% up from 3.1% in the previous year. Corresponding growth in emerging market and developing economies reached 4.3% from 4% in the previous year. India emerged as one of the fastest growing major economy at 7.1% GDP growth in 2016-17 despite a temporary slowdown due to demonetization. For the textile industry, one of the concerning factor is the strengthening of the INR against the USD and recent policies implemented by China regarding import of yarn & cotton which has brought the industry on back foot. China has recently reduced import of yarn which has been primary market for Indian textile spinning companies and these re-

cent restrictions are hurting the industry growth.

Major reforms like demonetization had short-term impact in the form of slow growth but holds the potential for long-term benefits in the form of reduced corruption, greater digitalization of the economy, increased flows of financial savings, better tax compliance and greater tax revenues all of which could eventually lead to higher GDP growth.

GST is another important landmark in the Indian economy. It will create a common Indian market, improve tax compliance and governance, and boost investment and growth. GST will catalyze in making the unorganized segment of the textile value chain more organized and will bring them under the GST ambit to avail input tax credit. This will help in streamlining the Indian textile value chain.

In the FY 2016-17, our Company earned a consolidated revenue of Rs. 71,496 Lacs growing at a promising CAGR of 19% over last 5 years with a Net profit of Rs. 4,931 Lacs. The financial results reflected a strong performance with a slight dip in EBITDA margin due to demonetization primarily. Our presence globally is going strong with footprints in 55 countries. In a challenging, increasingly cost-sensitive environment, our focus has increased towards knitted fabric and the company has planned an expansion from 6 TPD to 8 TPD by FY 2017-18. This strategic move will significantly improve the revenue and we hope that the strong level of performance will sustain. We have also synchronized with the grid our Hydro power Plant of 3.5MW at Manuni near Dharmasala generating 30% of our total power requirement. This year external rating agencies improved our credit rating from BB+ to BBB- giving us interest benefits. Our efficient integrated model grants us reduced costs and significantly improved margins. Integration has helped us to identify the value addition in our products on each activity level and has also facilitated us to derive our strategy

accordingly.

Amalgamation of differentiation and low cost advantage has been our growth strategy. We have been looking for new opportunities in the market at both domestic and global level relentlessly. Our motto has been to set apart our products in every fashion as compared to our competitors by adding maximum value to them along with keeping our manufacturing costs on the lower side. Innovation is and will remain at the center of our strategy and our focus will be on bringing new products in market and explore new avenues.

I would like to take this opportunity to thank all our stakeholders - our financiers, our shareholders, our employees, our customers, our vendors and our well-wishers across the country and the globe for their tremendous dedication, commitment and contribution towards strengthening Winsome Textile over the years. We are continuously working forward to fulfill our mission of generating maximum value for our stakeholders. I also wish to express my gratitude to fellow Board members for their guidance and direction; and our shareholders for placing their faith in us. I urge you all to continue to repose faith in us as we strive to resolve current issues and turn the corner for a brighter future.

Yours Sincerely,
Ashish Bagrodia
Chairman & Managing Director
Winsome Textile Industries Ltd.

PERFORMANCE HIGHLIGHTS

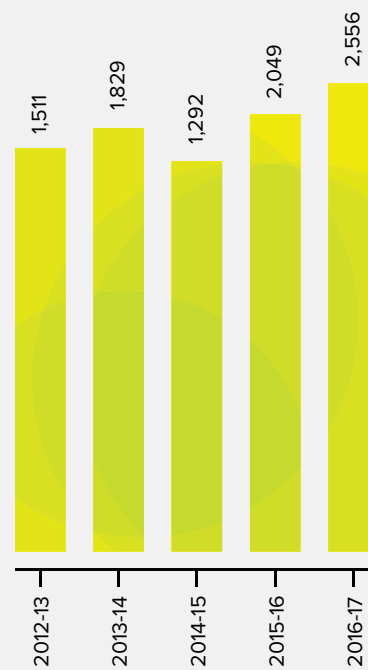
Operational Revenue
(₹ in Lacs)



Manufacturing EBITDA
(₹ in Lacs)



PAT
(₹ in Lacs)



EPS
(₹)

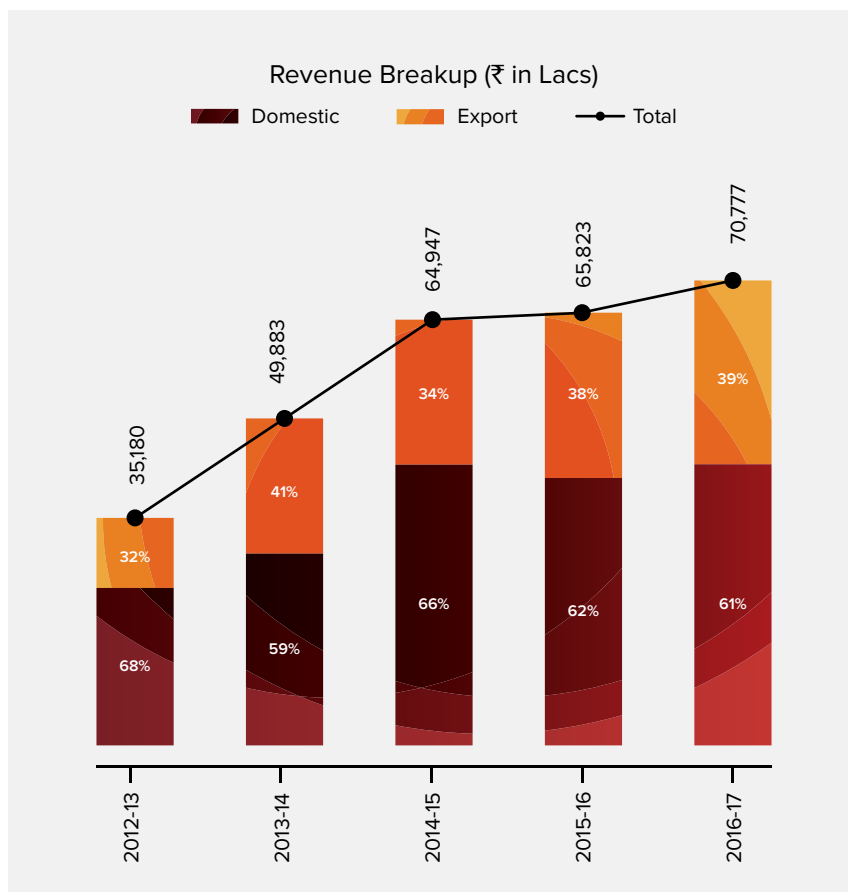
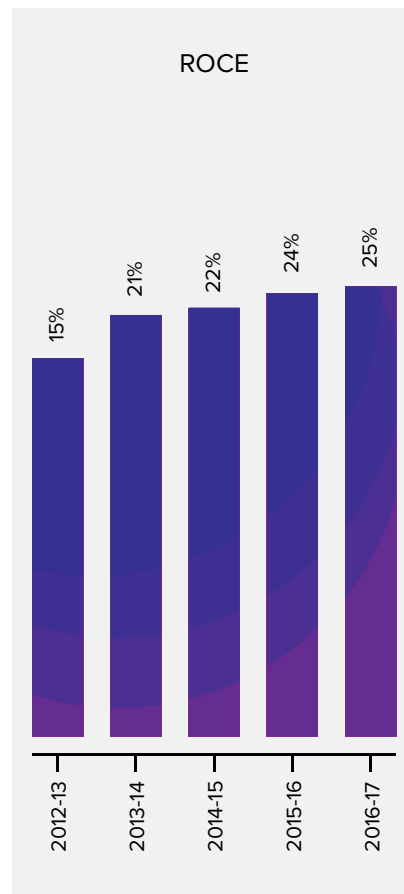
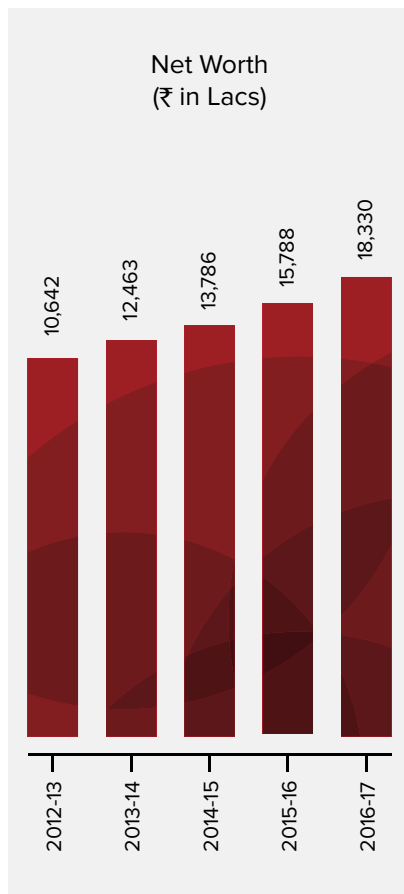


Debt Equity Ratio



Return on Equity



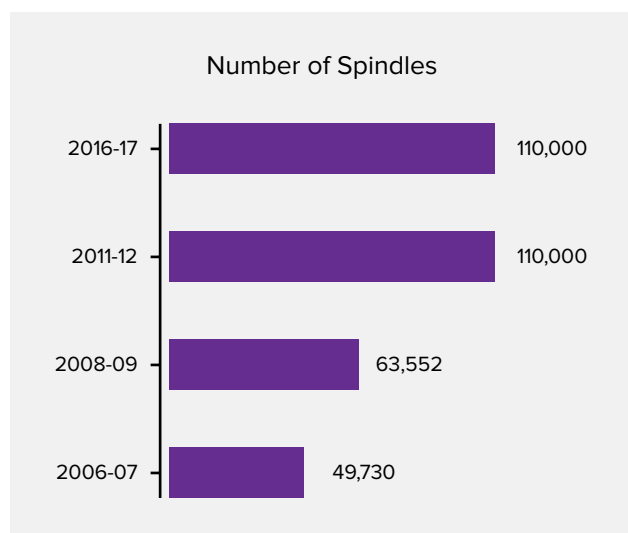


BUSINESS SEGMENTS

We are known in the market for our finest quality and maintaining quality of our products has been our top priority. To ensure consistent quality yarn & fabric, we follow a comprehensive quality control management system. We have well equipped laboratories of international standard for fiber, yarn and fabric testing and colour matching & testing.

YARN

Our portfolio consists of specialized products with different blends available allowing our customers to choose from a wide range.



Yarn/Fibre Dyed Capacity

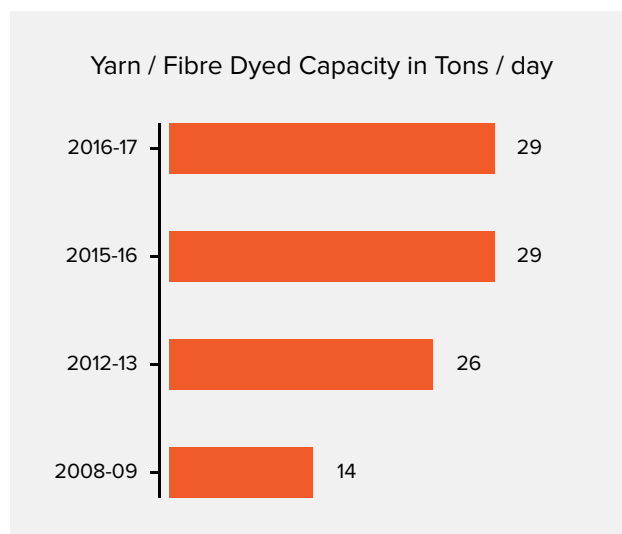
Our Yarn fibre dyed capacity has increased by CAGR of 5% in last 8 years and now we are able to dye around 29 Tons of Yarn/Fibre every day.

Product Portfolio:

"Winsome is Synonym of Mélange in India"

Mélange Yarn:

We provide finest quality mélange yarn in 100% cotton as well as cotton blends with Viscose, Polyester, Bamboo, Modal, Wool, Nylon etc. of count range from NE 12s to NE 40s both carded and combed, single & folded for circular, socks, weaving & Knitwear.



In order to promptly deliver to our customers, we maintain ready stock of certain products at strategic locations. We have added an inhouse advantage of Mélange library which allows us to have an extensive library of more than thousands of shades. Innovation in shades is our area of expertise that makes us capable of developing any shade as per customer requirement giving us edge over our competitors.

Dyed Yarn

We are well equipped with state-of-art machinery from Cubotex, Dettin, and Stalam & Precision winder from SSM to produce finest quality yarn. We can create any shade as per customer's requirement .We use Azo free dyes and we also use pantone colour card for quick shade matching and reference.

Use of the latest technology available in the textile industry helps us in removal of dye-lot minimums for premium quality yarns and at the same time use up our R&D at the textile mills for new yarns, blends & spinning techniques.

We have extensive library of 20,000+ shades allows our customers to choose from. In addition to that we are able to develop new one as per our customer requirement.

Below is our product portfolio in different ranges.

Blends

1. 100% Cotton
2. Cotton Polyester
3. Cotton/Viscose
4. Cotton/Wool
5. Cotton/Linen
6. Cotton/Silk
7. Cotton/Modal
8. Cotton/Nylon
9. Supima Cotton
10. 100% Viscose
11. Viscose/Polyester
12. Viscose/Linen
13. Polyester/Cotton/Viscose
14. Cotton/Wool/Nylon
15. Cotton/Wool/Polyester
16. Cotton/Sparkle
17. Viscose/Sparkle
18. Modal/Sparkle
19. Polyester/Linen

Specialty Products

1. Jaspe Yarn
2. Jaspe Slub Yarn
3. Neps Yarn
4. Chill Yarn
5. Flake Yarn
6. Snow Yarn
7. Slub Mélange
8. Siro Slub Yarn
9. Linen Look Yarn
10. Wool Touch Yarn
11. Foggy Yarn
12. Sparkle Yarn

13. Shiny Yarn
14. Fluorescent Yarn
15. Injection Slub Yarn
16. Fuzzy Yarn
17. Pattern Yarn
18. Mohair Yarn
19. Vintage Htr
20. Galaxy Yarn

In order to keep up with our ideology of Passion for Innovation our research and development team strives for excellence in developing new yarns for our worldwide customers.

In financial year 2016-17 we have added following products in our portfolio:

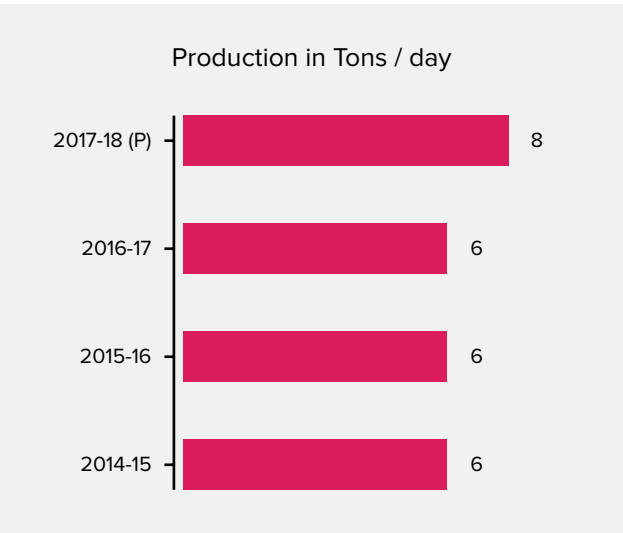
1. Fuzzy Yarn
2. Denim Look Mélange
3. Foggy Mélange
4. Sparkle Mohair Yarn
5. Eco Star Yarn
6. Multi-Color Mohair Yarn
7. Color Chill Mélange
8. Injection Sparkle Yarn
9. Neppy Injection Yarn
10. Hydrophilic Mélange
11. Patterino Yarn

FABRIC

Knitting segment to produce specialized circular Knitted fabrics with the latest technology is another feather in our cap. The company has a capacity to produce knitted fabric of 6 TPD which will be further expanded to a capacity of 8 TPD by the next financial year.

We have further established production of specialized Knitted products with the latest technology of Auto striper which is a niche segment in Indian textile industry. It facilitates us in bringing

together the various processes of spinning, dyeing, designing & knitting under one integrated head and produce specialized products. It assists us in maximizing the value addition to our products as well as empowering us to produce the final product of value chain. With the latest technical equipments from Japan & Italy, we manufacture premium quality with high technical value.



MANAGEMENT DISCUSSION & ANALYSIS

ECONOMIC OVERVIEW

World

2016 was a positive year for the worldwide economy with consistent great financial news. The “World Economic Outlook” report by IMF has anticipated the global economic growth at 3.5% in 2017 from 3.1% in 2016. The worldwide economy performed particularly well in the final quarter of 2016 and is likely to continue in 2017 also. Condition of emerging markets & developing economies is likely to improve in the current scenario as the hurdles to growth of commodity exports from these nations is gradually going down while on the other hand demand of commodity importers is still solid. In case of advanced economies, economic activities are likely to gain momentum owing to the higher projected growth of US. Other major consumption regions like EU and Japan have also reflected strong growth forecast due to their increasing domestic demand and exports.

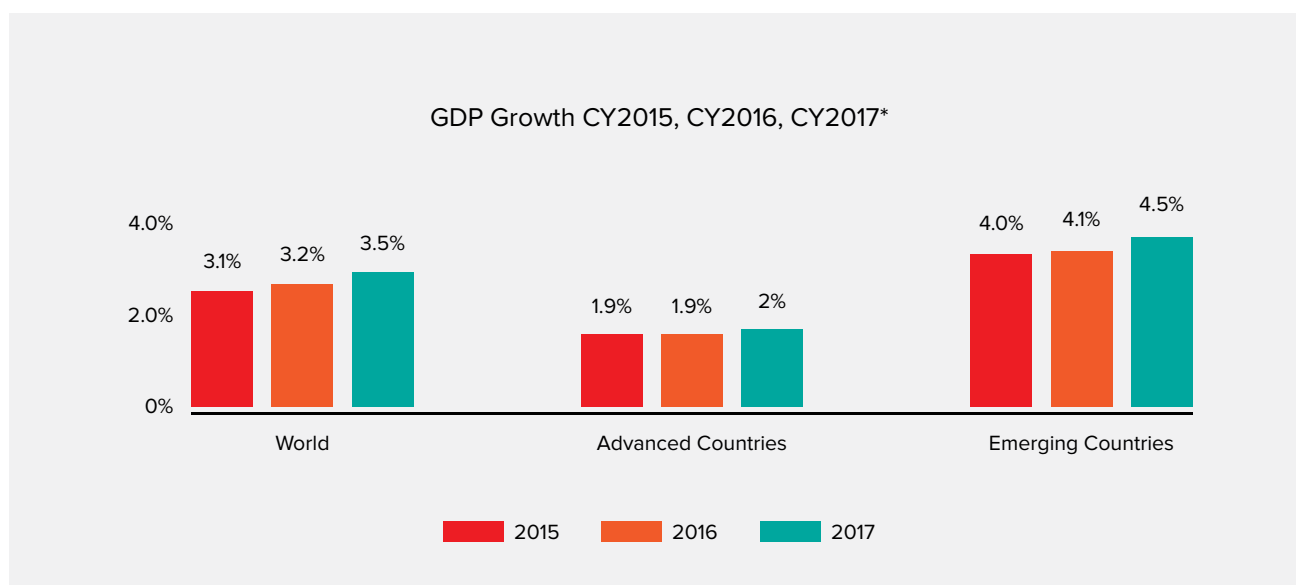
As illustrated from the graph, growth in the emerging & developing economies have strengthened over the last three years. Stable commodity prices, recovering manufacturing activity, increasing investments, and strengthening confidence are driving the growth in these nations. This retrieval of growth will impact nearly 70% of such emerg-

ing and developing nations.

US elections have resulted in a stronger dollar due to expectations of a slacker fiscal policy. After the elections, market sentiments have been strong resulting in gains in both advanced and emerging markets.

Advanced economies have shown stable economic growth, output gaps are narrowing in these economies and a solid recovery is expected in the near future. Increasing investments, improving import demand and rising exports have contributed in the overall recovery of global trade.

US showed growth slowdown in 2016 mainly due to weak investments and exports. However, it is expected to recover in 2017 due to strengthening private investments, diminishing economic slack and improvement in the labour market conditions. However, there are certain challenges still present such as steep decline in capital expenditure in the energy sector, slow wage and productivity growth, lower job flows, underemployment and large unused capacities in manufacturing. Under the new government, expected tax cuts and infrastructural programs might lead to robust growth, however, if substantial changes are made in the policies over a short period of time, it might lead to disruption in the economic activi-



Source: IMF estimates

Note: *2017 is a forecast

ties between US & its trading partners.

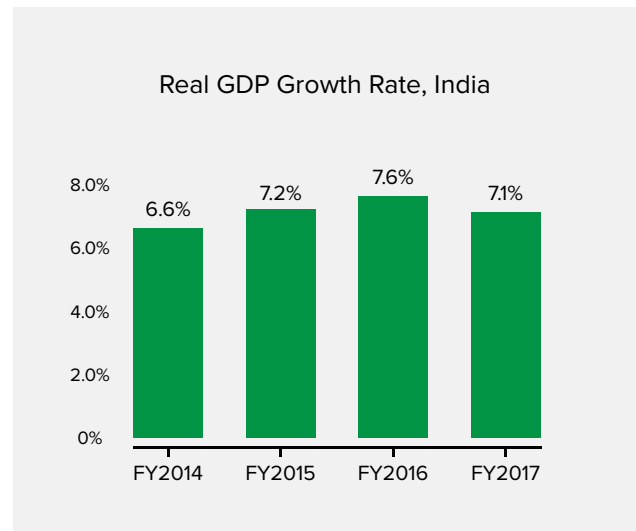
European region experienced good growth in 2016 owing to rise in manufacturing activity and exports. Unemployment rate fell continuously in 2016 although it is still higher than structural norms. Inflation has risen in the region due to increase in energy prices but it is still under the expected levels. Overall, the growth is expected to maintain at a good level in the near future at an estimated 1.2% (European Commission, 2017). However, these growth prospects are clouded by growing uncertainties of the political and economic environment in the European region due to BREXIT, high levels of non-performing bank loans and policy uncertainty in US, EU's largest export destinations.

India

2016-17 was marked by two major policy changes in the Indian economy, passing of the GST bill and the progression to demonetize the two biggest currency notes. The former decision is aimed at bringing a common tax regime in the country in order to improve tax compliance, governance and to enhance investment and growth. The latter had some harsh short term cost to the public but it is expected to reap a good result in the longer run. However, these major changes have not affected the Indian economy in adverse fashion.

Real GDP growth was improving steadily from a low of 6.6% in FY2014 to 7.6% in FY2016. But in FY2017, it dropped down to 7.1% owing to the effects of demonetization and decline in fixed investment, however India's economy recovered well to attain respectable levels. Hence, India still stands as one of the fastest growing large economy in the world.

Trends in the other macroeconomic factors such as inflation, fiscal deficit and trade deficit have been encouraging. Inflation rates declined to a level of 3.4% in December 2016 end. This fall in inflation was characterized by the fall in CPI which was attributed to the high production of



Source: Central Statistical Organization (CSO), Government of India

agricultural commodities and subsequent decline in their prices. The second contributing factor was the revival of WPI inflation from a level of -5.1% in 2015-16 to 3.4 % in 2016-17 primarily due to increase in international oil prices.

The current account deficit of the country has declined to reach a level of 0.3% (first half of FY 2017) of GDP while the trade deficit has declined by 23.5% in 2016-17 (Apr to Dec) over the last year. This was due to a steeper fall in imports as compared to fall in exports. However, recovery was observed in exports and imports of the country owing to the improvements in the world economy. Trends in the fiscal sector are also encouraging. Fiscal deficit of the country has reduced from a level of 4.5% of GDP in 2013-14 to 3.5% of GDP in 2016-17.

From a global context, three changes in the global market are likely to have a significant effect on the Indian economy. US election results and the expected changes in their monetary and fiscal policy will have an impact on the global interest rates and also on India's exchange rates and capital flows. The second change is the change in the political outlook of advanced nations which are focusing on making more protectionist policies. This change in the outlook of major markets will affect India's exports and growth prospects. The third factor is China's efforts of balancing its economy in the wake of rising US Dollar. If China is able to stabilize its economy and the falling

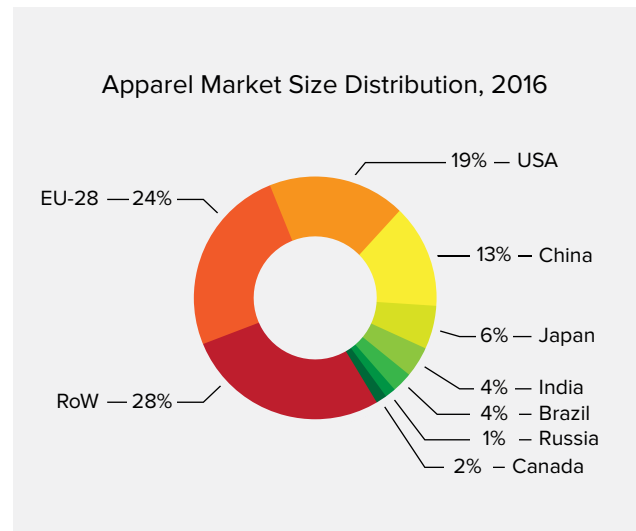
‘Yuan’ then it would result in a positive impact on the world as well as Indian economy. However, if China fails to achieve this, a further fall in Yuan would create trade frictions which will have a negative impact on India.

INDUSTRY OVERVIEW

Global Textile Industry Overview

Future of Global Textile & Apparel Trade seems bright with increasing market all across the globe and the increasing contribution of developing economies. Apparel constitutes more than half of share of global textile & apparel trade followed by fabric & home textiles.

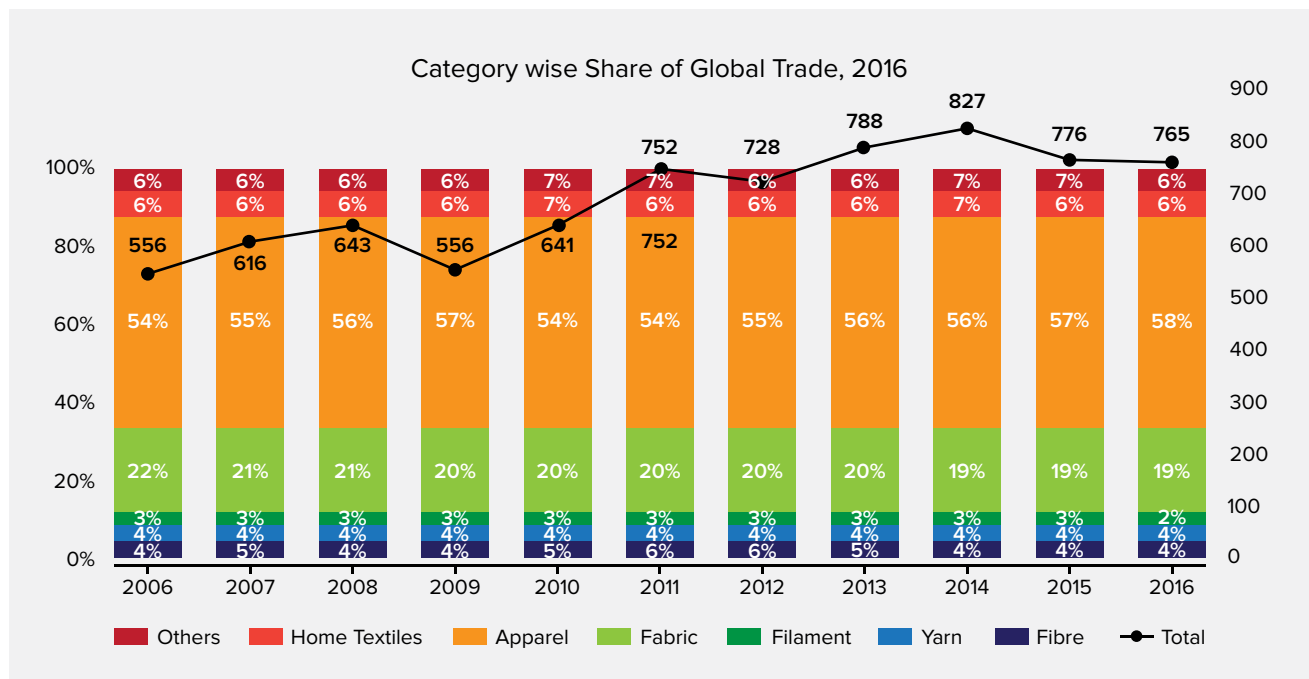
Total global Apparel market size in 2016 was USD 1,686 billion and it is expected to reach around USD 2,560 billion by 2025. While the Apparel market is mostly concentrated into EU & USA, developing countries like China & India are emerging as future market for apparel consumption expected to grow at a CAGR of 10% and 12% respectively in coming 10 years. Emerging middle class with increasing per capita apparel spending



Source: UN Comtrade and Wazir Analysis

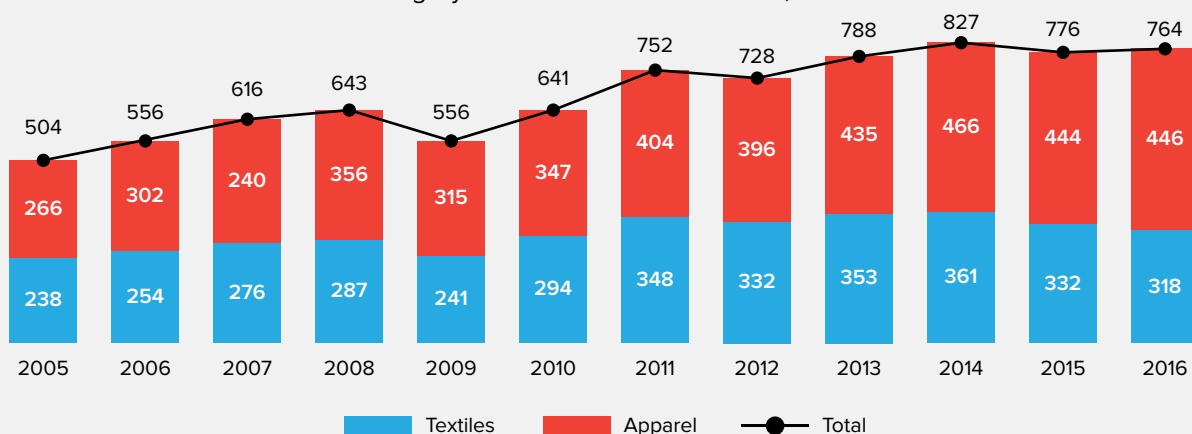
is a major force which is driving the consumption in developing economies. This potential domestic market is providing boost to local textile manufacturers.

The global textile and apparel trade in 2016 has grown at a CAGR of 4% in the last 10 years to reach US\$ 764 Bn. in 2016. However, there was a 1.5% decline in trade in 2016 compared to 2015 owing to stifled global economic scenario.



Source: UN Comtrade and Wazir Analysis

Category wise Share of Global Trade, 2016



Source: UN Comtrade and Wazir Analysis

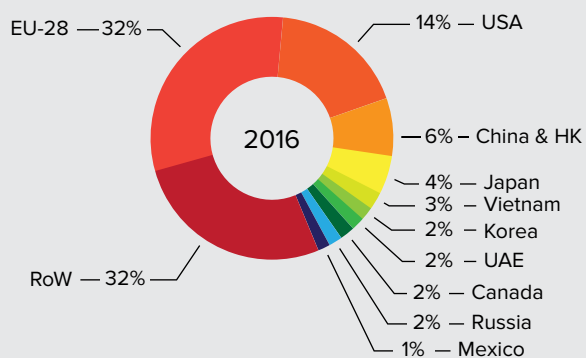
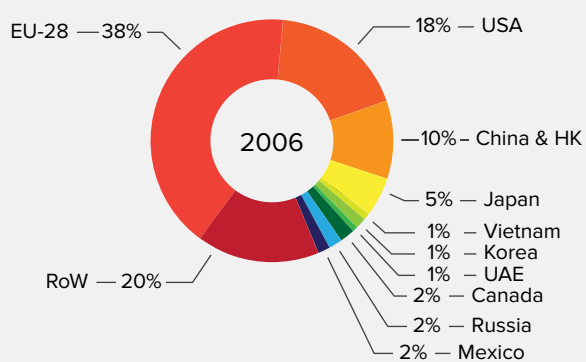
Share of Major Markets:

Share of Top 10 global markets have reduced from 80% in 2006 to 68% in 2016, indicating emergence of new markets in global trade. The major driving force behind this shift has been the lower cost of production in Asian countries.

Share of Major Suppliers:

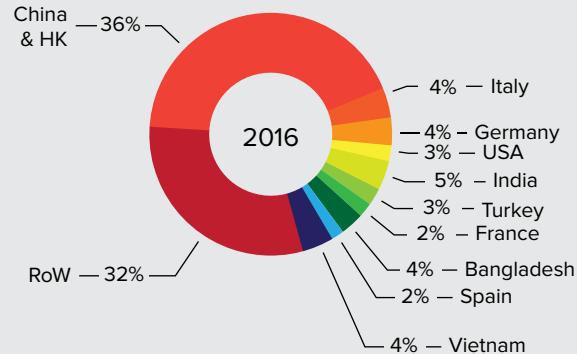
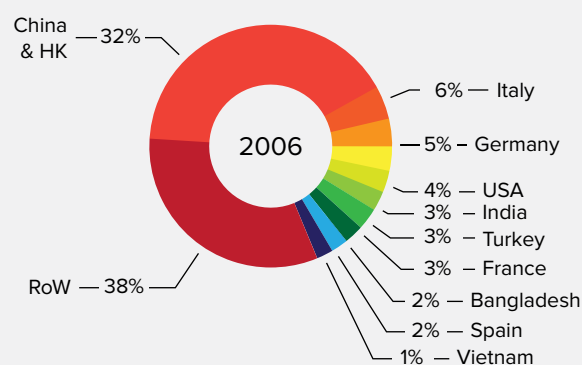
Over the last decade, share of top 10 global suppliers has increased from 62% in 2006 to 68% in 2016 indicating consolidation of global sourcing. China & HK has maintained the top position with 36% share in global exports in 2016. India has emerged as second largest exporter of tex-

Share of Major Markets

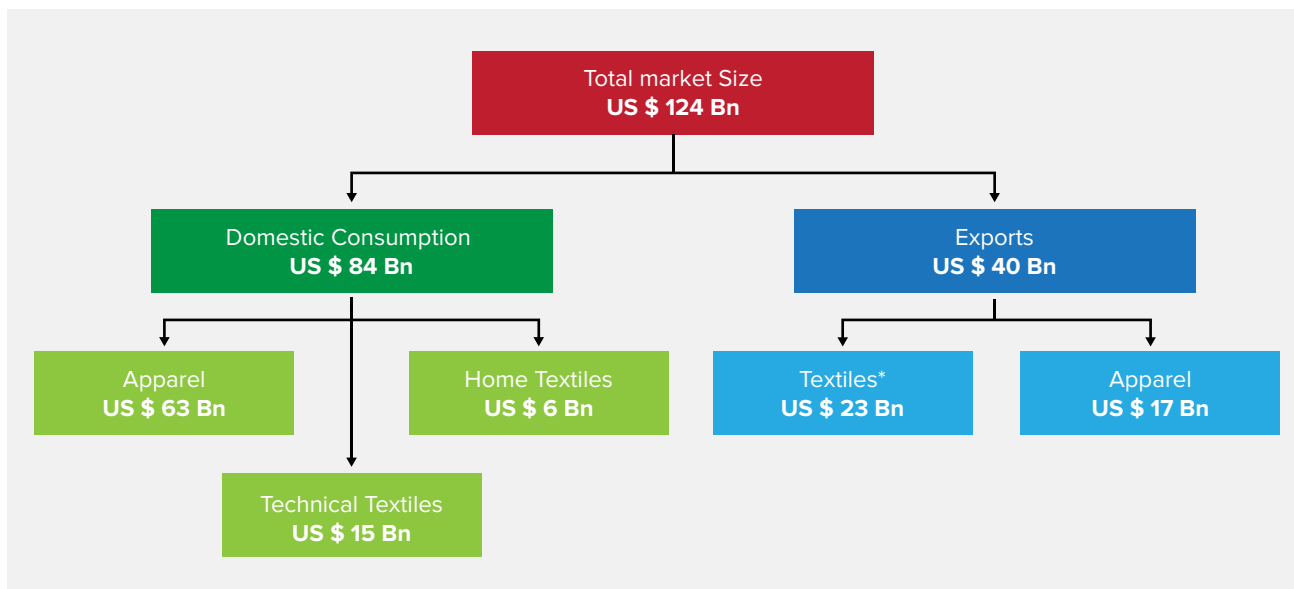


Source: UN Comtrade and Wazir Analysis

Share of Major Suppliers



Source: UN Comtrade and Wazir Analysis



Source: Wazir Analysis

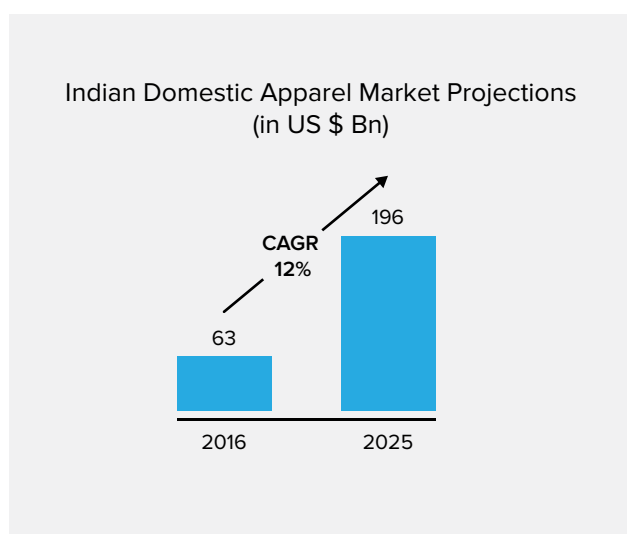
* including Handicrafts

tile and apparel.

Indian Textile Industry Overview

Indian textile and apparel market is estimated at US\$ 124 billion in 2016. Domestic consumption of textile and apparel is valued at US\$ 84 bn. for 2016. Within this, apparel retail contributes ~ US\$ 63 bn., technical textiles contributes ~ US\$ 15 bn. and home textiles contributes ~ US\$ 6 bn. While export is estimated at US\$ 40 billion with US\$ 23 billion and US\$ 17 billion of textile and apparel export respectively.

Domestic apparel market size of India is expected to reach a level US\$ 196 bn. in 2025.

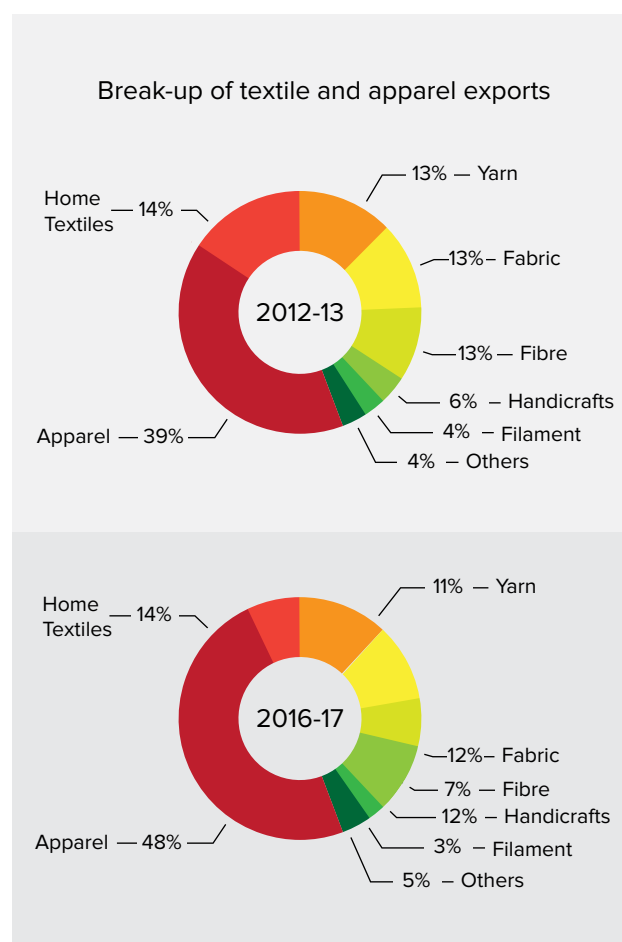


Source: UN Comtrade and Wazir Analysis

Category wise Exports

Apparel is the largest category exported from

India having a share of 48% in the total textile and apparel exports during 2016-17 which has increased considerably from 39% in 2012-13. Home Textiles is the second largest category exported from India with a share of 14% in 2016-17 followed by fabric, handicrafts and yarn with a share of 12%, 12% and 11% respectively. Share



Source: UN Comtrade and Wazir Analysis

of fiber & filament has declined from 13% & 4% in 2012-13 to 7% & 3% in 2016-17 respectively. This indicates that slowly and gradually India's export product mix is getting shifted towards value added products.

Share in global trade

Global textile and apparel trade grew at a rate of 4 % over the last decade to reach a value of US\$ 776 bn. in 2015. During the same period, India's export of textile and apparel grew at a comparatively higher rate of 8% to reach an export value of US\$ 37 bn.

India enjoys the position of being the second largest exporter of textile products to the world,



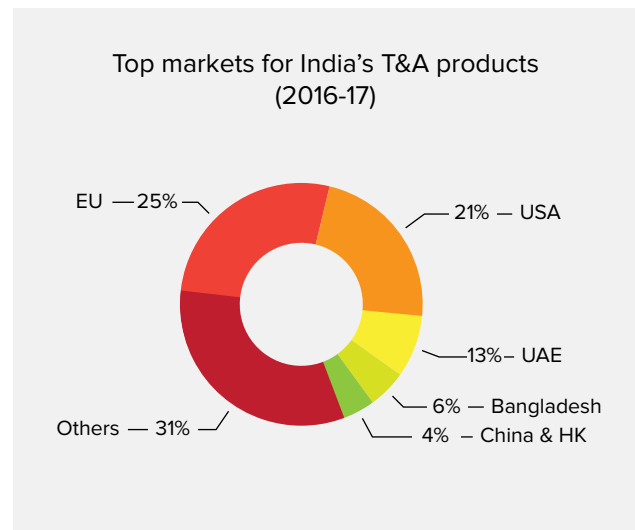
Source: UN Comtrade and Wazir Analysis

however its share in the global exports tell a different story. As compared to the share of the largest exporter i.e. China (40%), India's share is a merely 5% in the global trade. Countries like Italy, Germany and Bangladesh which are comparatively much smaller than India have similar share of around 4-5% in the global trade. This clearly indicates that, India as a manufacturer and exporter of textile and apparel has not been able to realize its potential even though it enjoys the presence of a complete value chain and an abundant supply of cheap and skilled labor.

India's Top Markets

European Union continues to remain the biggest

market for Indian textiles and apparel products in 2016-17 with a share of 25% followed by USA with a share of 21%, UAE with a share of 13%, Bangladesh with a share of 6% and China & HK with a share of 4% respectively.



Source: UN Comtrade and Wazir Analysis

Textile and apparel exports to UAE has shown highest CAGR of 21% over last five years followed by USA with CAGR of 6% and Bangladesh with a CAGR of 5%. The exports to China & Hong Kong have shown a sharp decline of 19% in the same period.

Indian Textile Manufacturing Scenario

India is one of the few countries in the world which has production at each level of textile manufacturing viz. fibre manufacturing, spinning, weaving, knitting, processing and garmenting.

The snapshot of installed capacities of textile infrastructure in India is provided in the table on the next page.

The production of spun yarn has been growing at a CAGR of 5% over the last 6 years from 4,373 mn. Kg in 2011-12, the staple yarn production has increased to 5,664 mn. Kg in 2016-17.

Domestic consumption of spun yarn is much higher than exports. India is the second largest exporter of spun yarn globally. Though the exports are growing steadily, but the domestic demand is almost 2.7 times higher and growing faster as well.

Installed Capacities in Indian Textile Sector

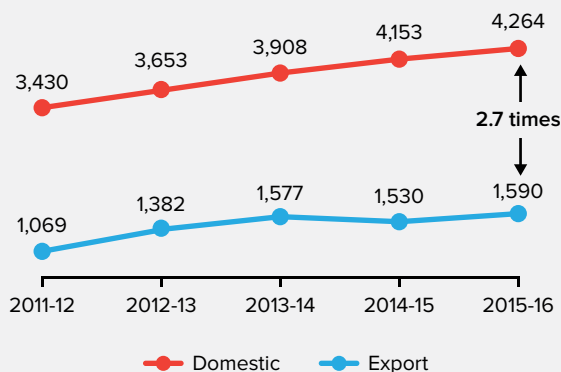
Description	Units	Capacities
Spindles	Number	52.3 million
Rotor	Number	0.88 million
Looms (Organised Sector)	Number	0.1 million
Power loom	Number	2.5 million
Man Made Fibre	Kg	1,348 million
Man Made Filament	Kg	1,164 million
Knitted Fabric	Sq. Mtr.	17,647 million

Source: UN Comtrade and Wazir Analysis

Fabric production has been growing at a CAGR of only 2% from 2011-12 to 2015-16. Cotton fabrics have the majority share with 59% in the to-

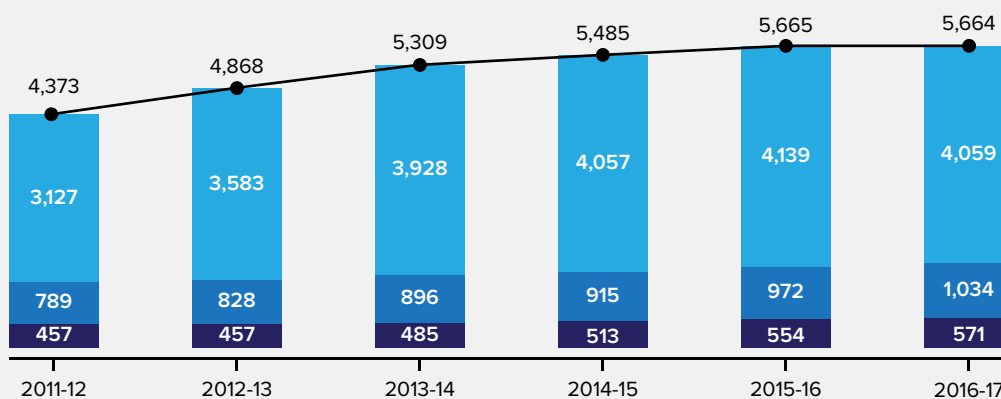
tal fabric production with manmade fabrics and blended fabrics constituting shares of 23% and 17% respectively.

Consumption of spun yarn



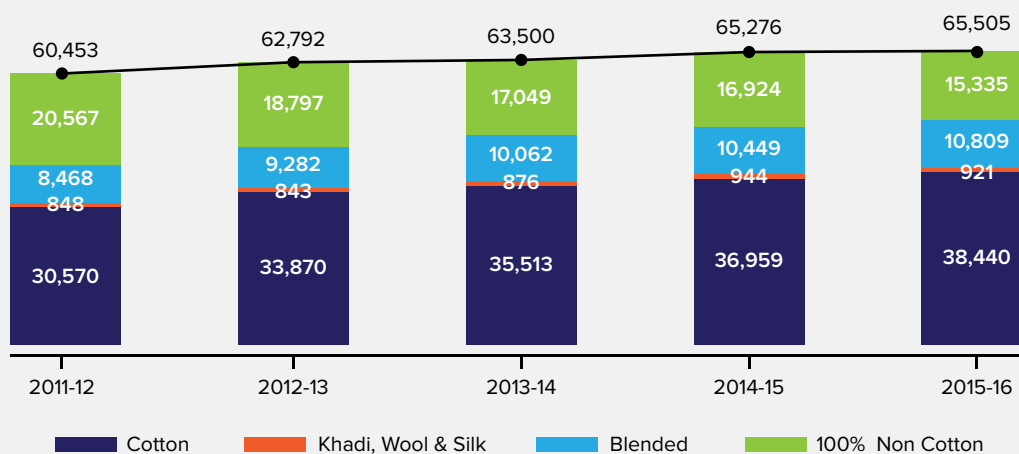
Source: UN Comtrade and Wazir Analysis

Spun Yarn Production in India (Mn. Kg)



Source: Office of Textile Commissioner

Fabric Production in India (Mn. Sq. meters)



Source: Office of Textile Commissioner

COMPANY POLICIES

WINSOME COMMITMENT TOWARDS SOCIETY, EMPLOYEES & ENVIRONMENT

Conservation of Energy

Energy Conservation is unquestionably of great importance to all of us, since we rely on energy for everything we do every single day. Energy supplies are limited and, to maintain a good quality of life, we must find ways to use energy wisely.

In 2016-17 we saved Rs.41 Lacs by energy conservation in the following areas.

Electrical:

- Improvement in power factor near to unity by installation of 20 capacitors bank i.e. from 0.993 to 0.996
- Reduction in power by installation of 910 LED tube light instead of conventional tube light
- Installed 4 numbers energy efficient motors instead of conventional motor
- Installed one energy efficient waste collection for 9 cards
- Installed one energy efficient centrifugal fan instead of conventional fan
- Installed one timer for control of Rotary blower in dye house H-plant
- Interval control by cyclic timer of overhead blower in simplex machine
- Use of 10 numbers 65W CFL lighting in place of 250W MH lighting in dye house area
- Reduction in steam consumption by process improvement
- Reduced idle running time of lights by strictly following protocols
- Procuring and installing star rated air conditioners in all office buildings

- Provided training for Employees and colony residents on Energy management Module.
- Use of transparent sheets as ceiling to use day light
- Implementation of energy management system by use of KWH meters to reduce un-necessary usage of electricity by end users

Mechanical:

- Waste Water recovery
- Heat Recovery system
- Fuel Saving in boiler
- Bag filter Installation in boiler
- Reuse of coil cooling water
- Reduction of water consumption in Dye house

Corporate Social Responsibility

Our Company aims to remain essential to the society with its social responsibility, strongly connected with the principle of sustainability, an organization based not only on financial factors, but also on social and environmental consequences. We are actively involved in corporate social activities to contribute to social and economic development of the communities in which we operate.

As required under Section 135 of the Companies Act, 2013, the CSR Committee comprising of Mr. Ashish Bagrodia as the Chairman and Mr. Chandra Mohan and Mr. Satish Girotra as its Members. The CSR Committee of the Company has laid down the policy to meet the Corporate Social Responsibility. The CSR Policy includes any activity that may be prescribed as CSR activity as per the

Rules of Companies Act, 2013. The main focus areas taken in the policy are Education, Health care and family welfare, Environmental Safety, contribution to any relief fund set-up by the Government of India and any State Government.

In FY 2016-17 our CSR activities spending was Rs 52.62 Lacs and the different CSR activities we were involved are following:

- Creation/Development of Infrastructure by installation of Solar Street Lights in rural areas
- Protection of National Heritage, art & culture in rural area
- Promoting Healthcare including Preventive Healthcare
- Contribution to CSR Corpus of Winsome Foundation Trust created exclusively for CSR activities

Total Quality Management Projects

To maintain high standard of work in company operations, TQM projects are implemented which alternatively helps us in cost saving. In 2016-17 we saved Rs. 310 Lacs by following the TQM projects:

- Reduction in Standard Process Time in Dyeing
- To Increase the no of lots of dyeing in small capacity dyeing machines
- Analyze and achieve cost reduction in Sampling, Packing and Freight Cost
- Reduction in Hard Waste in Shed numbers 1-6
- Reduction in cost of belts used in Spinning
- Reduction in Mélange Sliver Waste

Risk Management Policy

Every business decision inherits associated

risks. No business transaction takes place without taking risk. As a matter of fact, the risk associated with every commercial transaction creates an opportunity for the organization since risk and opportunity are two sides of same coin. The Company is operating in textile segment which itself is vulnerable to certain kind of risks associated with textile industry and its different constituents. In order to mitigate these risks and to efficiently handle the various risks, Company has laid down a Risk Management Policy.

Company's Risk Management Framework includes three key elements:

1. Risk Assessment
2. Risk Management and Risk Mitigation
3. Risk Monitoring

The different kind of risk we monitor are:

1. Credit Risk
2. Foreign Exchange Risk
3. Financial and Liquidity Risk
4. Business Operational Risk
5. Legal and Political Risk
6. Geographic and Environmental Risk

The Risk Management Committee of the Board of Directors of the Company periodically reviews the existence and functioning of Risk Management Policy. The Board of Directors after considering the recommendations of Risk Management Committee are empowered to amend this policy in whole or in part, at any time consistent with requirements of applicable laws, rules and regulations.

Sexual Harassment Policy

We respects the dignity of all employees working for the Company irrespective of their gender or position. In the same way,

we expect responsible conduct and behavior on the part of all our employees at all levels. Providing a safe and congenial work environment to all employees is an integral part of the Company's employment policy.

Management of the Company has constituted Internal Complaint Committees at different workplaces to consider and redress complaints of Sexual Harassment in a time bound manner.





DIRECTOR'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 36th Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended 31st March, 2017.

(Rs. in lacs)

Financial Highlights	Year ended 31.3.2017	Year ended 31.3.2016
Sales	70777.07	65823.33
Profit before Interest & Depreciation	11223.03	10381.70
Less : Interest	5280.11	6145.40
Profit/(Loss) before Depreciation	5942.92	4236.30
Less : Depreciation	2124.62	1978.97
Profit/ (Loss) before Tax	3818.30	2257.33
Less : Provision for Taxation - Current Tax(MAT)	1011.79	487.26
- MAT Credit	-	(332.97)
- Deferred Tax Liability/(Assets)		30.63
- MAT Credit earlier year/Charged Earlier Year	250.02	23.79
- Tax for earlier years		---
Net Profit/ (Loss) after Tax	2556.49	2048.62
Add : Surplus brought from previous year	8229.52	8298.38
Less: Adjustments during the year	-	68.86
	10786.01	8229.52
Appropriations :		
Proposed Dividend	NIL	NIL
Corporate Dividend Tax	NIL	NIL
Surplus Carried to Balance Sheet	10786.01	8229.52
	10786.01	8229.52

PERFORMANCE REVIEW

During the year under review, your Company has achieved a sales turnover of Rs. 70777.07 lacs as against sales turnover of Rs.65823.33 lacs during the previous year showing an increase of 7.53% and a net profit (after tax) of Rs.2556.49 lacs for the year as against net profit (after tax) of Rs. 2048.62 lacs during the previous year. The export of the company for the current financial year was Rs. 27896.59 lacs as against Rs. 25229.62 lacs for the previous financial year.

The Cotton acreage in India in Kharif 2016-17 fell by 12% to 10.5 million hectares as farmers turned towards other remunerative crops such as Pulses. However, the average yield recovered by 16% to 560 kg/ha and production in 2016-17 is estimated to rise by 2% to 5.9 million tons. The crop season remain normal throughout the year but cotton and yarn prices were on upward trend.

The major portion of export was comprising of mélange, dyed yarn & value added specialty yarn in the Asian, European and South American countries. In furtherance of same, Company has done well in export of processed yarn. Your Company is persistently focused on manufacturing of value added yarns and knitted fabrics to reduce price risks and allied risks. Efforts to improve the overall performance of the Company are on pace.

ACCOLADES AND ACCOLADES

We are delighted to inform you that your Company has been presented with Silver Trophy by 'TEXPROCIL' for second Highest Exports of Cotton Yarn (Processed Yarns) in the Category II for F.Y. 2015-16. Apart from it, Gold Trophy in the LQC (Lean Quality Circle)/Allied Concept category has also been awarded to the Company at the First Baddi (H.P.) Center Convention on Quality Concepts under the Project titled as "Reduction in breakage of Lever in Linkconer machine". Your Company is making persistent efforts to maintain its distinguish position in the competitive environment.

HYDRO POWER PROJECT OF COMPANY

The Company's Manuni Hydroelectric Power Project (3.5 M.W.) at Dharamshala, Distt. Kangra, Manuni Khad (H.P.) has been synchronized with H.P.S.E.B.L. Grid on 31.03.17. After commissioning this project is expected to generate twenty million units of electricity annually, thereby maximizing the growth of Company.

MODERNISATION & EXPANSION

During the year under review, the Company has taken several progressive steps for modernization cum expansion of plants. Major details are listed below:

- (a) Replacement of 238 Autoconers with new AC6 Machines: These machines are having additional features such as better yarn clearing along with shade variation function which is need of the hour for melange spinning process. These machines are highly energy efficient i.e. 30% power saving as compared to older machines.
- (b) Replacement of Chinese Ring Frames: Our nine ring frames of 1008 spindles has been replaced with 1200 spindles of LMW make LR9 machines. We are getting higher productivity and production with this replacement.
- (c) This year we have added Trutzschler TC10 cards in our process. With these initiatives we will be able to enhance our value added yarn production.
- (d) We have also added Auto Dispenser of Copower and Sample Dyeing Machines of Hangjie. With this installation, we will be able to serve market faster and will get more recipes resulting improved RFT and additional production.
- (e) Our workers Hostel is also under completion stage. By this we will be able to provide additional accommodation to 180 workers and this will lead to stability of workers thereby increased efficiency.

SUBSIDIARY COMPANY

During the year ended 31st March, 2017, neither the Company has any subsidiary nor any material listed/unlisted subsidiary company.

PUBLIC DEPOSITS

The Company has not accepted or renewed any deposits from the public during the year under review pursuant to the provisions of Companies Act, 2013 and rules made thereunder.

DIVIDEND & RESERVES

Keeping in view to conserve the resources, your Directors do not recommend any dividend for the year under review. During the year under review, no amount was transferred to reserves.

STATUTORY AUDITORS

At the 33rd Annual General Meeting of Company held on 29th September 2014, M/s Lodha & Co., Chartered Accountants, were re-appointed as Statutory Auditors of Company, for a period of three years i.e. from the conclusion of 33rd Annual General Meeting of Company till the conclusion of 36th Annual General Meeting of Company, subject to the ratification of their appointment by the members in every subsequent Annual General Meeting as per provisions of section 139 of Companies Act 2013 read with Companies (Audit & Auditors) Rules 2014. Therefore considering the aforesaid provisions, the present Statutory Auditors i.e. M/s Lodha & Co., Chartered Accountants have completed their tenure. M/s Lodha & Co. will thus be holding the office of Statutory Auditors up to the conclusion of forthcoming 36th Annual General Meeting.

The Company is now proposing to appoint M/s B. Chhawchharia & Co. (ICAI Firm Regn No. 305123E), Chartered Accountants, Kolkata as Statutory Auditors of Company for a period of 5 years commencing from the conclusion of 36th Annual General Meeting of company till the conclusion of 41st Annual General Meeting of Company. M/s B. Chhawchharia & Co., Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits mentioned under provisions of section 141 of Companies Act 2013 and rules made thereunder read with Companies (Audit and Auditors) Rules 2014.

The Audit Committee and the Board of Directors recommend the appointment of M/s B. Chhawchharia & Co., Chartered Accountants as Statutory Auditors of Company from the conclusion of 36th Annual General Meeting of Company till the conclusion of 41st Annual General Meeting of Company, if required shall be subject to ratification of their appointment by members at every Annual General Meeting held after this Annual General Meeting.

The Board places on record its appreciation for the contribution of M/s Lodha & Co., Chartered Accountants, during their tenure as the Statutory Auditors of your Company.

AUDITOR'S REPORT

Observations made in the Auditor's Report are self-explanatory. The comments of the Board of Directors on Auditor's observations are attached herewith.

COST AUDIT & COST AUDITOR

Pursuant to provisions of section 148 of Companies Act 2013 & Rules made thereunder, your Company carries out an audit of cost records every year. The Company has obtained written confirmations from M/s Aggarwal Vimal & Associates, Cost Accountants, to the effect that their appointment, if made, would be in accordance of provisions of section 148 of Companies Act 2013 and that they are not disqualified for such appointment within the meaning of section 141 of Companies Act, 2013 read with Companies (Audit & Auditors) Rules 2014.

Therefore, after considering the recommendations of Audit Committee, Board of Directors of the Company have appointed M/s Aggarwal Vimal & Associates, Cost Accountants, as Cost Auditor of Company for the Financial Year 2017-18 to conduct Cost Audit of Cost Accounts of the Company on a remuneration of Rs.70,000/- (Rupees Seventy Thousand only). Although pursuant to provisions of section 148 of Companies Act 2013 read with Companies (Audit & Auditors) Rules 2014, the remuneration of Cost Auditor is subject to the ratification of members of the Company. The Cost Audit Report for Financial Year 2015-16 was due to be filed with the Ministry of Corporate Affairs on 30.09.2016 was filed on 23.09.2016.

SECRETARIAL AUDIT

Pursuant to the recommendations of Audit Committee, Shri Ramesh Bhatia, Practicing Company Secretary has been appointed by the Board to conduct the Secretarial Audit under provisions of section 204 of Companies Act 2013. The Secretarial Audit Report is annexed with the Director's Report as **ANNEXURE - 1** there is no qualification in Secretarial Audit Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP's)

Pursuant to section 152 of Companies Act 2013 read with Companies (Appointment and Qualification of Directors) Rules, Shri Ashish Bagrodia, Director, retire by rotation and being eligible, offer himself for re-appointment. There is no change in Board of Directors as well as in Key Managerial Personnel (KMP) during the year under review.

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

Energy conservation continues to be an area of major emphasis in your Company. Efforts are made to optimize the energy cost while carrying out manufacturing operations. As required under provisions of section 134 of Companies Act, 2013 read with Companies (Accounts) Rules 2014, relevant information's regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

is given in the **ANNEXURE – 2** forming part of this report.

STATUTORY DISCLOSURES

None of the Directors of Company are disqualified under the provisions of section 164 of Companies Act 2013 & rules made thereunder. The Directors have made the requisite disclosures, as required under the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (“hereinafter referred to as Listing Regulations”).

CORPORATE GOVERNANCE & COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is committed to maintain the good standards of Corporate Governance. The Company has complied with the Corporate Governance requirements as stipulated under Listing Regulations. Pursuant to said Regulations, Report on Corporate Governance together with the Certificate issued by Practicing Company Secretary regarding compliance of Corporate Governance is annexed to this report. Further the Company has complied with Secretarial Standards issued by Institute of Company Secretaries of India on Board Meetings and Annual General Meeting.

DIRECTOR’S RESPONSIBILITY STATEMENT

Pursuant to the provisions of section 134(3) (c) of Companies Act, 2013, it is hereby confirmed that:

- (a) in the preparation of annual accounts for the financial year ended 31st March, 2017, the applicable accounting standards have been followed and that there are no material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the profit or loss of the Company for the year ended on that date;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively;
- (f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequately and operating effectively.

EXTRACT OF ANNUAL RETURN

The details forming part of extract of the Annual Return is given in Form MGT-9 in **ANNEXURE – 3**.

NUMBER OF BOARD MEETINGS

During the Financial Year 2016-17, Four Board Meetings were held. These meetings were held on 27th May 2016, 10th August 2016, 10th November 2016 and 06th February 2017. The other relevant details of Board meetings and the attendance of the Directors etc. are given under Corporate Governance Report annexed with Director's Report.

DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors of the Company have submitted the Declaration of Independence, as required pursuant to provisions of section 149 of Companies Act 2013 and under Listing Regulations, stating that they meet the criteria of independence as provided in said section.

PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS

Details of Loans, guarantees and investments covered under Section 186 of Companies Act, 2013 are given in the notes to the financial statements provided in this Annual Report.

RELATED PARTY TRANSACTIONS

All related party transactions are entered on arm's length basis, in ordinary course of business and are in compliance with the applicable provisions of Companies Act and Listing Regulations. There are no materially significant related party transactions made by the Company with its promoters, Directors or Key Managerial Personnel, their relatives etc. that may have potential conflict with the interest of the Company at large. Thus disclosure in Form AOC-2 as per provisions of Companies Act 2013 is not required. However the details of the transactions with Related Party are provided in the Company's Financial Statements in accordance with the Accounting Standards read with Accounting Policies.

All Related Party Transactions are presented to the Audit Committee and the Board for approval by specifying the nature, value, terms and conditions of the transactions etc. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions for which omnibus approval has obtained are presented before the Audit Committee as well as to Board on quarterly basis. The Related Party Transactions Policy of Company is available on following web link of Company's website: <http://www.winsometextile.com/files/pdf/68-63-file.pdf>

MATERIAL CHANGES FROM END OF FINANCIAL YEAR TILL DATE OF REPORT

There are no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which this financial statements relate and the date of this Report.

RISK MANAGEMENT POLICY

The Company has in place a mechanism to inform the Board about the risk assessment and minimization procedures and periodical review to ensure that management controls risk through means of a properly defined framework. The Company has formulated and adopted Risk Management Policy to prescribe risk assessment, management, reporting and disclosure requirements of the Company. The said policy is uploaded on the Company's website i.e. www.winsometextile.com under corporate policies.

NOMINATION & REMUNERATION POLICY

The Board has on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management, Key Managerial Personnel and their remuneration. Same is given in **ANNEXURE-4** and also available on Company's website i.e. www.winsometextile.com under corporate policies.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

It is the Company's intent to establish itself and remain as a responsible corporate entity conscious of its social responsibilities towards its work force, society and environment. Corporate Social Responsibility (CSR) policy is framed under provisions of Section 135 of Companies Act 2013 & rules made there under having following major objectives:

- To identify and formulate projects and areas in response to the needs of society and to implement them with full involvement and commitment in a time bound manner.
- To adopt an approach that aims at achieving a greater balance between social and economic development.
- To implement CSR Activities/CSR programmes primarily in the economic vicinity Company's operations with a view to ensuring the long term sustainability of such interventions.
- Contribution to the society at large by way of socio-economic activities and social awareness ensuring that benefits reach the targeted beneficiaries.
- To comply with the requirements of Companies Act and all other applicable Acts, Rules, Regulations framed by the Government time to time.

The CSR activities may be focused not just around units/plants and offices of the Company, but also in other geographies based on the needs of the communities/society. In pursuance to CSR Policy, Company has decided to conduct or undertake all or any of prescribed activities/activity/sub-activity, as mentioned in Schedule VII of the Companies Act 2013 and rules & regulations made thereunder, (as amended time to time), either by Company itself or by Winsome Foundation Trust or by both. Winsome Foundation Trust is a Charitable Trust registered under Income Tax Act and established by Company who also fulfills the criteria laid down under Companies (CSR Policy) Rules 2014. The Corporate Social Responsibility (CSR) Committee of Company regularly monitor/review the CSR activities/CSR projects, its mechanism & other prescribed activities/matters. CSR policy is available on website of Company at following web link: <http://www.winsometextile.com/files/pdf/68-59-file.pdf>

CSR Committee of Company functions in accordance with section 135 of Companies Act 2013 and rules made thereunder i.e. to monitor the CSR activities/CSR projects, its mechanism & other prescribed activities/matters. During the F.Y. 2016-17, Four CSR Committee meetings were held on 27th May 2016, 10th August 2016, 10th November 2016 and 06th February 2017. The composition, names of members, chairperson and attendance of members during the year are as below:

S. N.	Name of members	Category	No. of meetings attended during the year 2016-17
1	Shri Ashish Bagrodia, Chairman	Executive Director	4
2	Shri Chandra Mohan, Member	Independent/Non-Executive	4
3	Shri Satish Girotra, Member	Independent/Non-Executive	3

The relevant details as required under Companies (Corporate Social Responsibility Policy) Rules 2014 are given in **ANNEXURE –5** The CSR policy is available on the Company’s website at following web link: <http://www.winsometextile.com/files/pdf/68-59-file.pdf>

INTERNAL FINANCIAL CONTROL SYSTEM AND INTERNAL AUDIT

The Company has an adequate system of internal control system in place commensurate with its size and operations. It ensures that all transactions are authorized, recorded and reported correctly. To maintain its objectivity and independence, the In-house Internal Audit Department of Company continuously monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating system, accounting procedures and policies/SOP’s at all the location of the Company. Significant audit observation and corrective actions thereon are presented to Audit Committee. The Audit Committee regularly reviews the reports submitted by Internal Audit Department.

The Audit Committee evaluated the design framework. Operative assessment and discussed with members of management and Statutory Auditors to ascertain their views or opinion. The Audit Committee satisfied itself with the adequacy and effectiveness of internal financial control system laid down by management. This formalized system of internal control facilitates effective compliance of Section 138 of Companies Act, 2013 and other applicable statutes. The Internal Audit Department assesses opportunities for improvement in the business processes designed to add value to the organization and follows up on the implementation of correction actions & improvement in business process, where ever required.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

During the year under review, there is no material order(s) passed by the regulators or courts or tribunal impacting the going concern status and company’s operation in future.

DISCLOSURE REGARDING COMPANIES (SHARE CAPITAL AND DEBENTURE) RULES 2014

The paid up equity share capital of the Company as at 31st March 2017 was comprised of 1,98,20,000 equity shares of Rs. 10/- each i.e. Rs. 19,82,00,000/-. As required under Companies (Share Capital and Debenture) Rules 2014, during the year under review, the Company has not issued equity shares with differential voting rights, sweat equity shares, preference shares, employee stock options and also not made any provision for purchase of its own shares by employees or by trustees.

DISCLOSURE REGARDING VOTING RIGHT NOT EXERCISED DIRECTLY BY THE EMPLOYEES

During the year under review, there is NIL disclosure as required under provisions of section 67 of Companies Act 2013.

AUDIT COMMITTEE

The Audit Committee acts as a link among the Management, the Statutory Auditors, Internal Auditors and the Board of Directors to oversee the financial reporting process of the Company. The Committee's purpose is to oversee the quality and integrity of accounting, auditing and financial reporting process including review of the internal audit reports and action taken report. The terms of reference of Audit Committee has been set out in accordance with Listing Regulations read with provisions of Section 177 of Companies Act, 2013 & rules made thereunder and additional responsibilities assigned to it by Board of Directors of the Company while ensuring compliance's with regulatory guidelines. Board has constituted the Audit Committee comprises of following members:

S. N.	Name of members	Category
1	Shri Chandra Mohan, Chairman	Independent/Non-Executive
2	Shri Satish Girotra, Member	Independent/Non-Executive
3	Shri Amrit Lal Batra, Member	Independent/Non-Executive

The other relevant details of Audit Committee are given under Corporate Governance Report annexed with Director's Report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has laid down Whistle Blower Policy and has established necessary mechanism for employees to report concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct. This policy is reviewed quarterly by the Audit Committee to check the effectiveness of the policy. No personnel have been denied access to the Audit Committee. No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure or Complaint under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blower. The vigil mechanism/Whistle Blower Policy of the Company is uploaded on the Company's website i.e. www.winsometextile.com under corporate policies.

BOARD PERFORMANCE EVALUATION

As per Companies Act 2013 and Listing Regulations, Board has adopted formal mechanism for evaluating its performance and as well as that of its committees, individual Directors, including the Chairman of the Board in compliance of Companies Act 2013 and Listing Regulations. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board, its committee & members, their experience & competencies, performance of specific duties & obligations, governance. Broadly the performance of Non-Independent/Executive/ Whole Time Director(s) was evaluated on the basis of their own performance, expertise, intelligence, their qualitative & quantitative contribution towards operational achievements, organizational performance etc. The performance of Non-Executive Independent Directors were evaluated on the basis of their constructive participation's in Board/Committee/General meetings, their informed & balanced decision-making, ability to monitor financial controls, systems & certain allied parameters. The performance evaluation of various Board Committees constituted under Companies Act & Listing Regulations was made on the basis of their respective terms of reference, discharge of functions, governance etc.

The separate Meeting of Independent Directors was held on 06th February, 2017 to review the performance of Non-Independent directors including the Chairman and the Board as a whole as per Code of Independent Directors under Companies Act 2013 and Listing Regulations. The Independent Directors also reviewed the quality, content and timeliness of follow of information between Management and the Board.

The Performance Evaluation Policy of Board of Directors is uploaded on the Company's website i.e. www.winsometextile.com under corporate policies.

PARTICULARS OF EMPLOYEES

The information under Section 197 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules is given in **ANNEXURE – 6**. Further pursuant to Rule 5 (2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, the relevant disclosure is given in **ANNEXURE – 7**.

OTHER DISCLOSURES

No disclosure or reporting is made in respect of the following items as there were no transactions during the year under review:

- No material fraud has been reported has been reported by the Auditors to the Audit Committee or the Board.
- Neither there is revision in the Financial Statements nor there is any change in nature of business.

EQUAL OPPORTUNITY EMPLOYER

Company has always provided a congenial atmosphere for work to all employees that is free from

discrimination and harassment including sexual harassment. It has provided equal opportunities to all employees, workers without regard to their caste, creed, colour, marital status and sex.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management discussion and analysis report, as required by Listing Regulations, forms part of the Annual Report.

ACKNOWLEDGEMENT

The Directors take this opportunity to express their deep sense of gratitude to the Customers, stakeholders, Central and State Governments for their continued guidance and support. Your Directors wish to place on record their appreciation for the support, dedication and hard work put in by every member of WINSOME Family.

By order of the Board

Place: Chandigarh

Dated: 24.05.2017

Sd/-

(ASHISH BAGRODIA)

CHAIRMAN & MANAGING DIRECTOR

DIN-00047021

COMMENTS BY THE BOARD ON AUDITOR'S REPORT

Pursuant to section 134(3)(f) of the Companies Act 2013 & rules made thereunder, with regard to Auditor's observation no.(i) regarding non-provisioning against receivables amounting to Rs. 1089.44 lacs, the explanation of Directors are that the management is hopeful of recovery considering preparation of financial statement of the said body corporate as going concern basis, future prospects of revival of textile market and stable government policies, therefore no provision there against is considered necessary.

ANNEXURE 1:

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

Pursuant to section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

To,

The Members,
Winsome Textile Industries Limited
1, Industrial Area, Baddi-173205.
Distt Solan H.P.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Winsome Textile Industries Limited, Baddi. (H.P.) (Hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliance and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31/03/2017 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance -mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31/03/2017 according to the provisions of:

- (1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (2) The Securities Contracts (Regulations) Act, 1956 (SCRA) and the rules made thereunder.
- (3) The Depositories Act, 1996 and the Regulations and Bye Laws framed there under;
- (4) Foreign Exchange Management Act, 1999 and the rules and regulations made. Thereunder to the extent of FDI,
- (5) The following Regulations and Guidelines prescribed under the Securities and

Exchange Board of India Act, 1992 (SEBI Act):

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares And Takeovers) Regulations, 2011;
- b. The erstwhile Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, and Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015;
- c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act And dealing with client;
- d. SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015,
- e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, (Not applicable during the period of Audit)
- f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2009, (Not applicable during the period of Audit)

I, further report that during the period under audit, the company has generally complied with the provisions of the following Acts:

- (1) Employees Provident Fund and Miscellaneous Provisions Act, 1956
- (2) Employees State Insurance Act, 1948
- (3) Environment Protection Act, 1986 and other environmental laws
- (4) Factories Act, 1948 and Rules made thereunder,
- (5) Hazardous Wastes (management & Handling) Rules 1989
- (6) Income Tax Act, 1961 and Indirect Tax laws (sub to the non-deposit of Disputed Excise Duty and Entry tax as mentioned by the Statutory Auditors in their Notes)
- (7) Industrial Dispute Act, 1947
- (8) Minimum Wages Act, 1948
- (9) Payment of Bonus Act, 1965
- (10) Payment of Gratuity Act, 1972
- (11) Payment of Wages Act and other laws
- (12) The Industrial Employment Standing Order Act, 1946
- (13) The Employee Compensation Act, 1923
- (14) The Apprentices Act, 1961
- (15) The Contract Labor (Prohibition & Regulation) Act, 1986
- (16) The Indian Boilers Act No V of 1923.

I have also examined compliance with the applicable clauses of the following:

(A) Secretarial Standards issued by The Institute of Company Secretaries of India,

(B) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited,

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. Compliance with the Secretarial Standards is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit. I, have followed the audit practices and processes as were appropriate to obtain responsible assurance about the correctness of the contents of the secretarial records. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company and also the observations, if any, made by the statutory auditors in their report under review.

I FURTHER REPORT THAT:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non – Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were, generally, sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, suits, rules, regulations and guidelines.
- I further report that during the audit period, company has not taken any major decision pertaining to the following acts:
 - Public / Right / preferential issue of shares / debentures / sweat equity, etc.
 - Redemption / buy – back of securities
 - In pursuance to section 180 of the Companies Act, 2013
 - Merger / amalgamation / reconstruction, etc.
 - Foreign technical collaborations

Place: Chandigarh

Dated: 24.05.2017

**SD/
(RAMESH BHATIA)
PRACTICING COMPANY SECRETARY
FCS No.2483 | CP NO. 1917**

ANNEXURE - 2

INFORMATION PURSUANT TO SECTION 134(3) OF COMPANIES ACT, 2013 READ WITH COMPANIES (ACCOUNTS) RULES 2014 REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

A. CONSERVATION OF ENERGY:

(i) The steps taken or impact on conservation of energy :

The Company has been giving high priority to conservation of energy by close monitoring of energy consumption equipment's. All efforts are made for installing energy saving devices wherever required. Some of major initiatives are like:

- (a) Optimization of Rotary Fan Blower's running hour in SSM H- Plant amounting to Rs.1,500/- saved 15019 KWH/per annum which resulted in power saving of Rs. 82,606/-.
- (b) Replacement of Conventional Tube Lights with 1875 numbers of LED tube lights amounting to Rs.7,70,250/- saved 154440 KWH/per annum which resulted in power saving of Rs.8,49,420/-.
- (c) Running hour optimization of Brush Motor in 35 no. of Cards C1/3 amounting Rs. 3,500/- saved 8344 KWH/per annum which resulted in power saving of Rs. 45,892/-.
- (d) Running Hour optimization of Over Head Blowers in 18 no. of Speed Frames LF 1400 amounting to Rs.36,000/- saved 105084 KWH/per annum which resulted in power saving of Rs.5,77,962/-.
- (e) Replacement of blower motors 02 nos (3.7kW each) by blower motor 01 no (4.0 kW) in each H-plant, total 05 nos H-plants amounting Rs 2,20,000/- saved 151200 kWh/ per annum which resulted in power saving of Rs 756000/- only.
- (f) Replacement of 07 nos of Autoconers AC238 (60 spindles each) by 05 no. of Autoconers AC6 (70 spindles each) Amounting Rs 6,57,46,000/- saved 253920 kWh/ per annum which resulted in power saving of Rs 1396560/- only.

(ii) The steps taken by the company for utilizing alternate sources of energy :

D.G. Set and grid power etc. is generally used by the Company with regard to alternate source of energy. Implication of energy management system by use of KWH meters to reduce unnecessary usage of electricity by end users etc.

Apart from Grid power and DG sets power, Company has purchased open access power through IEX.

(iii) The capital investment on energy conservation equipment's:

The capital investment on energy conservation equipment's was Rs. 667.77 Lacs.

B. TECHNOLOGY ABSORPTION:

(i) Efforts made towards technology absorption :

- (a) New Card 02 nos, state of art machines are purchased, whenever required with latest technology having measure such as energy saving spindles and highly energy efficient motors. Besides this reduction in steam consumption is made by process improvements.
- (b) Specific area which R&D carried by the Company: Research & Development and innovation is carried out for development of the new products and for improvement in the production process and quality of products. The Company has been able to pioneer the launch of new product that have been successful in the market due to its R&D efforts.
- (c) Benefits derived as a result of the above R&D: The Company has been continuously improving the quality of its existing products and entered into new products and entered into new products and also been able to reduce the cost of production.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

There has been benefit in respect of quality and output of the product which ultimately result to reduce wastage and avoid product complaints.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of financial year): Nil

(iv) The expenditure incurred on Research and Development :

Expenditure on R&D	(Rs. In lacs)
Capital	50.10
Revenue	<u>340.93</u>
Total	<u>391.03</u>

Total R&D Expenditure as a percentage of Total Turnover = 0.55%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

The Foreign Exchange earned in terms of actual inflows during F.Y. 2016-17: Rs.25318.78 lacs.

The Foreign Exchange outgo in terms of actual outflows during F.Y. 2016-17 : Rs.2302.25 lacs

By order of the Board

Place: Chandigarh

Dated: 24.05.2017

Sd/-

(ASHISH BAGRODIA)

CHAIRMAN & MANAGING DIRECTOR

DIN-00047021

ANNEXURE - 3

Form No. MGT-9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	L17115HP1980PLC005647
ii)	Registration Date	:	18.09.1980
iii)	Name of the Company	:	Winsome Textile Industries Limited
iv)	Category / Sub-Category of the Company	:	Public Company limited by shares
v)	Address of the Registered office and contact details	:	Plot No. 1, Industrial Area, Baddi, Distt. - Solan, Himachal Pradesh - 173205, Phone No: - 01795-244045 Fax No. 01795-244287.
vi)	Whether listed company	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Link Intime India Private Limited, 44, Community, Centre, 2nd Floor, Naraina Industrial Area, Phase-1, Near PVR, New Delhi – 110028, Tele. No. 011-41410592-94, Fax No. 011-41410591, E-mail: delhi@linkintime.co.in, sunil.mishra@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Spinning	2351 / 2352 / 2471 / 2472	46.56
2	Dyeing	2360 / 2480	29.91

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES : NIL

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				
	Demat	Physical	Total	% of Total Shares	Demat	Physi- cal	Total	% of Total Shares	% Change during the year
A. Promoters									
(1) Indian									
a) Individual/HUF	147660	-	147660	0.75	147660	-	147660	0.75	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	6553801	-	6553801	33.07	6553801	-	6553801	33.07	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):	6701461	-	6701461	33.81	6701461	-	6701461	33.81	-
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI's	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A) (1)+(A)(2)	6701461	-	6701461	33.81	6701461	-	6701461	33.81	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	297660	-	297660	1.50	78148	-	78148	0.39	‘(1.11)
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's/FIC	6450000	-	6450000	32.54	6552654	-	6552654	33.06	0.52
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	6747660	-	6747660	34.04	6630802	-	6630802	33.45	(0.59)
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	4946111	200	4946311	24.96	4922072	200	4922272	24.83	(0.13)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									

i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	317726	33709	351435	1.77	445069	33509	478578	2.41	0.64
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1061276	-	1061276	5.35	1077316	-	1077316	5.44	0.09
c) Others (NRI's & Trust)	11137	720	11857	0.06	8851	720	9571	0.05	(0.01)
Sub-total (B)(2):	6336250	34629	6370879	32.14	6453308	34429	6487737	32.73	0.59
Total Public Shareholding (B) = (B)(1) + (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	19785371	34629	19820000	100.00	19785571	34429	19820000	100.00	0.00

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	Sh. Manish Bagrodia	46220	0.23	-	46220	0.23	-	-
2.	Sh. Ashish Bagrodia	49220	0.25	-	49220	0.25	-	-
3.	Smt. Vandya Bagrodia	3000	0.02	-	3000	0.02	-	-
4.	Smt. Sudha Bagrodia	49220	0.25	-	49220	0.25	-	-
5.	Vogue Commercial Co. Ltd.	46847	0.24	-	-	0.00	-	(0.24)
6.	Roselab Commodities Pvt. Ltd.	3501923	17.67	-	3501923	17.67	-	-
7.	Kailashpati Vinimay Pvt. Ltd.	3005031	15.16	-	3051878	15.40	-	0.24
	Total	6701461	33.81	-	6701461	33.81	-	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Promoters' Shareholding	Shareholding at the beginning of the year		Market Purchase /Transfer		Cumulative Shareholding during the year	
		No. of shares	% of total shares of Company	Date of Change	No. of Share Increase/ Decrease	No. of shares	% of total shares of company
1	At the beginning of the year	There is no change in total Promoters & Promoters Group Shareholding during the year.					
2	At the End of the year						

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	Top 10 Shareholders	Shareholding at the beginning of the year		Market Purchase / Sale		Cumulative Shareholding during the year		% change in share holding during the year
		No. of shares	% of total shares of the company	Date of Change	No. of Share Increase / Decrease	No. of shares	% of total shares of the company	
1	Aspire Emerging Fund	1978590	9.98	-	-	1978590	9.98	-
				31.03.2017	102654	2081244	10.50	0.52
				31.03.2017	-	2081244	10.50	-
2	Landscape Traders Pvt. Ltd.	1366092	6.89	-	-	1366092	6.89	-
				30.09.2016	-175	1365917	6.89	-
				31.03.2017	-	1365917	6.89	-
3	Arpit Agencies Pvt. Ltd.	1290799	6.51	-	-	1290799	6.51	-
				31.03.2017	-	1290799	6.51	-
4	Sparrow Asia Diversified Opportunities Fund	989000	4.99	-	-	989000	4.99	-
				31.03.2017	-	989000	4.99	-
5	Stream Value Fund	988785	4.99	-	-	988785	4.99	-
				31.03.2017	-	988785	4.99	-
6	Leman Diversified Fund	988000	4.98	-	-	988000	4.98	-
				31.03.2017	-	988000	4.98	-
7	Davos International Fund	987500	4.98	-	-	987500	4.98	-
				31.03.2017	-	987500	4.98	-
8	Daniel Vinimay Pvt. Ltd.	966190	4.87	-	-	966190	4.87	-
				30.09.2016	-40	966150	4.87	-
				31.03.2017	-	966150	4.87	-
9	Ankur Agencies Pvt. Ltd.	697700	3.52	-	-	697700	3.52	-
				31.03.2017	-	697700	3.52	-

10	Pawan Kumar Kejriwal	596539	3.01	-	-	596539	3.01	-
				31.03.2017	-	596539	3.01	-
11	ICICI Bank Ltd.	297460	1.50	-	-	297460	1.50	-
				05.08.2016	-1865	295595	1.49	(0.01)
				12.08.2016	-23555	272040	1.37	(0.12)
				19.08.2016	-16060	255980	1.29	(0.08)
				23.09.2016	-896	255084	1.29	(0.00)
				28.10.2016	-2440	252644	1.27	(0.01)
				04.11.2016	-3100	249544	1.26	(0.02)
				18.11.2016	-10437	239107	1.21	(0.05)
				30.12.2016	-3679	235428	1.19	(0.02)
				06.01.2017	-6654	228774	1.15	(0.03)
				27.01.2017	-6337	222437	1.12	(0.03)
				03.02.2017	-125	222312	1.12	(0.00)
				10.02.2017	-43630	178682	0.90	(0.22)
				17.02.2017	-11164	167518	0.85	(0.06)
				24.02.2017	-4625	162893	0.82	(0.02)
				03.03.2017	-7631	155262	0.78	(0.04)
				10.03.2017	-4058	151204	0.76	(0.02)
				17.03.2017	-10471	140733	0.71	(0.05)
				24.03.2017	-27714	113019	0.57	(0.14)
				31.03.2017	-35071	77948	0.39	(0.18)
				31.03.2017	-	77948	0.39	-

Note: The above are market purchase and sale during the year as per weekly beneficiary position received from Depositories.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Sh. Ashish Bagrodia	49220	0.25	49220	0.25
2	Sh. Satish Girotra	250	0.00	250	0.00
3.	Sh. Chandra Mohan	-	-	-	-
4.	Sh. Amrit Lal Batra	-	-	-	-
5.	Smt. Neena Singh	-	-	-	-
6.	Sh. Anil Sharma - CEO	-	-	-	-
7.	Sh. Sanjay Kedia - CFO	-	-	-	-
8.	Sh. Sourabh Gupta - CS	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(Rs. in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	35275.97	-	-	35275.97
ii) Interest due but not paid	3.87	-	-	3.87
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	35279.84	-	-	35279.84
Change in Indebtedness during the financial year				
• Addition	908.85	-	-	908.85
• Reduction	4162.34	-	-	4162.34
Net Change	-3253.49	-	-	-3253.49
Indebtedness at the end of the financial year				
i) Principal Amount	32023.52	-	-	32023.52
ii) Interest due but not paid	2.83	-	-	2.83
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	32026.35	-	-	32026.35

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. in Lacs)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager
		Sh. Ashish Bagrodia (Chairman & MD)
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	84.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3.03
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-

4.	Commission	38.36
	- @1 % of net profit	-
5.	Others, please specify Contribution to Provident fund	7.20
	Total (A)	132.59
	Ceiling as per the Act	5% of net profits of the Company calculated as per section 198 of Companies Act, 2013.

B. Remuneration to other directors:

(Rs. in Lacs)

S. No.	Particulars of Remuneration	Name of Directors				Total
1	Independent Directors	Sh. Chandra Mohan	Sh. Satish Girotra	Sh. Amrit Lal Batra	Smt. Neena Singh	
	* Fee for attending board & committee meetings	0.63	0.48	0.70	0.33	2.13
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	0.63	0.48	0.70	0.33	2.13
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board / committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	0.63	0.48	0.70	0.33	2.13
	Total Managerial Remuneration	0.63	0.48	0.70	0.33	2.13
	Overall Ceiling as per the Act	1% of net profits of the Company calculated as per section 198 of Companies Act, 2013.				

* Figures rounded off.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD**(Rs. in Lacs)**

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		Sh. Anil Sharma (CEO)	Sh. Sanjay Kedia (CFO)	Sh. Sourabh Gupta (CS)	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60.38	28.35	11.37	100.10
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.15	0.15	0.15	0.45
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit	-	-	-	-
5.	Others, please specify Contribution to Provident fund	4.22	1.96	0.79	9.95
	Total	64.74	30.46	12.31	107.51

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES : NIL**By order of the Board****Place:** Chandigarh**Dated:** 24.05.2017**Sd/-****(ASHISH BAGRODIA)****CHAIRMAN & MANAGING DIRECTOR****DIN-00047021**

ANNEXURE - 4

Nomination and Remuneration Policy of Winsome Textile Industries Limited

1.	Introduction
	<p>Pursuant to provisions of Section 178 of Companies Act, 2013 & rules made thereunder and Clause 49 of the Listing Agreement, the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee.</p> <p>Although the Company has already constituted a Remuneration Committee comprising of three non-executive Independent Directors as required under Listing Agreement but in order to align with the provisions of Companies Act, 2013 & rules made thereunder and according to revised Clause 49 of Listing Agreement, the Board of Directors have renamed the “Remuneration Committee” as “Nomination and Remuneration Committee” and revised its terms of reference/area of operation in compliance of Section 178 of the Companies Act, 2013 & rules made thereunder and as per revised Clause 49 of the Listing Agreement, as amended time to time.</p>
2.	Key Objectives of Policy
	<p>The Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read with the applicable rules thereto and as per revised Clause 49 of the Listing Agreement, as amended time to time. The primary objective of this Policy is to provide a framework and set standards for the nomination and remuneration of the Directors, Key Managerial Personnel and officials comprising the senior management. The Company aims to achieve a balance of merit, experience and functional skills amongst its Directors, Key Managerial Personnel and Senior Management and to remunerate them appropriately.</p>
3.	Applicability
	<p>This policy is applicable to :</p> <ol style="list-style-type: none"> 1. Directors viz. Executive Directors, Non-executive Director, Whole Time Director, Managing Director and Independent Director 2. Key Managerial Personnel 3. Senior Management Personnel 4. Other Employees of the Company <p>The said policy is applicable with immediate effect.</p>
4.	Definitions
i	“Act” means Companies Act, 2013 and rules thereunder, as amended time to time.
ii	“Board of Directors” or ‘Board’ , in relation to the Company, means the collective body of the directors of the Company including the Chairperson/Chairman of the Company.
iii	“Committee” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the provisions of Section 178 of Companies Act, 2013 and the Listing Agreement, as amended time to time.

	iv	“Director” means a Director appointed to the Board of a Company.
	v	“Independent Director” means a Director referred under provisions of Section 149 of the Companies Act, 2013 and rules thereunder and as provided under Clause 49 of Listing Agreement, as amended time to time.
	vi	<p>“Key Managerial Personnel” mean key managerial personnel as defined under the Companies Act, 2013 & rules made thereunder, including any amendment or modification thereof, and includes</p> <ul style="list-style-type: none"> i. Managing Director, or Chief Executive Officer or manager and in their absence, a whole time director; ii. Company Secretary iii. Chief Financial Officer and iv. Such other officer as may be prescribed.
	vii	“Senior Management” means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.
	viii	“Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
	ix	“Policy or This Policy” means “Nomination and Remuneration Policy.”
	x	“ Interpretation” The terms, words & expressions, that have not been defined in this Policy shall have the same meaning respectively assigned to them in the Companies Act, 2013, rules made thereunder, Listing Agreement and/or any other SEBI Regulation(s) as amended from time to time.
5.		Major Functions of Nomination and Remuneration Committee
		<p>The Board is ultimately responsible for the appointment of Directors and Key Managerial Personnel. The Board has delegated responsibility for assessing and selecting the candidates for the role of Directors, Key Managerial Personnel and the Senior Management of the Company to the Nomination and Remuneration Committee which will make recommendations & nominations to the Board. In this regard, the said Committee, apart from other functions as assigned/delegated to it, will look after the following functions:</p> <ul style="list-style-type: none"> • To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal. • To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

		<ul style="list-style-type: none"> To carry out/to perform such other function as may be necessary or appropriate or as may be assigned/delegated/mandated to it by the Board from time to time and/or enforced by any Statutory notification, Amendment or Modification, as may be applicable. <p>The aforesaid Policy will ensure that:</p> <ol style="list-style-type: none"> the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully; relationship of remuneration to performance is clear and meets appropriate performance benchmarks; Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
6.		APPOINTMENT AND REMOVAL OF DIRECTOR'S, KMP'S AND SENIOR MANAGEMENT PERSONNEL
	(1)	Appointment criteria and qualifications:
	A	The Committee shall identify and ascertain the suitable person(s) and recommend to the Board his/her appointment/re-appointment for appointment as Director(s), KMP(s) or at Senior Management level.
	B	<p>A person should possess adequate qualifications, expertise and experience for the position he/she is considered for appointment/re-appointment. The appointee may be assessed by the committee against a range of criteria which include but not limited to integrity, qualification, expertise, industry experience, inter-personal skill, and such other appropriate qualities of the person(s), as may be required, to handle/perform successfully the position so chosen with due regard for the benefits from diversifying the Board.</p> <p>The Committee/Board has discretion to decide whether the qualification, knowledge, expertise, functional skill and experience etc. possessed by a person are sufficient / satisfactory for the concerned position.</p>
	C	The Company shall appoint or re-appoint the Director/Managing Director/Whole-time Director/Manager in accordance with the provisions, rules and regulations as framed under the Companies Act 2013, rules made thereunder and under Listing Agreement, as amended time to time.
	D	Appointment of Independent Director is subject to the compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and rules made thereunder, and under Listing Agreement, as amended time to time.
	(2)	Terms / Tenure:
	(i)	<p><i>Managing Director/Whole-time Director/Manager (Managerial Person):</i></p> <p>The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.</p>

	<p>(ii) <i>Independent Director:</i></p> <p>An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for reappointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.</p> <p>No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.</p> <p>The term/ tenure of Independent Directors and reckoning of the limit of Companies, in which a person can appointed as Director, Independent Director, Managerial Person, as the case may be, will be fixed or determined as per the provisions of Companies Act 2013, rules made thereunder and as per Listing Agreement, as amended time to time.</p>
	(3) Letter of Appointment:
	Each Independent Director/KMP's/Senior Management Personnel, as the case may be, is required to sign the Letter of appointment with the Company containing the terms & conditions of his/her appointment/re-appointment and the role/profile assigned in the Company.
	(4) Removal:
	<p>Due to reasons for any disqualification(s) mentioned in the Companies Act, 2013, rules made thereunder, under Listing Agreement or under any other laws, rules & regulations, the Committee may recommend to the Board with reasons recorded in writing, for removal of Director and for removal/termination/suspension/dismissal of KMP's or Senior Management Personnel subject to the compliance of applicable Acts, Rules & Regulations, if any.</p> <p>Although for removal//termination/suspension/dismissal of KMP's or any other Senior Management Personnel of the Company, the Committee may, if so required, refer the HR Policy of the Company.</p>
	(5) Retirement:
	The Director, KMP's and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and as per the prevailing HR policy of the Company, as amended time to time. The Board will have the discretion to retain the Director, KMP's, Personnel of Senior Management in the same position/ role, remuneration or otherwise, even after attaining the retirement age, in the bonafide interest and for the benefit of the Company, if so required.
7.	PROVISIONS RELATING TO REMUNERATION OF DIRECTORS, KMP's, SENIOR MANAGEMENT PERSONNEL AND OTHER EMPLOYEES

		<p>The Guiding Principle is that the level and composition of remuneration shall be reasonable & sufficient so as to attract, retain, motivate Directors, Key Managerial Personnel's, Senior Management Personnel & other employees. The Directors, Key Managerial Personnel's, Senior Management Personnel & other employee's salary shall be based & shall be determined on the basis of individual person's qualifications, profile, related experience, responsibilities, role in the organization and his/her performance and in accordance with the limits as prescribed Statutorily, if any.</p> <p>Further, the Nomination & Remuneration Committee while determining the individual remuneration packages/structure for Directors, KMP's, Senior Management Personnel and for other employees of the Company will consider all relevant factors including but not limited to Company's HR Policy, market survey, business performance & prevailing practice in comparable companies, benchmarks fixed for same grade of employees, particular industry growth, prevailing laws, government guidelines and also having due regard to financial health/profitability of the Company,</p>
7A		General Provisions:
	i	The remuneration/compensation/commission etc. to Directors, KMP's, Senior Management Personnel will be determined by the Committee and recommended to the Board for approval.
	ii	The remuneration /compensation/commission etc. to be paid to Directors, shall be as per the Statutory provisions of Companies Act, 2013, and rules made thereunder for the time being in force and shall be subject to the prior/post approval of shareholders of the Company and Central Government, wherever required/applicable.
	iii	Where any insurance is taken by a company on behalf of its Managing Director, Whole-time Director, Manager, Directors, Chief Executive Officer, Chief Financial Officer or Company Secretary for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.
7B		Specific Provisions regarding remuneration to Director, KMP's, Senior Management Personnel and Other Employees:
	(1)	Fixed Pay/ Base Compensation
	i	Directors, KMP's and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of Committee in accordance with the provisions of Companies Act, 2013, and the rules made thereunder for the time being in force. The basic pay, break-up of remuneration structure, quantum of perquisites, perks, allowances & certain other statutory/non statutory benefits etc. shall be decided and approved by the Board on the recommendation of the Committee and shall be approved by the shareholders and Central Government, wherever required/applicable.

	ii	<p>Increments to the existing remuneration structure shall be approved by the Committee for KMP's and Senior Management Personnel and for other employees of the Company. However increments to the Whole Time Director, Managing Director, Executive Director or Manager (as the case may be) will be within the limits/slabs as approved by the Shareholders in their general meeting & will be paid in accordance with their respective terms and conditions of appointment/re-appointment.</p> <p>The increments will be effective from 1st April in respect of Whole-time Director, Managing Director, Executive Director (as the case may be) as well as in respect of other employees of the Company, unless otherwise decided.</p>
	iii	The Committee may refer Company's HR Policy, if so required, in respect of aforesaid matters.
	(2)	Minimum Remuneration
		If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director, Whole Time Director or Manager in accordance with the provisions of Schedule V of the Companies Act, 2013 & rules made thereunder, as amended time to time, with approval of Central Government, wherever required/applicable.
	(3)	Provisions for excess remuneration
		If Managing Director, Whole Time Director or Manager draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 & rules made thereunder, as amended time to time or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.
7C		Remuneration to Non-Executive / Independent Directors
	i	Remuneration / Commission
		The remuneration / commission shall be in accordance with the Statutory Provisions of the Companies Act, 2013, and the rules made thereunder and as per Listing Agreement, for the time being in force.
	ii	Sitting Fees
		<p>The Non- Executive / Independent Directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.</p> <p>Further the boarding, lodging, traveling expenses & out of pocket expenses, if any shall be reimbursed to the Non- Executive/ Independent Directors on actual basis, residing out of Chandigarh.</p>

	iii	Stock Options
		Pursuant to the provisions of the Companies Act, 2013 & rules made thereunder, an Independent Director shall not be entitled to any stock option of the Company.
8.		Review and Amendment
		The Nomination and Remuneration Committee shall periodically review the Nomination and Remuneration Policy. The Board of Directors after considering the recommendations of Nomination and Remuneration Committee is empowered to amend this policy either in whole or in part, at any time consistent with requirements of applicable laws, rules and regulations.

ANNEXURE - 5

Annual Report on Corporate Social Responsibility (CSR) activities for F.Y. 2016-17

1.	<p>A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs</p> <p>It is the Company's intent to establish itself and remain as a responsible Corporate entity conscious of its social responsibilities towards its work force, society and environment. Corporate Social Responsibility (CSR) policy is framed under provisions of Section 135 of Companies Act 2013 & rules made there under having following major objectives:</p> <ul style="list-style-type: none"> • To identify and formulate projects and areas in response to the needs of society and to implement them with full involvement and commitment in a time bound manner. • To adopt an approach that aims at achieving a greater balance between social and economic development. • To implement CSR Activities/CSR programmes primarily in the economic vicinity Company's operations with a view to ensuring the long term sustainability of such interventions. • Contribution to the society at large by way of socio-economic activities and social awareness ensuring that benefits reach the targeted beneficiaries. • To comply with the requirements of Companies Act and all other applicable Acts, Rules, Regulations framed by the Government time to time. <p>The CSR activities may be focused not just around units/plants and offices of the Company, but also in other geographies based on the needs of the communities/society. In pursuance to CSR Policy, Company has decided to conduct or undertake all or any of prescribed activities/ activity/sub-activity, as mentioned in Schedule VII of the Companies Act 2013 and rules & regulations made thereunder, (as amended time to time), either by Company itself or by Winsome Foundation Trust or by both. Winsome Foundation Trust is a Charitable Trust registered under Income Tax Act and established by Company who also fulfills the criteria laid down under Companies (CSR Policy) Rules 2014. The Corporate Social Responsibility (CSR) Committee of Company constituted under provisions of section 135 of Companies Act 2013 and rules made thereunder regularly monitor/review the CSR activities/CSR projects, its mechanism & other prescribed activities/matters. CSR policy is available on Company's website at following web link: http://www.winsometextile.com/files/pdf/68-59-file.pdf</p>
2.	<p>Composition of CSR Committee</p> <p>Shri Ashish Bagrodia - Chairman of Committee</p> <p>Shri Chandra Mohan - Member</p> <p>Shri Satish Girotra - Member</p>
3.	<p>Average net profit of the Company for last three financial years</p> <p>Rs. 2630.94 Lacs</p>
4.	<p>Prescribed CSR Expenditure (two percent of the amount as in item 3 above)</p> <p>Rs. 52.62 Lacs</p>

5.	Details of CSR spent during the financial year	
(a)	Total amount to be spent for the financial year;	Rs. 52.62 Lacs
(b)	Amount unspent, if any;	NIL
(c)	Manner in which the amount spent during the financial year is detailed below:	

(Rs. in Lacs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.N.	CSR project or activity identified	Sector in Which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) or programe-wise	Amount spent on the projects or programs Sub-heads: (I) Direct expenditure on projects or progarms- (2) Overheads:	Cumulative expenditure upto the reporting period.	Amount spent: Direct or through implementing agency
				52.62			
1	Protection of National Heritage, art & culture in rural area	National Heritage, Art & Culture	Dharamshala Distt. Kangra, (H.P.)		0.50	0.50	Direct
2	Creation/Development of Infrastructure for Rural Development	Rural Development Project	Dharamshala Distt. Kangra, (H.P.)		1.44	1.44	Direct
3	Promoting Healthcare including Preventive Healthcare	Healthcare	Chandigarh		4.69	4.69	Direct
4	Contribution to CSR Corpus of Winsome Foundation Trust created exclusively for CSR activities				45.99	45.99	Direct
	TOTAL			52.62	52.62	52.62	

6.	In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.
	NA
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.
	The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Sd/-
(ANIL SHARMA)
CHIEF EXECUTIVE OFFICER

Sd/-
(ASHISH BAGRODIA)
CHAIRMAN OF CSR COMMITTEE
DIN-00047021

Date: 24.05.2017

Place: Chandigarh

ANNEXURE - 6

INFORMATION PURSUANT TO SECTION 197 OF COMPANIES ACT, 2013 READ WITH RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

I. Ratio of remuneration of each Director to the median remuneration of Employees of Company for F.Y. 2016-17:

*Sh. Ashish Bagrodia: 29:63:1
Chairman & Managing Director

II. The percentage increase in remuneration of each Director, CEO, CFO & CS during F.Y. 2016-17:

S. No.	Name	Designation	% increase in Remuneration
1	*Sh. Ashish Bagrodia	CMD	8.77%
2	Sh. Anil Sharma	CEO	6.55%
3	Sh. Sanjay Kedia	CFO	7.63%
4	Sh. Sourabh Gupta	CS	4.86%

* Comparison is made without considering commission for F.Y. 2016-17.

Except Sh. Ashish Bagrodia, remaining Non-Executive Independent Directors are entitled for sitting fees only. The details of sitting fees paid to Non-Executive Independent Directors are provided separately in Corporate Governance Report. Therefore the ratio of remuneration and percentage increase for Non-Executive Independent Directors is not considered for aforesaid purposes at point no. (I) & (II).

III. The percentage increase in the median remuneration of employees for F.Y. 2016-17: 8.16%

IV. The number of permanent employees on the rolls of company as on 31st March 2017: 2141

V. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Average percentage increase made in the salaries of employees other than the managerial personnel in F.Y. 2016-17 is by 6.71% whereas the percentage increase in the managerial remuneration is by 7.63%. The remuneration to employees and to managerial personnel is commensurate with industry standards & as per nomination & remuneration policy of Company.

VI. It is hereby affirmed that the remuneration paid during the F.Y. 2016-17 is as per the Remuneration Policy of Company.

By order of the Board

Place: Chandigarh

Dated: 24.05.2017

Sd/-

(ASHISH BAGRODIA)

CHAIRMAN & MANAGING DIRECTOR

DIN-00047021

ANNEXURE - 7

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197 OF COMPANIES ACT 2013 READ WITH RULE 5(2) & 5(3) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES.

i Name	ii Designation	iii Remuneration	iv Nature of employment	v Qualifications	vi Experience	vii Commencement of employment	viii Age	ix Last employment held	x Percentage of equity shares held in Company	xi Whether such employee is a relative of any director or manager of the company
Shri Ashish Bagrodia	CMD	Rs. 132.59 Lacs (including commission)	Whole Time	B.E. (Mech.) Hons.	22 years	01st October 1996	47 years	NIL	0.25% (49220 Shares)	Sh. Ashish Bagrodia is son of Sh. Satish Bagrodia (Advisor of Company)
Top Ten Employees of the Company (remuneration - wise)										
Shri Anil Sharma	President & CEO	Rs. 64.74 Lacs	Whole Time	B.Tech & MBA	37 years	01st October 1985	62 years	Mahavir Spinning Mills Ltd.	Nil	N.A.
Shri Satish Bagrodia	Advisor	Rs. 60.00 Lacs	Whole Time	B.Sc. Engg. (Mech.) & FIE.	51 years	1st March 2015	77 years	Winsome Textile Ind. Ltd. as Chairman & Whole Time Director	Nil	Sh. Satish Bagrodia is father of Sh. Ashish Bagrodia, CMD.
Shri Sanjay Kedia	CFO	Rs. 30.46 Lacs	Whole Time	B.Com, FCA	17 years	21st May 2009	41 years	LIMTEX Group	Nil	N.A.
Shri Sanjiv Vikram Dutt	VP- Raw Material	Rs. 28.50 Lacs	Whole Time	Graduate	28 years	30 April 2007	47 years	Ginni Filaments Ltd.	Nil	N.A.
Shri Alok Mishra	VP- Exports	Rs. 26.70 Lacs	Whole Time	Masters in International Business	20 years	21st January 2009	45 years	Indorama Synthetics TBK	Nil	N.A.
Shri Vipin Bathla	VP-Marketing	Rs. 26.70 Lacs	Whole Time	MBA	21 years	11th April 2011	45 years	Spentex Ind Ltd.	Nil	N.A.
Shri Sumer Mal Nahata	VP-Marketing	Rs. 26.70 Lacs	Whole Time	B.Com	50 years	16- February 1985	70 years	Reliance Chemotex Ind Ltd.	Nil	N.A.
Shri Jugal Kishor Sharma	VP- Technical	Rs. 26.20 Lacs	Whole Time	Diploma in Textile Tech.	48 years	1st May 1998	48 years	Shreyans Spinning Mills	Nil	N.A.
Shri Suresh Rameja	Sr GM-Prod.	Rs. 24.00 Lacs	Whole Time	Diploma in Textile Tech.	25 years	03-Aug-2016	46 years	Arham Spinning Mills	Nil	N.A.
Shri Tejinder Pal Singh Bawa	GM- Knitting	Rs. 23.88 Lacs	Whole Time	B.A, Diploma in Knitting Tech.	22 years	19 February 2015	48 years	Eveline International	Nil	N.A.

Note: Sh. Ashish Bagrodia is holding less than 2% shares of the Company and neither his spouse nor his dependent children are holding any share in the Company.

By order of the Board

Place: Chandigarh

Dated: 24.05.2017

Sd/-

(ASHISH BAGRODIA)

CHAIRMAN & MANAGING DIRECTOR

DIN-00047021

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is not just adherence to mandatory rules and guidelines. It lies in observing the spirit behind the letter. Your Company has responsibly, critically and collegially worked through all major decisions. Corporate Governance is a set of system, process and principles which ensure that a Company is governed in the best interest of all stakeholders. The Company believes that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics.

2. BOARD OF DIRECTORS

The Board of Directors of your Company has an optimum combination of Executive and Non-Executive Directors so as to have a balanced structure. As on 31st March 2017, the Board of Directors consists of five Directors, out of which one is Promoter Director (Executive Chairman & Managing Director) and four are Non-Executive Independent Directors out of which there is one Woman Director. None of the Directors have any inter-se relationship among themselves. None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("hereinafter referred to as Listing Regulations") across all the companies in which they are Directors. The necessary disclosures regarding committee memberships have been made by all the Directors. The Non-Executive Independent Directors fulfill the conditions of independence as specified in Section 149 of Companies Act 2013 and rules made thereunder and meet with requirements of Listing Regulations.

During the Financial Year 2016-17, four Board Meetings were held. These meetings were held on 27th May 2016, 10th August 2016, 10th November 2016 and 06th February 2017. As stipulated by Code of Independent Directors under Companies Act 2013 and under Listing Regulations, a Separate Meeting of independent Directors was held on 06th February, 2017 to review the performance of Non-Independent Directors including the Chairman and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of flow of information between Management and the Board.

The names and categories of Directors on the board, their attendance at Board Meetings during the year and at the last Annual General Meeting, number of Directorships, Committee memberships/ Chairmanship held by them in other Companies are given below:

Name of Director	Position	Category	Attendance Particulars		Directorship in Other Companies	Membership/ Chairmanship of the Committees of the Board in Other Companies #		
			Board Meeting	Last AGM		Member-ship	Chairman-ship	Total
Shri Chandra Mohan	Director	Independent Non-Executive	4	Yes	5*	1	-	1
Shri Satish Girotra	Director	Independent Non-Executive	3	Yes	8*	-	-	-
Shri Amrit Lal Batra	Director	Independent Non-Executive	4	No	-	-	-	-

Name of Director	Position	Category	Attendance Particulars		Directorship in Other Companies	Membership/ Chairmanship of the Committees of the Board in Other Companies #		
			Board Meeting	Last AGM		Member-ship	Chairman-ship	Total
Shri Ashish Bagrodia	Chairman & MD	Promoter-Executive	4	Yes	5	-	-	-
Smt. Neena Singh	Director	Independent Non-Executive	2	No	2	2	-	2

* : Directorship includes Private Limited Companies also.

: The committees considered for the above purpose are Audit Committee and Stakeholders Relationship Committee.

3. INFORMATION SUPPLIED TO THE BOARD

The Board has complete access to all information about the Company. All the meetings are conducted as per well designed and structured agenda. All the agenda items are backed by necessary supporting information including minimum information as stipulated under Regulation 17(7) of Listing Regulations to the extent it is applicable & relevant and documents to enable the Board to take informed decisions. Agenda also includes minutes of the meetings of all the Board Committees for the information of Board. The Board reviews the declarations/reports made by the Management regarding compliance with applicable laws on quarterly basis as well as steps taken by the Company to rectify instances of non-compliances, if any. Post meetings, all important decisions taken at the meeting are communicated to the concerned officials and departments for necessary action.

4. SUCCESSION PLAN

The Board of Directors have satisfied itself that plans are in place for orderly succession for appointment to the board and to Senior Management. The Company's Policy on succession plan is available on its website viz. www.winsometextile.com.

5. MAXIMUM DIRECTORSHIP & TENURE OF INDEPENDENT DIRECTORS

The maximum tenure of Independent Directors is in compliance with the Companies Act 2013. The Company has issued formal letters of appointment to all the Independent Directors. At the time of appointment of an independent director, it was ensured that the number of Boards on which such independent director serves is restricted to seven listed companies as an independent director and three listed companies as an independent director in case such person is serving as a whole-time (executive) director of a listed company. The terms & conditions of appointment of independent directors are available on Company's website viz. www.winsometextile.com.

6. CODE OF CONDUCT

The Company is committed to conduct its business in accordance with the pertinent laws, rules

and regulations and with the highest standards of business ethics. The Company has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct is posted on Company's website viz. www.winsometextile.com. All Board members and Senior Management Personnel have affirmed compliance with the Code. A declaration signed by Chief Executive Officer of Company (CEO) to this effect is enclosed at the end of this report.

7. PREVENTION OF INSIDER TRADING CODE

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. The Code is applicable to Promoters and Promoter's Group, all Directors, KMP's and such Designated Employees etc. who are expected to have access to unpublished price sensitive information relating to Company. The Code lays down guidelines advising them on procedures to be followed and disclosures to be made while dealing with the shares of Company and cautioning them about the consequences of violations. The Company Secretary is responsible for implementation of this code. During the year under review, there has been due compliance with the said code. The Company has also formulated a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015. The same is also posted on Company's website viz. www.winsometextile.com.

8. CEO AND CFO CERTIFICATION

As per Regulation 17 of Listing Regulations, the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the Company have issued certificate pursuant to the provisions of Listing Regulations certifying that the financial statements and the cash flow statement do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is attached herewith and forms part of the Annual Report.

9. COMMITTEES OF THE BOARD

The Board of Directors have constituted various Board Committees in compliance of Companies Act as well as Listing Regulations/Listing Agreement to deal with specific areas and activities as stipulated under the Companies Act and Listing Obligations. The Board Committees meet at regular intervals, takes necessary steps to perform its duties/functions entrusted by the Board.

(A) Audit Committee

Audit Committee functions in accordance with terms of reference as set out under Listing Regulations read with provisions of Section 177 of Companies Act, 2013 & rules made thereunder and additional responsibilities assigned to it by Board of Directors of the Company. The Committee reviews the internal audit reports and findings of internal auditors along with the comments of management. The functions of the Audit Committee among others, include approving and implementing the audit procedures, effective supervision of Financial Reporting System, Whistle Blower Mechanism, Internal Control and Procedures, Recommending appointment of Statutory Auditors, Cost Auditors & Secretarial Auditors to Board and also ensuring compliances with applicable regulatory guidelines etc. The maximum gap between any two meetings was less than one hundred & twenty days.

The composition, names of members, chairperson, particulars of the meetings and attendance of the members during the financial year are as below: During the financial year 2016-17, Four Audit Committee meetings were held on 27th May 2016, 10th August 2016, 10th November 2016 and 06th February 2017.

S. N.	Name of members	Category	No. of meetings attended during the year 2016-17
1	Shri Chandra Mohan, Chairman	Independent/Non-Executive	4
2	Shri Satish Girotra, Member	Independent/Non-Executive	3
3	Shri Amrit Lal Batra, Member	Independent/Non-Executive	4

The Managing Director along with the Statutory Auditors, Cost Auditors, Secretarial Auditors and Internal Auditors were invitees to the meetings. The Company Secretary acts as Secretary to the Audit Committee.

(B) Nomination and Remuneration Committee

The Nomination and Remuneration Committee functions in accordance with the terms of reference as set out under Listing Regulations read with provisions of Section 178 of Companies Act, 2013 & rules made thereunder. The functions of Nomination and Remuneration Committee include formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to remuneration of directors, key managerial personnel and other employees etc. During the financial year 2016-2017, one meeting of Nomination and Remuneration Committee was held on 27th May 2016.

S. No.	Name of members	Category	No. of meeting attended during the year 2016-17
1	Shri Satish Girotra, Chairman	Independent/Non-Executive	1
2	Shri Chandra Mohan, Member	Independent/Non-Executive	1
3	Smt Neena Singh, Member	Independent/Non-Executive	1

Remuneration policy

The remuneration paid to Executive Director(s) of the Company is approved by the Board of Directors on the recommendations of the Nomination and Remuneration Committee & subsequently approved by shareholders in General Meeting. The Company's remuneration strategy is market-driven and aims at attracting and retaining high caliber talent. The strategy is in consonance with the existing industry practice and is directed towards rewarding performance & achievements. In accordance with the provisions of Section 178 of Companies Act 2013 and Listing Regulations, the Company has adopted Nomination & Remuneration policy for Directors, KMPs, Senior Management Personnel & other employees of the Company upon the recommendations of Nomination and Remuneration Committee. Same is also posted on Company's website viz. www.winsometextile.com.

i) Remuneration of Non-Executive Directors

The Non-Executive Directors are paid remuneration by way of Sitting Fees and reimbursement of expenses for participation in the Board/Committee meetings. The Non-Executive Directors are entitled to sitting fees of Rs. 10,000/- for each Board Meeting and 2,500/- for each Committee Meetings of the Board. The aforesaid sitting fees is within the limits prescribed under Companies

Act, 2013 and rules made thereunder. The details of remuneration are as hereunder:

Name of Directors	Total (Amount in Rs.)
Shri Chandra Mohan	62500
Shri Satish Girotra	47500
Shri Amrit Lal Batra	70000
Smt. Neena Singh	32500

ii) Remuneration of Executive Director(s)

The details of remuneration paid to the Executive Director is as hereunder:

(Rs. in Lacs)

Name of Director	Salary	Perquisites*	Commission	Total
Shri Ashish Bagrodia	84.00	10.23	38.36	132.59

* Perquisites includes House Rent Allowance or Housing Accommodation, contribution to provident & other funds and other perks/ benefits provided by the Company.

There is no Employee Stock Option Scheme (ESOP) in the Company as on 31st March 2017. Further, there are no materially significant pecuniary relationships or transactions of Directors vis-a-vis the Company which has potential conflict with the interest of the Company during the year under review.

(C) Stakeholders Relationship Committee

The Stakeholders Relationship Committee functions in accordance with the terms of reference as set out under provisions of Listing Regulations, read with provisions of Section 178 of the Companies Act, 2013 & rules made thereunder i.e. redressing of Shareholders/Investors complaints, regarding to share transfers, non-receipt of balance sheet/dividend by the shareholders etc. During the financial year 2016-17, four Stakeholders Relationship Committee meetings were held on 27th May 2016, 10th August 2016, 10th November 2016 and 06th February 2017. The composition, names of the members, chairperson, particulars of the meetings and attendance of the members during the year are as below:

S.N.	Name of members	Category	No. of meetings attended during the year 2016-17
1	Shri Amrit Lal Batra, Chairman	Independent/Non-Executive	4
2	Shri Ashish Bagrodia, Member	Executive Director	4
3	Smt. Neena Singh, Member	Independent/Non-Executive	2

During the financial year, the request for transfer/demat/remat of shares, change of address etc. have been duly effected. During the year, no complaint was received. Hence no grievance was pending at the end of the financial year. Shri Sourabh Gupta, Company Secretary is the Compliance Officer of the Company for SEBI/ Stock Exchange/ROC related issues etc.

(D) Risk Management Committee

In compliance of provisions of Listing Regulations and Companies Act, 2013, Board has constituted a Risk Management Committee. The Committee is required to lay down the procedures to inform to the Board about the risk assessment and minimization procedures and the Board shall be responsible for framing, implementing and monitoring the risk management plan of the Company. The Company has adopted a Risk Management Policy under which there are three key elements i.e. Risk Assessment, Risk Management & Risk Mitigation and Risk Monitoring. During the year, the Committee reviewed the risk trend, exposure and potential impact analysis carried out by the management and appropriate steps taken to mitigate exposed risk. The Risk Management Policy is available on Company's website viz. www.winsometextile.com.

During the financial year 2016-17, four Risk Management Committee meetings were held on 27th May 2016, 10th August 2016, 10th November 2016 and 06th February 2017. The composition, names of the members, chairperson, particulars of the meetings and attendance of the members during the year are as below:

S. No.	Name of members	Category	No. of meetings attended during the year 2016-17
1	Shri Ashish Bagrodia, Chairman	Executive Director	4
2	Shri Amrit Lal Batra, Member	Independent/Non-Executive	4
3	Smt. Neena Singh, Member	Independent/Non-Executive	2

(E) Corporate Social Responsibility (CSR) Committee

The Company has constituted a Corporate Social Responsibility (CSR) Committee with majority of Independent Directors under the provisions of Section 135 of Companies Act 2013 & rules made thereunder. The necessary details of same are mentioned in the Director's Report.

10. GENERAL BODY MEETINGS

The last three Annual General Meetings of the Company were held as under:

Year	Venue	Date	Time
2013 - 2014	1, Industrial Area, Baddi, Distt - Solan (H.P.)	29/09/14	10.00 A.M.
2014 - 2015	1, Industrial Area, Baddi, Distt - Solan (H.P.)	28/09/15	10.00 A.M.
2015 - 2016	1, Industrial Area, Baddi, Distt - Solan (H.P.)	28/09/16	10.00 A.M.

Extra ordinary general meeting

No Extra-ordinary General Meeting was held during the year 2016-17.

During the last three years, three special resolutions on 29.09.2014, one special resolution on 28.09.2015, as set out in the respective notices, were passed by the shareholders. No special resolution was passed in AGM held on 28.09.2016. No Postal ballots were used for voting in these meetings. At the forthcoming AGM, there is no item on the agenda that needs approval by Postal ballots.

11. DISCLOSURES

a) Related Party Transactions

All related party transactions of the Company are dealt with in accordance with Related Party Transactions Policy of Company and as per provisions of section 188 of Companies Act 2013 & rules made thereunder and as per Listing Regulations. All Related Party Transactions are presented to the Audit Committee and the Board for approval by specifying the nature, value, terms and conditions of the transactions etc. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions for which omnibus approval has obtained are presented before the Audit Committee as well as to Board on quarterly basis. Although all related party transactions are entered in ordinary course of business and at arm's length basis. There are no materially significant related party transactions made by the Company with its promoters, Directors or Key Managerial Personnel, their relatives etc. that may have potential conflict with the interest of the Company during the year under review.

Suitable disclosures as required by the Accounting Standards (AS-18) are disclosed in Notes to Accounts No.27.21 read with Accounting Policies in Annual Report. The Related Party Transactions Policy of Company available on following web link of Company's website: <http://www.winsometextile.com/files/pdf/68-63-file.pdf>

b) Disclosure of Accounting Treatment in preparation of Financial Statements

The Company has followed all relevant Accounting Standards referred to in Section 133 of Companies Act 2013 & rules made thereunder and laid down by Institute of Chartered Accountants of India, while preparing Financial Statements.

c) Details of non-compliance by the listed entity, penalties, strictures imposed by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years

During the last three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any Statutory Authority for non-compliance of any matter related to the capital markets.

d) Whistle Blower Policy/Vigil Mechanism

The Company has adopted Whistle Blower Policy and has established the necessary mechanism for employees to report concerns about unethical behavior. This policy is reviewed quarterly by the Audit Committee to check the effectiveness of the policy & related matters. No personnel have been denied access to the Audit Committee. The relevant details of Whistle Blower Policy are given under the Director's Report and same is available on Company's website viz. www.winsometextile.com.

e) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has complied with all applicable mandatory requirements. The Company has not adopted non-mandatory requirements except separate post of Chairman of Company and Chief Executive Officer.

f) Commodity Price Risks or Foreign Exchange Risk and Commodity Hedging Activities

Our company has robust framework and governance mechanism in place to ensure that the organization is adequately protected from market volatility in terms of price and availability. Besides

other risks, Company is also exposed to the risk of price fluctuations in the domestic market as well as in overseas market on account of raw materials as well as finished goods. The Company smoothly manages these risks in inputs through forward booking, inventory management, proactive management of vendor development and relationships. The details of foreign currency exposure are disclosed in Notes to Accounts No.27.26 read with Accounting Policies in the Annual Report.

g) Subsidiary Company

During the year ended 31st March, 2017, neither the Company has any subsidiary nor any material listed/unlisted subsidiary company.

h) Independent Director's Declarations

All Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated under the Companies Act, 2013 and Listing Regulations.

i) Disclosures by Senior Management & Key Managerial Personnel

Senior Management and Key Managerial Personnel have made disclosure to the effect confirming that there were no financial or commercial transactions in which they or their relatives had any potential conflict of interest with the Company. Further no employee including key managerial personnel or director or promoter of Company has entered into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of Company.

- j)** The Company has complied and disclosed all the mandatory corporate governance requirements under Regulation 17 to 27 and sub-regulation (2) of Regulation 46 of Listing Regulations (relating to disclosure on the website of the Company).

12. PERFORMANCE EVALUATIONS

During the year, Board adopted a formal mechanism for evaluating its performance and effectiveness as well as that of its Committees and individual Directors, including the Chairman of the Board. For Board and its Committees, the exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. The Performance evaluation of Non-Independent directors including the Chairman was carried out by Independent Directors in their separate meeting. The Directors were satisfied with the evaluation results, which reflected the overall engagement and effectiveness of the Board and its Committees. The necessary details regarding criteria of performance evaluation is mentioned under Director's Report. The Performance Evaluation Policy of Board of Directors is available on Company's website viz. www.winsometextile.com.

13. INDUCTION AND FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

On appointment, the Independent Director is issued a Letter of Appointment setting out in detail, the terms & of appointment, duties, responsibilities and expected time commitments. The Independent Director on being inducted on the Board, is familiarized by way of programme with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, interaction with the senior management which in turn will help them to understand business model of Company, its process, products etc. It also includes visit to different plants,

as & when required, to provide them thorough insight in to business operations. The Company follow such approach for familiarization not only for Independent Directors but any new appointee on the Board, whenever required. To enhance their knowledge and skills, Directors are regularly updated about recent changes/developments in laws, policies, regulations etc. The details of familiarization programmes are available on following web link of Company's website: <http://www.winsometextile.com/details-of-familiarisation-programme-of-directors>

14. BOARD DIVERSITY POLICY

The Board Diversity Policy of the Company requires the Company's Board to comprise of set of accomplished individuals, ideally representing a wide cross-section of industries, professions, backgrounds, occupations and functions and possessing a blend of skills, domain and functional knowledge, experience, educational qualifications, both individually and collectively. The said policy is available on Company's website viz. www.winsometextile.com

15. DETAILS FOR UNCLAIMED SUSPENSE ACCOUNT FOR UNCLAIMED SHARES

As per Listing Regulations, the details of "Winsome Textile Industries Limited - Unclaimed Suspense Account" are as under :

Outstanding at the beginning of the year i.e. April 1, 16		No. of shareholders claimed during the year	No. of shareholders claim transferred during the year	Outstanding at the end of the year i.e. March 31, 17	
No. of Shareholders	No. of Shares			No. of Shareholders	No. of Shares
13	1210	NIL	NIL	13	1210

The voting rights in respect of above shares shall remain frozen till the rightful owner of such shares claims the shares.

16. MEANS OF COMMUNICATIONS

The quarterly, half yearly & annual financial results, notices etc. are published in widely circulating national & local dailies newspaper Business Standard (in English and Hindi) editions. The same are also being posted on the website of Bombay Stock Exchange (BSE) www.bseindia.com under Scrip Code '514470'. The same are also available on Company's website i.e. www.winsometextile.com. The Management Discussion and Analysis report forms a part of this Annual Report.

17. GENERAL SHAREHOLDER INFORMATIONS

Annual General Meeting at 10:00 A.M. on Monday, 4th September 2017 at Registered Office of Company: 1, Industrial Area, Baddi, Distt. Solan, Himachal Pradesh.

Financial Calendar : 01st April to 31st March

Date of Book Closure : 28.08.2017 to 04.09.2017
(both days inclusive)

Dividend Payment Date : N.A.

Listing on Stock Exchange : Bombay Stock Exchange Limited (BSE)

Scrip Code : 514470

Demat ISIN Number in NSDL & CDSL : INE837B01031

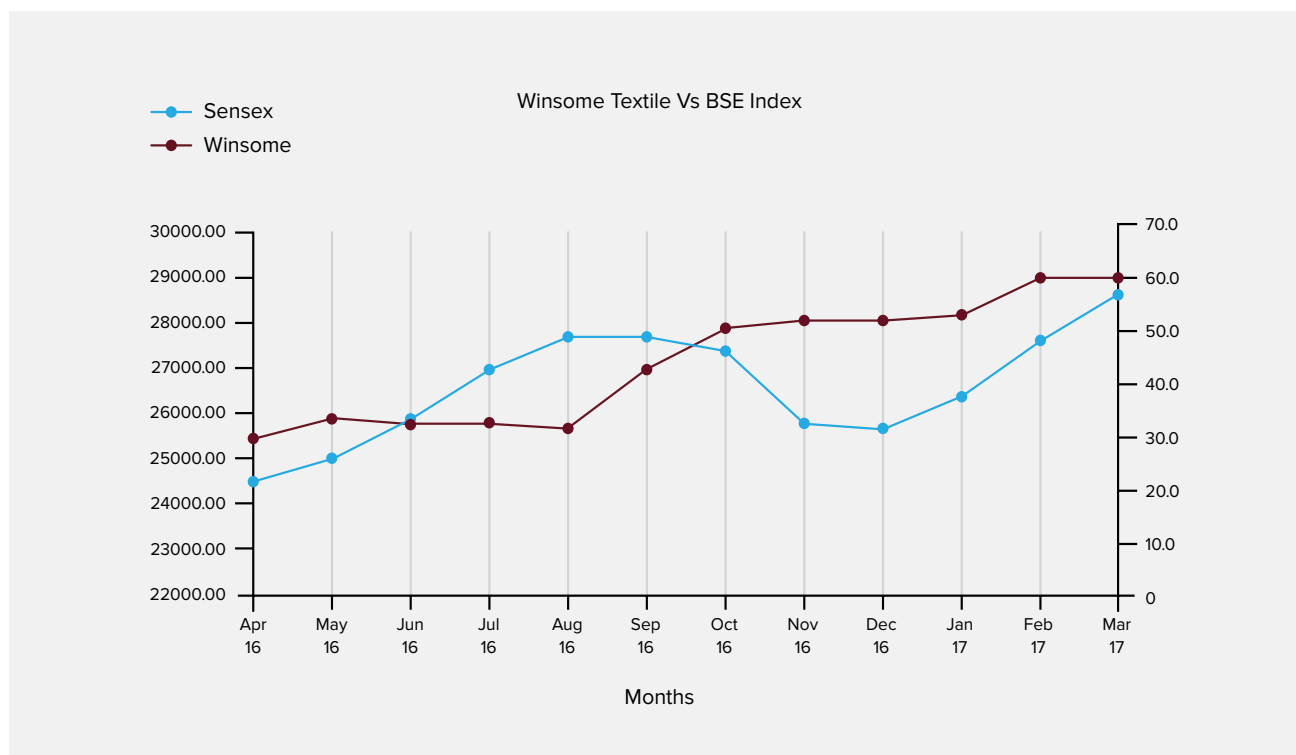
Corporate Identity Number (CIN) : L17115HP1980PLC005647

Annual listing fee for the year 2017-18 has duly been paid to Bombay Stock Exchange(BSE) . Listing fee to Calcutta Stock Exchange has not been paid as the Company had applied to this stock exchange on 11.12.2003 for voluntary delisting of shares as per the approval of shareholders and till date no objection has even been raised by the Calcutta Stock Exchange in this regard. The Company has also paid the Annual Custodial Fee to NSDL & CDSL for the year 2017-18.

18. MARKET PRICE DATA – HIGH AND LOW DURING EACH MONTH ON BSE IN F.Y. 2016-17. STOCK CODE - 514470 (Source: www.bseindia.com)

Months	High	Low	Volume (No. of Shares)
April, 2016	45.00	30.20	30262
May, 2016	50.00	34.35	29005
June, 2016	41.95	33.45	53943
July, 2016	49.80	33.00	44957
August, 2016	49.40	32.30	106495
September, 2016	59.40	43.05	66532
October, 2016	72.00	51.00	91898
November, 2016	74.95	54.00	112663
December, 2016	64.90	53.25	62732
January, 2017	73.00	55.30	72663
February, 2017	78.00	61.20	233937
March, 2017	70.60	61.00	260286

19. PERFORMANCE IN COMPARISON TO BROAD BASED INDICES



20. REGISTRAR AND SHARE TRANSFER AGENT

: 44, Community Centre, 2nd Floor
Naraina Industrial Area, Phase-I
Near PVR, New Delhi - 110028
Tele. No. 011-41410592-94, Fax No. 011-41410591
E-mail : delhi@linkintime.co.in,
sunil.mishra@linkintime.co.in

SHARE TRANSFER SYSTEM

: Shares lodged in physical form with the RTA directly or through Company, are processed and returned, duly transferred, within fifteen days normally, except in cases which are under objection.

In respect of shares held in dematerialised mode, the transfer takes place instantaneously between the transferor, transferee and the Depository Participant through electronic debit/credit of the accounts involved.

COMPLIANCE OFFICER

: Shri Sourabh Gupta

E-MAIL ID'S

: cswtil@winsometextile.com
secretarial@winsometextile.com

21. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH,17:

Range of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
001 - 500	1346	83.39	188118	0.95
501 - 1000	111	6.88	89338	0.45
1001 - 2000	69	4.28	101633	0.51
2001 - 3000	19	1.18	50176	0.25
3001 - 4000	11	0.68	39426	0.20
4001 - 5000	6	0.37	27962	0.14
5001 - 10000	15	0.93	111976	0.57
10001 and above	37	2.29	19211371	96.93
Total	1614	100.00	19820000	100.00

22. SHAREHOLDING PATTERN AS ON 31ST MARCH, 17 :

Category	No. of shares	Percentage
Promoters/Promoter Group	6701461	33.81
FII's/ FIC's	6552654	33.06
Bodies Corporates	4922272	24.83
Indian Public	1555894	7.86
Banks/ FI's/Mutual Funds	78148	0.39
NRIs & Trust	9571	0.05
Total	19820000	100.00

23. DETAILS OF SHAREHOLDING OF DIRECTORS IN THE COMPANY AS ON 31ST MARCH, 17 :

Name of Director	No. of shares held
Shri Chandra Mohan	-
Shri Satish Girotra	250
Shri Ashish Bagrodia	49220
Shri Amrit Lal Batra	-
Smt. Neena Singh	-

24. DEMATERIALISATION OF SHARES AND LIQUIDITY

: 99.83% of the shares issued by the Company have been dematerialized upto 31st March, 2017.

OUTSTANDING GDRs / ADRs / WARRANTS : N.A.
OR ANY CONVERTIBLE INSTRUMENTS,
CONVERSION DATE AND LIKELY IMPACT
ON EQUITY SHARES

PLANT(S) LOCATION

: Plot No. 1, Industrial Area, Baddi
Distt. - Solan, Himachal Pradesh - 173205

Village Kaundi, Baddi
Distt. - Solan, Himachal Pradesh - 173205

Village Lunta, Post Office, Khanyara
Tehsil Dharamshala, Distt. - Kangra
Himachal Pradesh - 176218

ADDRESS FOR CORRESPONDENCE

: Company Secretary
Winsome Textile Industries Limited
SCO 191-192, Sector 34-A
Chandigarh-160022 (U.T.)
Ph. No. 0172-4612000, 4613000
Fax No. 0172-4646760

E-MAIL ID'S

: cswtil@winsometextile.com
secretarial@winsometextile.com

By order of the Board

Sd/-

(ASHISH BAGRODIA)

CHAIRMAN & MANAGING DIRECTOR

DIN-00047021

DECLARATION ON CODE OF CONDUCT

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, it is hereby declared that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Company for the year ended 31st March 2017.

Sd/-

(ANIL SHARMA)

CHIEF EXECUTIVE OFFICER)

Place: Chandigarh

Dated: 24.05.2017

CEO AND CFO CERTIFICATION

To

The Board of Directors

Winsome Textile Industries Ltd.

- (a) We have reviewed the financial statements and the cash flow statement of Winsome Textile Industries Ltd. for the year ended 31st March, 2017 and to the best of our knowledge and belief, we state that:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- (d) We have indicated to the Auditors and the Audit Committee:
 - (i) that there are no significant changes in internal control over financial reporting during the year;
 - (ii) that there are no significant changes in accounting policies during the year; and
 - (iii) that there are no instances of significant fraud of which we have become aware.

Yours sincerely,

Sd/-

(ANIL SHARMA)

CHIEF EXECUTIVE OFFICER)

Sd/-

(SANJAY KEDIA)

CHIEF FINANCIAL OFFICER)

Place: Chandigarh

Dated: 24.05.2017

CERTIFICATE OF PRACTICING COMPANY SECRETARY ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS PER REGULATION E OF SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015.

To the Members of Winsome Textile Industries Limited

I have examined the compliance of the conditions of Corporate Governance by Winsome Textile Industries Limited, Baddi (H.P.) for the year ended March 31, 2017 as stipulated in Regulation E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. My examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Governance. It is neither an audit nor an expression of an opinion on the financial statements of the company.

In my opinion and to the best of our information and according to the explanations given to me, and the information given by the management, I certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned regulations.

I state that in respect of investor grievance received during the year ended March, 31, 2017, no investor grievances are pending against the Company, as per the records maintained by the Company and presented to the Investors/Shareholders Grievance Committee.

I further state that compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the company.

Place: Chandigarh

Dated: 24.05.2017

**SD/
(RAMESH BHATIA)
PRACTICING COMPANY SECRETARY
FCS No.2483 | CP NO. 1917**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WINSOME TEXTILE INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Winsome Textile Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating

the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Basis for Qualified Opinion

Attention is drawn to:

- (i.) Note no. 27.3 regarding non-provisioning against Receivables amounting to Rs.1089.44 Lacs [from a erstwhile associate body corporate, whose net worth has been fully eroded], which is in the opinion of management is good and recoverable as stated in the said note and our inability to comment thereon.

We further report that the profit for the year, the balance in reserve & surplus and receivable are without considering item mentioned above, the effect of which could not be determined. Our opinion was also qualified on the financial statements for the year ended 31st March 2016 in respect of matter reported above.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

1. Emphasis of Matter

Attention is drawn to:

- (i.) Balances of loans and advances and other liabilities are subject to confirmation/reconciliation (Note No.27.8).
- (ii.) As per the past practice, Consumption of raw materials have been accounted for as balancing figure as assessed and estimated by the management [Note No.27.18 (a)].

Our opinion is not modified in respect of matters stated above.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2016("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of audit, we give in the Annexure 'A' a statement on the matters specified in the paragraphs 3 and 4 of the Order.
- 2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our

knowledge and belief were necessary for the purposes of our audit.

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) The matters described in the basis for qualified opinion paragraph above, in our opinion, may not have adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) As required by section 143(3) (i) of the Companies Act, 2013, and based on the checking of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, our report on the Internal Financial Controls over Financial Reporting is as per Annexure 'B'.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer Note no. 27.1((A) (ii)) and 27.4 to the financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any; on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company. Refer Note No. 27.28 to the standalone financial statements.

For LODHA & CO.

Chartered Accountants

Firm's Registration No. 301051E

N.K. Lodha

Partner

Membership No. 085155

Place: Chandigarh

Date: 24.05.2017

ANNEXURE - A REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF WINSOME TEXTILE INDUSTRIES LTD. FOR THE YEAR ENDED 31ST MARCH, 2017

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management according to the programme of periodical verification in phased manner which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. The discrepancies noticed on such physical verification were not material.

(c) As per the records and information and explanations given to us, title deeds of immovable properties are in the name of the Company.
2. The inventories of the Company (except stock in transit), have been physically verified by the management at reasonable intervals and the procedures of physical verification of inventory followed by the Management are reasonable [to be read with note no.27.18(a)(ii)] in relation to the size of the Company and nature of its business. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.
3. According to the records and information and explanations made available to us, the Company has not granted any loans, secured or unsecured to companies, firms, LLP and other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. According to the information, explanations and representations provided by the management and based upon audit procedures performed, we are of the opinion that in respect of loans, investments, guarantees and security; if any; the Company has complied with the provisions of the Section 185 and 186 of the Companies Act, 2013.
5. In accordance to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed there under. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or other tribunal in this regard.
6. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act in respect of the Company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

7. (a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including provident fund,, employees' state insurance, income tax, sales tax, service tax, custom duty, excise duty, value added tax, entry tax,cess and other material statutory dues with the appropriate authorities to the extent applicable and there are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at 31st March, 2017.

(b) According to the records and information & explanations given to us, there are no dues in respect of income tax, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute and the dues in respect of income tax, sales tax, service tax, excise duty, value added tax, entry tax, cess and custom duty that have not been deposited with the appropriate authority on account of dispute and the forum where the dispute is pending are given below: -

Name of statute	Nature of dues	Period	Amount unpaid (in lacs Rs.)	Forum
Central Excise Act	Excise Duty	1995-96	1.44	Assistant Commissioner
Central Excise Act	Excise Duty	1998-2001	1.83	CESTAT
Central Excise Act	Excise Duty	2008-09 to 2009-10	1.32	Commissioner (Appeal)
Customs	Custom Duty	2015-16	1.20	Commissioner (Appeal)
HP Sales Tax Act	Entry Tax	2010-11 to 2016-17	449.20	The High Court of Shimla

8. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to financial institutions, banks, government (both State and Central). The company did not have any outstanding debentures during the year.

9. On the basis of information and explanations given to us, term loans have been applied for the purposes for which they were obtained. The company did not raise any money by way of initial / further public offer.

10. Based on the audit procedure performed and on the basis of information and explanations provided by the management, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the course of the audit.

11. On the basis of records and information and explanations made available and based on our examination of the records of the company, the company has paid/ provided managerial remuneration, in accordance with the requisite approvals mandated under Section 197 read with Schedule V of the Act [note no. 27.21(3)(ii)].

12. The Company is not a chit fund or a nidhi /mutual benefit fund /society, therefore, the provisions of clause 4 (xii) of the said Order are not applicable to the Company, hence we are not offering any comment.

13. As per the information and explanations and records made available by the management of the

Company and audit procedure performed,for the related parties transactions entered during the year, the Company has complied with the provisions of Section 177 and 188 of the Act, where applicable. As explained and as per records / details, the related party transactions have been disclosed as per the applicable Accounting Standards.

14. According to the information and explanations given to us, the Company has not made any preferential allotment of shares or fully / partly convertible debentures during the year in terms of provisions of Section 42 of the Act.
15. On the basis of records made available to us and according to information and explanations given to us, the Company has not entered into non-cash transactions with the directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.
16. The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934, as the provision of section is not applicable to the Company.

For LODHA & CO.

Chartered Accountants

Firm's Registration No. 301051E

N.K. Lodha

Partner

Membership No. 085155

Place: Chandigarh

Date: 24.05.2017

ANNEXURE - B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Winsome Textile Industries Limited ("the Company") as of 31st March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI, deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, read with the matters described below under Emphasis of Matters and note no. 27.3 regarding non provisioning against receivables as stated in the said note and our comment in main report under the heading "Basis of Qualified Opinion", the Company has maintained, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Emphasis of Matter

Attention is drawn to:

- (i) Balances of loans and advances and other liabilities are subject to confirmation/reconciliation (Note No. 27.8).
- (ii) As per the past practice, Consumption of raw materials have been accounted for as balancing figure as assessed and estimated by the management [Note No. 27.18 (a)].

Our opinion is not modified in respect of matters stated above.

We have considered the weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit for the financial statements of Winsome Textile Industries Ltd. as of 31st March 2017, and these weaknesses do affect our opinion on the 2017 financial statements of the Company.

For LODHA & CO.

Chartered Accountants

Firm's Registration No. 301051E

N.K. Lodha

Partner

Membership No. 085155

Place: Chandigarh

Date: 24.05.2017

BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note No.	As at 31.03.2017 (Rs.in lacs)	As at 31.03.2016 (Rs.in lacs)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	1982.00	1982.00
(b) Reserves and Surplus	3	16347.78	13805.80
		18329.78	15787.80
(2) Non-Current Liabilities			
(a) Long-term borrowings	4	12453.78	15190.89
(b) Deferred tax liabilities (Net)	5	4476.66	4226.63
(c) Other Long term liabilities	6	29.72	33.88
(d) Long term provisions	7	474.29	78.82
		17434.45	19530.22
(3) Current Liabilities			
(a) Short-term borrowings	8	16615.06	16698.39
(b) Trade payable	9	17148.39	15645.32
(c) Other current liabilities	10	6911.06	6821.98
(d) Short-term provisions	11	79.80	376.03
		40754.31	39541.72
TOTAL		76518.54	74859.74
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	12	37956.67	38154.96
(i) Tangible assets		-	-
(ii) Intangible assets		472.92	340.59
(iii) Capital work-in-progress	13	3.10	3.10
(b) Non-current investments	14	269.89	126.50
(c) Long term loans and advances		38702.58	38625.15
(2) Current assets			
(a) Inventories	15	21984.83	20816.54
(b) Trade receivables	16	9618.31	7869.97
(c) Cash & Bank Balances	17	1609.06	1481.31
(d) Short-term loans and advances	18	3863.39	4664.71
(e) Other current assets	19	740.37	1402.06
		37815.96	36234.59
TOTAL		76518.54	74859.74
Significant Accounting Policies & explanatory notes are an integral part of the Financial Statements		1 & 27	

As per our report of even date.

For LODHA & CO.

Chartered Accountants | FRN : 301051E

N.K. Lodha

Partner
M. No. 85155

Ashish Bagrodia

Chairman Cum Managing Director
DIN-00047021

Place: Chandigarh

Date : 24.05.17

Sourabh Gupta

Company Secretary
FCS 5952

For and on behalf of

Winsome Textile Industries Ltd.

Anil Sharma

Chief Executive Officer

Sanjay Kedia

Chief Financial Officer

Directors:

Chandra Mohan

DIN - 00017621

Satish Girotra

DIN - 01112511

Amrit Lal Batra

DIN - 00399728

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	Note No.	As at 31.03.2017 (Rs.in lacs)	As at 31.03.2016 (Rs.in lacs)
Net Revenue from operations	20	70782.21	65824.45
Less: Excise Duty		5.14	1.12
		70777.07	65823.33
Other income	21	718.63	176.25
TOTAL REVENUE		71495.70	65999.58
Expenses:			
Cost of materials consumed	22	34180.99	29238.72
Purchase of Stock in trade		7982.54	9401.10
Change in inventories of finished goods, work-in-progress and Stock-in-trade	23	-1128.57	-983.95
Employee benefit expenses	24	5191.19	4827.58
Finance Cost	25	5280.11	6145.40
Depreciation and amortization expenses	12	2124.62	1978.97
Other expenses	26	14046.52	13134.43
TOTAL EXPENSES		67677.40	63742.25
PROFIT BEFORE TAX		3,818.30	2257.33
Tax expense:			
- Current Tax		1,011.79	487.26
- MAT Credit		-	(332.97)
- Deferred Tax		250.02	30.63
- MAT Credit Earlier Year		-	23.79
PROFIT (LOSS) AFTER TAX		2,556.49	2,048.62
Earning per equity share: (Refer Note No. 27.22)			
- Basic		12.90	10.33
- Diluted		12.90	10.33
Significant Accounting Policies & explanatory notes are an integral part of the Financial Statements		1 & 27	

As per our report of even date.

For LODHA & CO.

Chartered Accountants | FRN : 301051E

N.K. Lodha

Partner
M. No. 85155

Ashish Bagrodia

Chairman Cum Managing Director
DIN-00047021

For and on behalf of

Winsome Textile Industries Ltd.

Anil Sharma

Chief Executive Officer

Sanjay Kedia

Chief Financial Officer

Place: Chandigarh

Date : 24.05.17

Sourabh Gupta

Company Secretary
FCS 5952

Directors: Chandra Mohan

DIN - 00017621

Satish Girotra

DIN - 01112511

Amrit Lal Batra

DIN - 00399728

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	2016-17		2015-16	
	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
(A) CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT/(LOSS) BEFORE TAX AND EXTRAORDINARY ITEMS				
Adjustment for:		3818.30		2257.33
Depreciation	2124.62		1978.97	
Liability Written Back	0.00		(5.45)	
Effect of Exchange Fluctuation	167.37		(97.25)	
Profit on sale of Investment	0.00		0.00	
Bad debt written off	17.20		29.14	
Assets written off	0.00		22.30	
Loss on sale of fixed assets (Net)	17.23		66.88	
Leasehold land Written off	0.00		0.00	
Interest paid	5280.11		6145.40	
Dividend Received	(0.31)		(0.31)	
Interest income	(126.37)	7479.85	(137.61)	8002.07
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		11298.15		10259.40
Adjustment for:				
Trade & other receivable	(452.17)		375.64	
Inventories	(1168.29)		(1451.12)	
Trade & other Payables	1582.27	(38.19)	1091.16	15.68
CASH GENERATED FROM OPERATIONS		11259.96		10275.08
Direct Taxes Paid		(834.68)		(558.25)
NET CASH FLOW FROM OPERATING ACTIVITIES		10425.28		9716.83
(B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets	(2209.38)		(1320.39)	
Capital Subsidy Received	0.00		36.34	
Sale of fixed assets	67.04		34.64	
Capital Advances	(188.62)		119.45	
Dividend Received	0.31		0.31	
Interest Received	126.68	(2203.97)	210.89	(918.76)
NET CASH USED IN INVESTING ACTIVITIES		(2203.97)		(918.76)
(C) CASH FLOW FROM FINANCING ACTIVITIES				
Interest paid	(5277.65)		(6158.67)	
Repayment of Long Term Borrowings	(2771.81)		(3887.62)	
Proceeds from Long Term Borrowings	50.53		13.97	
Net proceeds from Short term Borrowings	(94.63)	(8093.56)	1155.00	(8877.32)
NET CASH USED IN FINANCING ACTIVITIES		(8093.56)		(8877.32)
Net Increase/(decrease) in cash and cash equivalents		127.75		(79.25)
Cash & Cash Equivalents (opening balance)*		1481.31		1560.56
Cash & Cash Equivalents (Closing Balance)		1609.06		1481.31

As per our report of even date.

For LODHA & CO.

Chartered Accountants

FRN : 301051E

For and on behalf of

Winsome Textile Industries Ltd.

N.K. Lodha

Partner

M. No. 85155

Place: Chandigarh

Date : 24.05.17

Ashish Bagrodia

Chairman Cum Managing Director

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Chief Financial Officer

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DIN - 01112511

Amrit Lal Batra

DIN - 00399728

NOTES FOR THE FINANCIAL STATEMENTS

NOTE 1:

SIGNIFICANT ACCOUNTING POLICIES

1.1 GENERAL

- (i) The financial statements have been prepared under historical cost convention on accrual basis in compliance with applicable Accounting Standards as prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013.

1.2 REVENUE RECOGNITION

- (i) Revenue represents the net invoice value of goods and services provided to third parties after deducting discounts, volume rebates, outgoing sales taxes and duties, and are recognized usually when all significant risks and rewards of ownership of the assets (goods) sold are transferred to the customer and the commodity has been delivered materially to the shipping agent.
- (ii) Revenue from sale of by-products (goods) is included in revenue from operations.

1.3 VALUATION OF INVENTORIES

- (i) Inventories are valued at lower of Cost and Net Realizable Value except for scrap and by products which are valued at net realizable value.
- (ii) Cost of inventories of finished goods and work-in-process includes material cost, cost of conversion and other related overhead costs.
- (iii) Cost of inventories of raw material, work-in-process and stores & spares is generally determined on weighted average cost method.

1.4 INVESTMENTS

Long Term Investments are stated at cost. Provision for diminution in long term investments is made only if such decline is other than temporary. Current investments are carried at lower of cost or market price.

1.5 FIXED ASSETS

Fixed assets are stated at cost of acquisition (net of cenvat credit) & are inclusive of freight, duties, taxes and installation expenses less accumulated depreciation and impairment loss, if any.

1.6 DEPRECIATION/ AMORTISATION/ IMPAIREMENT LOSS

- (a) Depreciation on fixed assets has been provided using Straight Line Method over their useful lives and in the manner prescribed under Schedule II of the Companies Act, 2013 (except leasehold land which is amortized over the period of lease).

- (b) Continuous process plants as defined in Schedule II have been considered on the basis of technical evaluation and depreciated over the lives as prescribed under Schedule II
- (c) Depreciation on addition/sale is provided on Pro-rata basis with reference to the month of addition / sale.
- (d) In case, the recoverable amount of the fixed assets is lower than its carrying amount a provision for the impairment loss, depreciation on impaired assets is provided based on the reassessed balance life of the assets.
- (e) Capital Expenditure on assets not owned are written off over the duration of contract or ten years, whichever is lower.

1.7 BORROWING COST

Interest and other costs in connection with the borrowing of the funds to the extent related/attributed for acquisition/ construction of qualifying fixed assets are capitalized till the date of intended commercial use of the assets. Other borrowing costs are charged to the Statement of Profit & Loss.

1.8 GOVERNMENT GRANTS

- (i) Grants other than capital subsidy under TUFS relating to fixed assets are shown as deduction from the gross value of fixed assets and those of the nature of project subsidy are credited to Capital Reserves.
- (ii) Other Government Grants including incentive are credited to Statement of Profit & Loss or deducted from the related expenses.
- (iii) Capital Subsidy under TUFS from the Ministry of Textiles on specified processing machinery is treated as deferred income which is recognized on systematic and rational basis in proportion of the applicable depreciation over the useful lives of the respective assets and is adjusted against the depreciation / credited to the Statement of Profit and Loss.

1.9 FOREIGN CURRENCY TRANSACTIONS

Foreign Currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate prevailing at the time of transaction. Monetary items denominated in foreign currencies and outstanding at the year-end are translated at year-end rates. Exchange difference arising on settlement of monetary items at rates different from those at which they were initially recorded are recognized as income or as expenses in the year in which they arise. In case of forward contracts, the exchange differences are dealt within the Statement of Profit & Loss over the period of the contracts.

1.10 EXPENDITURE DURING CONSTRUCTION PERIOD

Pre-operative project expenditure (net of income accrued) incurred up to the date of commercial production are capitalized and the same are allocated to the respective fixed assets on the completion of the construction period.

1.11 EMPLOYEE BENEFITS: -

(I) Defined Contribution Plan

Employee benefits in the form of Provident Fund are considered as defined contribution plan and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.

(II) Defined Benefit Plan

Employee benefit in the form of Gratuity is funded every year under group policy of Life Insurance Corporation of India. Long Term compensated leaves are considered as defined benefit obligations and are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

(III) Other short term absences are provided based on past experience of leave availed. Actuarial gain/losses, if any, are immediately recognised in the Statement of Profit and Loss.

1.12 TAXES ON INCOME

Provision for Income Tax for the period comprises of Current Tax and Deferred Tax. Provision for current tax has been made on the basis of estimated taxable income in accordance with the provisions of Income tax Act, 1961. Deferred Tax is recognized, subject to consideration of prudence, at the prevailing tax rates on timing differences between taxable and accounting income / expenditure that originate in one period and are capable of reversal in one or more subsequent periods.

1.13 CONTINGENT LIABILITIES, CONTINGENT ASSETS & PROVISIONS

Contingent liabilities if material, are disclosed by way of notes. Contingent assets are neither recognized nor disclosed in the financial statements. Provision is recognised when the company has a present obligation as a result of past event(s) and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation(s), in respect of which a reliable estimate can be made for the amount of obligation.

1.14 RESEARCH AND DEVELOPMENT EXPENSES

Revenue Expenditure on Research and Development is charged to the Statement of Profit & Loss and Capital Expenditure is added to Fixed Assets.

NOTE 2: SHARE CAPITAL

(Rs. In Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
AUTHORISED		
2,49,50,000 (P.Y.: 2,49,50,000 Equity Shares of Re.10/- each)		
Equity Shares of Rs.10/- each	2495.00	2495.00
5,000 (P.Y.: 5000) Preference Share of Rs. 100/- each	5.00	5.00
	2500.00	2500.00
ISSUED,SUBSCRIBED & FULLY PAID UP		
1,98,20,000 (P.Y.: 1,98,20,000 Equity Shares of Re.10/- each) Equity Shares of Rs.10/- each	1982.00	1982.00
	1982.00	1982.00

2.1 Rights & Restrictions of Shareholders:

2.1.1 The Company has only one class of Equity Shares having face value of Rs. 10/- each (Previous Year Re. 10/- each) in its issued, subscribed and paid up Equity share capital. Each shareholder is entitled to one vote per share. Each shareholder have the right in profit/surplus in proportion to amount paid up with respect to share holder.

2.1.2. In the event of winding up, the equity shareholders will be entitled to receive the remaining balance of assets, if any, in proportionate to their individual shareholding in the paid up equity capital of the company.

3. Details of each shareholder holding more than 5% shares:

Name of Shareholder	No. of Shares Held as at 31.03.17	No. of Shares Held as at 31.03.16
ROSELAB COMMODITIES PVT LTD.	3501923.00	3501923.00
KAILASHPATI VINIMAY PVT LTD.	3051878.00	3005031.00
ASPIRE EMERGING FUND	2081244.00	1978590.00
LANDSCAPE TRADERS PVT LTD	1365917.00	1366092.00
ARPIT AGENCIES PVT LTD	1290799.00	1290799.00

4. Reconciliation of Equity Share Capital

Particulars	As on 31.03.2017 No. of Shares	As on 31.03.2016 No. of Shares
Shares Outstanding at the beginning of the year	1,98,20,000	1,98,20,000
Issued during the year	-	-
Buy Back during the year	-	-
Shares Outstanding at the end of the year	1,98,20,000	1,98,20,000

NOTE 3: RESERVES AND SURPLUS

(Rs. In Lacs)

Particulars		As at 31.03.2017		As at 31.03.2016
Capital Reserve				
As per last Balance Sheet	46.68		46.68	
Add: Addition during the year	-		-	
Less: Adjustments	-	46.68	-	46.68
Investment Allowance (Utilized) Reserve				
As per last Balance Sheet	184.00		184.00	
Add: Addition during the year	-		-	
Less: Adjustments	-	184.00	-	184.00
Securities Premium Reserve				
As per last Balance Sheet	5131.46		5131.46	
Add: Addition during the year	-		-	
Less: Adjustments	-	5131.46	-	5131.46
General Reserve				
As per last Balance Sheet	2.04		2.04	
Add: Addition during the year	-		-	
Less: Adjustments *	-	2.04	-	2.04
Capital Subsidy Under Tufts				
As per last Balance Sheet	212.10		190.27	
Add: Addition during the year	0.00		36.34	
Less: Transfer to Statement of Profit and Loss	14.51	197.59	14.51	212.10
Surplus in Statement of Profit & Loss from Previous Year	8229.52		6249.76	
Profit for the year	2556.49		2048.62	
Less: Adjustment *	-		68.86	
Surplus in Profit and Loss Statement carried to Balance Sheet		10786.01		8229.52
		16,347.78		13,805.80

* Adjusted Rs. 68.86 Lacs in previous year pursuant to adoption of schedule II of the companies Act, 2013 towards WDV in respect of certain Fixed Assets (Net of Deferred Tax Assets Rs. 36.44 Lacs) whose lives have expired on 31st March, 2015.

NOTE 4: LONG TERM BORROWINGS

(Rs. In Lacs)

Particulars	Non Current		Current	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Term Loan				
- From Banks	12407.46	15146.71	3367.94	3360.00
Vehicle Loans - From Banks	46.32	44.18	34.57	26.69
	12,453.78	15,190.89	3,402.51	3,386.69
Less : Current maturities of long term, borrowings (Disclosed under Other Current Liabilities under Note No. 10)	-	-	3402.51	3386.69
	12,453.78	15,190.89	0.00	0.00

Notes:

- Term Loans from Banks of Rs. 15775.40 Lacs (P.Y. Rs. 18506.71) are secured by Joint Equitable Mortgage by deposit of title deeds on company's immovable properties(present and future) which shall be on first charge basis, shall rank pari-passu with all banks and a charge by way of hypothecation of all movable fixed assets subject to prior charge on specified equipments to banks for term loan. Above Term loans are further secured by pari-passu second charge on entire current(present and future) assets of the company. The loan is repayable in quarterly installments and maturity profile is as follows:

Repayment	0 – 1 years	1 – 2 years	2 – 3 years	After 3 Years
(in lacs)	3367.94	4342.22	2666.15	5399.09

- Vehicle Finance carrying interest of Rs. 80.89 Lacs (P.Y. 70.87 Lacs) which is secured by hypothecation of specific assets purchased under such arrangements and is repayable in equated monthly installments and maturity profile is as follows:

Repayment	0 – 1 years	1 – 2 years	2 – 3 years	After 3 Years
(in lacs)	34.57	25.12	14.6	6.6

- The aforesaid credit facilities mentioned above in point no. 1 are also guaranteed by Chairman cum Managing Director and also by relatives of C.M.D. for certain facilities.

NOTE 5: DEFERRED TAX**(Rs. In Lacs)**

Particulars	As at 31.03.2017	As at 31.03.2016
Deferred Tax Liability		
Depreciation Adjustment	4,873.66	4,512.35
Deferred Tax Assets		
Unabsorbed Depreciation	0	0
Other items	397.00	285.72
	397.00	285.72
Deferred Tax Liability (Net)	4,476.66	4,226.63

NOTE 6: OTHER LONG TERM LIABILITIES**(Rs. In Lacs)**

Particulars	As at 31.03.2017	As at 31.03.2016
Employees Advances	29.72	33.88
	29.72	33.88

NOTE 7: LONG TERM PROVISIONS**(Rs. In Lacs)**

Particulars	As at 31.03.2017	As at 31.03.2016
Provision for Employee Benefits	474.29	78.82
	474.29	78.82

NOTE 8: SHORT TERM BORROWINGS**(Rs. In Lacs)**

Particulars	As at 31.03.2017	As at 31.03.2016
Working Capital Demand loan from bank	3835.04	3862.53
Cash Credit	4272.93	4455.21
Packing Credit	8507.09	8380.65
	16,615.06	16,698.39

- Working Capital Demand loans from bank, Cash Credit & Packing Credit are secured by First Charge by Hypothecation of Raw Material, Stock in Process, Finished Goods, Consumable Store and Spares, Goods in Transit, Book Debts and by Second Charge on entire Fixed Assets of the Company on Pari-passu basis with Working Capital lenders.
- The aforesaid credit facilities mentioned above is also secured by guarantee given by Chairman & Whole Time Director and Managing Director and also by a relative of C.M.D for certain facilities.

NOTE 9: TRADE PAYABLES**(Rs. In Lacs)**

Particulars	As at 31.03.2017	As at 31.03.2016
Acceptances	11718.28	11868.40
Outstanding due to Micro Enterprises and Small Enterprises (Refer Note no. 27.12)	-	-
Outstanding dues of Creditors others than Micro Enterprises and Small Enterprises	5430.11	3776.92
	17,148.39	15,645.32

NOTE 10: OTHER CURRENT LIABILITIES**(Rs. In Lacs)**

Particulars		As at 31.03.2017		As at 31.03.2016
Current Maturities of long term borrowings		3402.51		3386.69
Interest accrued but not due on borrowings		6.32		3.87
Advance from customers		227.83		204.36
Unclaimed dividends*		0.45		0.45
Others Payable				
- Capital Payable (Refer Note No. 27.12)	30.22		82.15	
- Statutory Dues	570.08		581.62	
- Other Liability (Refer Note No. 27.12)	2673.65	3273.95	2562.84	3226.61
		6,911.06		6,821.98

* Shall be credited to investor's education and protection fund when done.

NOTE 11: SHORT TERM PROVISIONS**(Rs. In Lacs)**

Particulars	As at 31.03.2017	As at 31.03.2016
Employees Benefits	79.80	376.03
	79.80	376.03

NOTE 12: FIXED ASSETS

(Rs. in Lacs)

Particulars	GROSS CARRYING VALUE			DEPRECIATION				NET CARRYING VALUE	
	As at 31.03.2016	Additions / Adjustments	Sales / Adjustments	As at 31.03.2017	Upto 31.03.2016	For the Year	Sales / Adjustments	Upto 31.03.2017	As at 31.03.2017 As at 31.03.2016
(I) Tangible Assets									
Land									
- Freehold & Site Development	1808.44	2.30	-	1810.74	-	-	-	-	1808.44
- Leasehold	5.59	0.00	0.08	5.51	-	-	-	-	5.59
Buildings *	11129.75	127.92	0.00	11257.67	1580.57	397.41	-	1977.98	9549.18
Plant & Equipments**	39942.30	1802.68	486.67	41258.31	13519.44	1,652.28	414.87	14756.85	26422.86
Furniture and Fixtures	232.12	6.57	0.00	238.69	106.57	20.50	-	127.07	125.55
Vehicles #	298.01	59.17	29.93	327.25	146.51	36.75	17.52	165.74	151.50
Office Equipments	86.75	16.29	0.00	103.04	60.54	9.40	-	69.94	26.21
Computers & Networks	179.87	10.19	0.00	190.06	114.24	22.78	-	137.02	65.63
Total	53682.83	2025.12	516.68	55191.27	15527.87	2139.12	432.39	17234.60	38154.96
Previous Year	47552.58	6793.92	663.67	53682.83	13968.94	2098.78	539.85	15527.87	33583.64

Note:

1. Depreciation for the year is net of Rs. 14.51 lacs (Previous year 14.51 lacs) transferred from Reserves of Capital Subsidy under TUFS.

* Building includes capital expenditure incurred on assets not owned by the company Rs.8.90 lacs (Previous Year Rs. 8.90 lacs) and net Rs. 2.68 Lacs (Previous Year Rs.3.49 lacs).

** During Previous year 2015-16 an amount of Rs. 13.53 lacs was received from Himachal Pradesh Electricity Board towards 66 KV Transmission line capitalised during financial year 2013-14, which was adjusted from cost of respective Assets.

Vehicle includes assets of Rs. 158.26 lacs (Previous Year Rs. 111.20 lacs) acquired under Hire Purchase Finance.

NOTE 13: NON CURRENT INVESTMENTS**(Rs. In Lacs)**

Particulars	As at 31.03.2017	As at 31.03.2016
Other Investment		
Unquoted		
31000 Equity Shares of Rs. 10/- each in Shivalik solid waste management Ltd.	3.10	3.10
(Previous year 31000 Equity Shares of Rs. 10/- each)	3.10	3.10
Aggregate amount of unquoted investment	3.10	3.10

NOTE 14: LONG TERM LOANS AND ADVANCES (REFER NOTE NO. 27.14)**(Rs. In Lacs)**

Particulars	As at 31.03.2017	As at 31.03.2016
Unsecured considered Good:		
Capital Advances	211.35	22.73
Deposits with Government Authorities & others	53.30	87.32
Others	5.24	16.45
	269.89	126.50

NOTE 15: INVENTORIES**(Rs. In Lacs)**

Particulars	As at 31.03.2017	As at 31.03.2016
As taken, valued and certified by the management (At lower of Cost and Net Realisable value)		
Raw Materials	9299.58	9429.74
Stock in Process	4866.76	4666.24
Stores & Spares	1101.43	938.02
Finished Goods (Including GIT amounting Rs. 1390.18 Lacs (P.Y: 853.27 Lacs)	6592.57	5664.50
Waste (At net realizable value) {Including scrap of Rs. 2.93 Lacs (Previous year Rs. 2.72 lacs)}	124.49	118.04
	21,984.83	20,816.54

NOTE 16: TRADE RECEIVABLES (Refer note no. 27.14)**(Rs. In Lacs)**

Particulars		As at 31.03.2017		As at 31.03.2016
(Unsecured, considered good, unless otherwise stated)				
Exceeding six months from due date				
- Good	32.96		79.29	
- Doubtful	17.15		-	
Less : Allowances for Bad & Doubtful debts	17.15	32.96	-	79.29
		9585.35		7790.68
Other Debts		9,618.31		7,869.97

NOTE 17: CASH & BANK BALANCES**(Rs. In Lacs)**

Particulars		As at 31.03.2017		As at 31.03.2016
- Cash on hand (As certified by management)		-		-
Balances with Bank				
- on Current Accounts		118.81		89.70
Earmarked balances				
- on Unclaimed Dividend Account	0.45		0.45	
		0.45		0.45
Other Bank Balances				
- on Fixed Deposit \$*		1489.80		1391.16
		1,609.06		1,481.31

* Margin Money against L/C's and Bank Guarantee

\$ Includes FDR's maturity of more than 12 months Rs. Nil (P.Y. Rs. Nil)

NOTE 18: SHORT TERM LOANS & ADVANCES (Considered good)
(Unsecured, unless otherwise stated)

(Rs. In Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
Advances to suppliers	824.31	1543.45
Refund/ Claim Receivable	116.56	140.97
Balance with Excise and Sales tax Authorities	360.39	266.34
MAT Credit Entitlements (Refer no. 27.23)	2100.94	2290.67
Income Tax Advance Payments (Net of Provision of Income Tax)	25.90	13.28
Others	435.29	410.00
	3,863.39	4,664.71

NOTE 19: OTHER CURRENT ASSETS

(Rs. In Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
Interest Receivable	10.41	10.72
Export Incentives Receivables	268.62	379.14
Interest Subsidy on Term Loans Receivable	461.34	1012.20
	740.37	1,402.06

NOTE 20: REVENUE FROM OPERATION

(Rs. In Lacs)

Particulars		As at 31.03.2017		As at 31.03.2016
Sale of Products				
- Yarn#	54120.85		49767.94	
- Others	6901.89		5127.00	
- Trading Sale	8182.32	69205.06	9645.88	64540.82
Sale of Services				
- Processing Income		-		12.19
Other operating revenues:				
- Waste & Scrap Sales	1576.79		1254.07	
- Sales of Electricity	0.30		0.00	
- Insurance Claim	0.06	1577.15	17.38	1271.45
		70,782.21		65,824.45

including Export Incentives of Rs. 1576.88 Lacs (P.Y. 1164.13 lacs)

NOTE 21: OTHER INCOME**(Rs. In Lacs)**

Particulars	As at 31.03.2017	As at 31.03.2016
Interest Income	126.37	137.61
Liabilities Written back	0.00	5.45
Exchange Rate Variation Gain	578.28	23.21
Miscellaneous Income	10.32	8.99
Rent Received	3.66	0.99
	718.63	176.25

NOTE 22: COST OF MATERIALS CONSUMED**(Rs. In Lacs)**

Particulars	As at 31.03.2017	As at 31.03.2016
Raw Material	33313.15	28221.56
Packing Material	867.84	1017.16
	34,180.99	29,238.72

NOTE 23: CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**(Rs. In Lacs)**

Particulars	As at 31.03.2017	As at 31.03.2016
<u>Closing Stock</u>		
Finished Goods	6592.57	5664.50
Work in progress	4866.76	4666.26
(A)	11459.33	10330.76
<u>Opening Stock</u>		
Finished Goods	5664.50	4600.45
Work in progress	4666.26	4746.36
(B)	10330.76	9346.81
(Increase) / Decrease in Stocks (A-B)	(1,128.57)	(983.95)

NOTE 24: EMPLOYEE BENEFIT EXPENSES**(Rs. In Lacs)**

Particulars	As at 31.03.2017	As at 31.03.2016
Salaries, Wages & Other allowances	4717.85	4402.72
Contribution to Provident and other Funds	444.19	408.33
Employees' Welfare and other Benefits	29.15	16.53
	5,191.19	4,827.58

NOTE 25: FINANCE COST**(Rs. In Lacs)**

Particulars	As at 31.03.2017	As at 31.03.2016
Interest Expenses (Net of reimbursement under TUFF Rs. 647.63 Lacs (Previous year Rs. 859.92 lacs)	2999.32	3441.31
Interest Other	343.05	413.89
Other Borrowing Cost	1937.74	2290.20
	5,280.11	6,145.40

NOTE 26: OTHER EXPENSES**(Rs. In Lacs)**

Particulars	As at 31.03.2017	As at 31.03.2016
Conversion Charges	197.09	34.01
Consumption of Stores and spares	4307.29	4019.59
Power and Fuel	5235.62	5201.49
Rent	46.86	57.38
Repairs to Buildings	5.09	2.12
Repairs to Machinery	55.44	68.40
Insurance	95.87	89.67
Rates & Taxes	77.90	76.10
Freight & Handling Charges	1107.10	1083.30
Advertisement and sales promotion	18.77	2.29
Directors Fee	2.13	1.40
Commission	1017.02	832.09
Bad Debts	17.20	34.59
Expenses of CSR Activities	52.63	46.83
Bank Charges	217.40	146.12
Profit/(Loss) on sale of Assets (Net)	17.23	66.88
Printing & Stationery, Postage, Telephone, Traveling, and other Miscellaneous Expenses	1575.88	1372.17
	14,046.52	13,134.43

27. NOTES TO ACCOUNTS

27.1 (A). Contingent Liabilities, not provided for in respect of (as certified by the management):

(Rs. in Lacs)

	Particulars	2016-17	2015-16
(i)	Bills discounted with banks	3636.56	3143.21
(ii)	Excise / Service Tax Matters	6.11	31.23
(iii)	Outstanding Bank Guarantees	766.51	689.81
(iv)	Claims against company not accepted	8.65	8.65

(v) Custom duty saved of Rs. 685.37 Lacs (Previous year Rs. 116.41 Lacs) for import of capital good made under EPCG scheme against which export obligations amounting to Rs.4112.20 Lacs (Previous year Rs. 698.49 Lacs) pending.

(B). In respect of certain disallowances and additions made by Income Tax Authorities, appeals are pending before the Appellate authorities and adjustment if any, will be made after the same are finally determined.

Considering the past experience, management is of the view that there will not be any material impact on accounts on settlement/finalization of tax assessment.

27.2 Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 379.43 Lacs (Previous year Rs. 155.13 Lacs) {(net of advances of Rs. 211.35 Lacs) (Previous year Rs. 22.73Lacs)}.

27.3 Trade receivable includes Rs. 1089.44 Lacs(Previous Year Rs. 1089.44 Lacs) is recoverable from a body corporate (erstwhile associate company) whose net worth as per the audited accounts as at 30th Sept 2014 became negative and balance is subject to confirmation and who has filed application before Board for Financial Industrial Reconstruction (BIFR) for rehabilitation. The management is confident about full recovery, hence no provision there against considered necessary and are in the process of confirmation / reconciliation.

27.4 The Company's Hydro Power Project (3.5 MW) at Manuni, Dharamshala, Distt. Kangra Himachal Pradesh has been synchronized with H.P.S.E.B.L Grid on 31.03.2017 and started supplying electricity as per supplementary power purchasing agreement. The company has filed a writ petition before the Hon'ble Himachal Pradesh High Court at Shimla challenging levy of certain charges and additional free supply of power under "supplementary implementation agreement", On Company's application, Hon'ble High Court has granted interim stay on 11th Sept' 2013 and currently the matter is sub-judice. Pending litigation amount payable; if any, cannot be estimated at this stage. Management is confident that there will not be any material impact of above on final settlement/decision.

27.5 The company has filed an application for the rebate claim which is disputed and pending at the office of the Joint Secretary, New Delhi under export promotion scheme of Rs11.92 Lacs. (Previous Year Rs. 27.76 Lacs). In the opinion of the management, these claims are good and fully recoverable, hence no provision their against is considered necessary.

27.6 Prior period adjustment (net) Rs. 1.59 Lacs (Previous year Rs. 10.41 Lacs) include festival expenses Rs. 1.59 Lacs (previous year Rs. Nil Lacs) and Others Rs. Nil (Previous year Rs. 10.41 Lacs).

- 27.7** The company has taken legal and other persuasive actions for recovery of certain overdue Trade Receivables amounting to Rs. 18.29 Lacs (previous year Rs. 35.44 Lacs). In the opinion of the management, these outstanding are good and fully recoverable, hence no provision there against is considered necessary. Balances of certain receivables are in process of confirmation / reconciliation.
- 27.8** Balance of (read with note no. 27.3) loans and advances (including Capital advances) (read with note no. 27.12) and other liabilities are in the process of confirmation / reconciliation.
- 27.9** In accordance with the Accounting Standards (AS-28) on “Impairment of Assets” during the year the company has assessed useful life of fixed assets in use and is of the view that no impairment is considered to be necessary in view of its expected realizable value/value in use.
- 27.10** Since it is not possible to ascertain with reasonable certainty/ accuracy the amount of accrual in respect of certain insurance and other claims, the same are continued to be accounted for on settlement/ acceptance basis.
- 27.11** Capital work in progress including civil work under construction, electric Installation and fittings, Machinery under installation/erection and following pre-operative expenditure pending allocation / capitalization:

(Rs.in Lacs)

Particulars	2016-17	2015-16
Opening Balance	29.75	1060.30
Raw material consumed	-	-
Stores & Spares consumed	-	-
Power and Fuel	-	-
Salary, Wages & Allowances	-	-
Insurance	-	-
Interest	20.11	-
Other Borrowing Costs (Include Loan processing fees, etc.)	12.10	-
Miscellaneous and other expenses	-	17.91
Total	61.96	1078.21
Less: Trial Run Sales	-	-
Less: Scrap Sales	-	-
Less: Trial Run Stock	-	-
Less: Allocated/Appropriated	47.19	1048.46
Closing balance	14.77	29.75

- 27.12** The Company has not received full information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amount unpaid as at year end together with interest paid /payable have been given based on the information so far available with the company/ identified by the company management. As required by section 22 of the above said Act the following information is disclosed:

Sr. No.	Particulars	2016-17	2015-16
a)	(i) Principal amount remaining unpaid at the end of the accounting year (ii) Interest due on above	-	-
b)	The amount of interest paid by the buyer alongwith amount of payment made to the supplier beyond the appointed date.	-	-
c)	The amount of interest accrued and remaining unpaid at the end of financial year	-	-
d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding interest specified under this act.	-	-
e)	The amount of further interest due and payable in succeeding year, until such interest is fully paid.	-	-

27.13 As per the past practice foreign exchange fluctuation on loan/ liability for acquisition of capital assets continue to be charged to the Statement of Profit & Loss.

27.14 In the opinion of the Board, the Current Assets, Loans and Advances appearing in the Company's Balance Sheet as at year end would have a value on realization in the normal course of business at least equal to the respective amounts at which they are stated in the Balance Sheet.

27.15 Employees Benefits:

Defined Benefit Plan:

The employee gratuity fund is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

I. Amount to be recognized in the balance sheet.

(Rs. In Lacs)

Particulars	Gratuity (Funded)		Leave Encashment (Un funded)	
	2016-17	2015-16	2016-17	2015-16
I. Amount to be recognised in the balance sheet				
Present Value of Obligation as at 31st March 2017	483.45	436.64	104.49	93.20
Fair value of plan assets as at 31st March 2017	33.84	74.99	-	-
Funded Status [surplus/(Deficit)]	(449.61)	(361.65)	(104.49)	(93.20)
Net Assets/(Liability) Recognized in Balance Sheet	(449.61)	(361.65)	(104.49)	(93.20)
II. Expenses recognized during the period				
Current Service Cost	84.17	71.38	59.51	50.85

Interest Cost	30.56	29.49	6.52	6.24
Expected Return on Plan Assets	(3.69)	(6.35)	-	-
Actuarial (gain)/ loss	(23.09)	3.42	50.42	33.94
Net Expenses Recognized	87.95	97.94	116.46	91.03
III. Reconciliation of opening and closing balance of Defined Benefit Obligation				
Present Value of Obligation at the beginning of the period	436.64	368.60	93.20	78.07
Current Service Cost	84.17	71.38	59.51	50.85
Interest Cost	30.56	29.49	6.52	6.24
Actuarial (gain)/ loss on obligations	(22.66)	0.54	50.42	33.94
Benefit Paid	(45.27)	(33.37)	(105.17)	(75.90)
Present Value of Obligation as at the end of the period	483.45	436.64	104.49	93.20
IV. Reconciliation of opening and closing balance of fair value of plan asset				
Fair value of plan assets at the beginning of the period	74.99	86.89	-	-
Expected Return on Plan Assets	3.69	6.35	-	-
Contributions	-	18.00	-	-
Actuarial gain/ (loss) on Plan Assets	0.44	(2.88)	-	-
Benefit Paid	(45.27)	(33.37)	-	-
Fair value of plan assets at the end of the period	33.85	74.99	-	-
V. Reconciliation of opening and closing balance of fair value of plan assets				
Fair value of plan assets at the beginning of the period	74.99	86.89	-	-
Actual Return on Plan Assets	4.13	3.47	-	-
Contributions	0.00	18.00	-	-
Benefit Paid	(45.27)	(33.37)	-	-
Fair value of plan assets at the end of the period	33.85	74.99	-	-
Funded Status	449.61	361.65	-	-
VI. Investment Detail				
All Investments are made with through LIC.				
Actuarial/Demographic assumptions:	2016-17	2015-16	2016-17	2015-16
Indian Assure Lives Mortality Table (LIC)	2006-08	2006-08	2006-08	2006-08
Discount rate (Per annum)	7.00%	8.00%	7.00 %	8.00%
Expected Return on Plan Assets (Per annum)	7.00%	8.00%	7.00 %	8.00%
Estimated rate of increase in compensation level	5.00%	5.00%	5.00%	5.00%
Retirement Age	58 Years			
Withdrawal Rate (All Ages)	10.00%			
Disability	No explicit allowance			
Avg. accumulated leave per employee(in days)	8	8	8	8

- (i) Contribution to defined contribution plan, recognized as expenses during the year is Rs. 253.66 Lacs (P.Y. Rs. 225.33 Lacs).
- (ii) The estimate rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.
- (iii) The principal assumptions are the discount rate & salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.
- (iv) The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of assets management, historical results of return on plan assets and the policy for plan assets management.

27.16 Research and Development expenditure amounting to Rs. 340.93 Lacs (Previous year Rs. 72.03 Lacs) have been charged to Statement of Profit and Loss in respective heads of the accounts (As certified by the management) & Capital Expenditure of Rs.50.10 Lacs (previous year Rs. 23.42 Lacs).

(Rs. In Lacs)

Particulars	2016-2017	2015-2016
Recurring Expenses		
Employee Cost	261.63	41.02
Other expenses	79.30	31.01
Total Recurring Expenses	340.93	72.03
Total Capital Expenditure	50.10	23.42*
Total R&D Expenses (Incl. Capital Expenditure)	391.03	95.45

* As certified by the management and based on independent third party certificate.

27.17 Auditors Remuneration (Excluding Service Tax)

(a) Statutory Audit

(Rs. In Lacs)

Particulars	2016-17	2015-16
Audit Fee	4.10	4.10
Tax Audit Fee	0.35	0.35
Other Services	0.10	0.50
Certification Fees	0.88	1.31
Reimbursement of expenses	2.35	2.33

(b) Cost Audit**(Rs. In Lacs)**

Particulars	2016-17	2015-16
Cost Audit Fee	0.70	0.70
Other Service	0.10	NIL

(c) Other**(Rs. In Lacs)**

Particulars	2016-17	2015-16
Secretarial audit fee	0.55	0.55

- 27.18 (a) i)** As per the past practice , consumption of raw material and stores and spares is derived as net of opening stock plus purchases less closing stock , as certain item-wise records are in process of updation.
- ii) in view of Para (i) above , closing inventories of stock in process and finished goods have been considered as taken , valued and certified by the management after providing against old / non moving inventories; if any, as assessed / estimated by the management.
- (b)** Profit /Loss on sale of stores and raw materials remains adjusted in their respective consumption accounts.

27.19 Segment Reporting

- (i) The company has only one business segment namely Textile (Yarn, Fabric and allied activities).
- (ii) The segment revenue in geographical segments considered for disclosure is as follow:
- (a) Revenue inside India includes sales to customers located within India.
- (b) Revenue outside India includes sales to customers located outside India.

Information about geographical segments (by location of customers):

(Rs. In Lacs)

	Particulars	India	Outside India	Total
(i)	External Revenue-Sales	42885.61	27896.59	70782.20
	Less: Excise duty	5.14	-	5.14
	External Revenue-Sales (Net)	42880.47	27896.59	70777.06
		(40593.71)	(25229.62)	(65823.33)
(ii)	Carrying amount of segment assets by location of assets	74084.38	2434.16	76518.54
		(73679.68)	(1180.06)	(74859.74)
(iii)	Capital Expenditure	1252.57	922.81	2175.38
		(1271.89)	(77.25)	(1349.14)

Previous Year figures are given in bracket.

27.20 As estimated and assessed by the management, certain tax allowances / deductions have been considered and accordingly Net Deferred Tax Liability of Rs. 250.02 Lacs (Previous Year Rs.30.63 Lacs Net Deferred Tax Liability) have been accounted for the year.

27.21 Related party disclosures

List of “Related parties & Relationship disclosures” are given below: (as identified by the management)

1) Key management personnel and their relatives.

- Shri Ashish Bagrodia : Chairman cum Managing Director
- Shri Anil Sharma : Chief Executive Officer^
- Shri Sanjay Kedia : Chief Financial Officer^
- Shri Sourabh Gupta : Company Secretary^
- Shri Satish Bagrodia : Advisor (Father of CMD (KMP))

^ Pursuant to the Companies Act, 2013

2) Enterprise where Key Management Personnel & their relative have significant influence

- Star point Financial Services (Pvt.) Ltd.
- Winsome Yarns Limited

3) Transactions with the Related Parties:-

(i)

(Rs. in Lacs)

Particulars	2016-17	2015-16
Winsome Yarns Ltd.		
Expenses reimbursed to	NIL	0.38
Expenses reimbursed by	0.68	2.20
Trade Receivable - at year end	1089.44	1089.44
Balance Receivable – at year end	1.32	1.32
Balance Payable- at year end	--	--
Star point Financial Services (P) Ltd.		
- Rent Paid	16.20	29.10
Shri Satish Bagrodia - Salary Paid	60.00	43.00

(ii) Remuneration to Shri Ashish Bagrodia (CMD) Rs. 132.59 Lacs (P.Y Rs. 86.63 Lacs including commission).

Remuneration to Shri Anil Sharma (Chief Executive Officer) Rs. 64.74 Lacs(P.Y Rs 60.76 Lacs), Shri Sanjay Kedia (Chief Financial Officer) Rs. 30.46 Lacs (P.Y Rs. 28.30 Lacs), Shri Sourabh Gupta (Company Secretary) Rs. 12.31 Lacs (P.Y Rs. 11.74 Lacs)

27.22 Earning Per Share

Basis for calculation of basic and diluted earning per share is as under:

(A) BASIC / DILUTED EARNING PER SHARE

(Rs. in Lacs)

Particulars	2016-17	2015-16
Net Profit attributable to Equity Shareholders (Rs. in Lacs)	2556.49	2048.62
Weighted average number of equity shares (in nos.)	1,98,20,000	1,98,20,000
Nominal Value per equity share (Rs.)	10.00	10.00
Basic EPS (Rs.)	12.90	10.33
Diluted EPS (Rs.)	12.90	10.33

27.23 Based upon Future plans, expected sales and profitability as assessed by the management in near future (in next twelve months) which will enable company to utilise MAT credit entitlement of Rs. 2100.93 Lacs (Previous Year Rs. 2290.67 Lacs)and accordingly the same is shown under “Short Term Loans & Advances”.

27.24 The company has given interest free loan/ advances in the nature of loan, to employees, in the ordinary course of its business. No loan/ advances in the nature of loans have been given to employees/ others for the purpose of investment in securities of the company.

27.25 (a) Raw Material & Packing Material Consumed

(Rs. In Lacs)

Particulars	2016-17	2015-16
Cotton	22422.64	24652.25
Packing Material	867.84	1017.16
Others	10890.51	3569.31
Total	34180.99	29238.72

(b) Total Value of Raw Materials (includes packing material) and Stores & Spares consumed (as Certified by the management):

(Rs. in Lacs)

Particulars	Raw Material				Stores & Spares			
	2016-17	%	2015-16	%	2016-17	%	2015-16	%
Imported	326.84	1.00	315.08	1.08	205.68	4.77	217.54	5.41
Indigenous	33854.15	99.00	28923.64	98.92	4101.61	95.23	3802.05	94.59
Total	34180.99	100	29238.72	100	4307.29	100	4019.59	100

(c) Detail of Work in Progress (as certified by the management):

(Rs. in Lacs)

Particulars	2016-17	2015-16
	Amount	Amount
Fleece	2049.83	2146.65
Roving	1032.69	1084.77
Yarn	1784.24	1434.82
Total	4866.76	4666.24

(d) Detail of Traded Goods *

(Rs. in Lacs)

Particulars	2016-17		2015-16	
	Purchase	Sales	Purchase	Sales
Yarn	1513.44	1588.34	3316.49	3429.06
Fabric	6469.11	6593.98	6084.61	6216.83
Total	7982.53	8182.32	9401.1	9645.89

* Opening stock and closing stock Nil (Previous Year Nil)

(e) Imports at CIF Value (as certified by the management):

(Rs. in Lacs)

Particulars	2016-17	2015-16
Raw Material	357.38	450.77
Capital goods	926.89	113.51
Spare Parts & Components	246.44	186.54
Total	1530.71	750.82
Earnings in Foreign Exchange		
Exports of goods on FOB basis (excluding export through export houses & EOU)	25318.78	22126.37

(f) Expenditure in Foreign currency (as certified by the management)**(Rs. in Lacs)**

Particulars	2016-17	2015-16
Travelling Expenses	143.54	113.03
Commission and other expenses	345.29	239.92
Bank Charges	-	-
Interest paid	282.71	257.91

27.26

- (A)** The Foreign Currency exposure that are not hedged by derivative instruments or otherwise are as follow (As certified by Management):

(Rs. In Lacs)

Particulars	Document Currency	Amount in Document Currency		Amount (Rs. In Lacs)	
		2016-17	2015-16	2016-17	2015-16
Trade receivables (Net of Foreign Bill Discounting)	USD	3697227.96	1752448.43	2396.96	1160.56
	Euro	19268.70	25849.48	13.35	19.50
	AED	135046.09	NIL	23.85	NIL
Trade Payables	USD	290884.58	142586.97	188.65	94.48
	CHF	17966.16	6907.31	11.64	4.77
	Euro	72998.85	132701.91	50.57	100.11
Foreign Currency Loan	USD	4994808.88	5804761.24	3271.04	3846.23
Foreign Commission Payable	USD	183245.40	147997.36	118.84	98.06
	Euro	317.59	3418.95	0.22	2.58

- (B)** Forward Contracts of Rs. 4472.16 Lacs, US \$ 65.95 Lacs and Rs. 36.78 lacs - Euro 0.51 lacs (Previous Year Rs 4265.72 Lacs - US\$ 63.41 Lacs and Rs NIL –Euro NIL) taken for the purpose of hedging of Trade debtors are outstanding as 31.03.17.

27.27 During the year the company has provided Corporate Social Responsibility (CSR) expenses of Rs. 52.63 Lacs (PY Rs. 46.83 Lacs), including Rs. 45.99 Lacs (PY Rs. 34.78 Lacs) transferred to trust, namely Winsome Foundation.

27.28 Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 is as follows (As certified by Management):

(Rs. in Lacs)

	Specified Bank Notes (SBN)	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	5.99	1.40	7.39
(+) Permitted receipts	-	76.47	76.47
(-) Permitted payments	-	67.12	67.12
(-) Amount deposited in Banks	5.99	-	5.99
Closing cash in hand as on 30.12.2016	-	10.75	10.75

27.29 Figures for the previous year have been re-grouped/rearranged where ever necessary to make them comparable with current year.

As per our report of even date.
For LODHA & CO.

Chartered Accountants
FRN : 301051E

For and On Behalf of
Board of Directors

N.K. Lodha
Partner
M. No. 85155

Ashish Bagrodia
Chairman Cum
Managing Director
DIN-00047021

Anil Sharma
Chief Executive Officer

Sanjay Kedia
Chief Financial Officer

Sourabh Gupta
Company Secretary
FCS 5952

Directors: **Chandra Mohan** **Satish Girotra** **Amrit Lal Batra**
DIN - 00017621 DIN - 01112511 DIN - 00399728

Place: Chandigarh
Date : 24.05.2017

STATEMENT OF IMPACT

STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS FOR FY 2016-17

(Rs. in Lacs)

I	S.No.	Particulars	Audited Figure (As reported before adjusting for qualifications)	Audited Figure (As reported After adjusting for qualifications)*
	1	Turnover/Total Income	71,496	71,496
	2	Total Expenditure (including tax expenses)	68,940	67,851
	3	Net Profit/(Loss)	2,556	1,467
	4	Earnings Per Share (in Rs.)	12.89	7.40
	5	Total Assets	76,519	75,430
	6	Total Liabilities	58,189	58,189
	7	Net Worth	18,330	17,241
	8	Any Other financial item (s) (as felt appropriate by the management)	Refer Emphasis of Matter paragraph in the Auditor's Report on quarterly and year to date Financial Results.	
	* All adjustments are without tax effect.			

II	Audit Qualifications :			
	a.	Detail of Audit Qualifications	Qualification in the Annexure referred to in 'Basis for Qualified Opinion' paragraph of the Auditors' Report dated 24 th May, 2017 to the members of Winsome Textile Industries Limited on the accounts for the year ended 31 st March, 2017 :	
			i.	Qualified :
			i)	Note no. 2 of accompanying Statement regarding non-provisioning against Receivables amounting to Rs.1089.44 Lacs [from an erstwhile associate body corporate, whose net worth has been fully eroded], as in the opinion of management same are good and recoverable and our inability to comment thereon.
	b.	Type of Audit Qualification		Qualified Opinion
	c.	Frequency of Qualification		Qualification (i) - 3 rd year of observation. (First time referred in the Audit Report of the year as on date 31 st , March 2015).

	d.	Management Views for audit qualifications where the impact is quantified	i.	(a) With regard to Auditor's observation no. (i) regarding non-provisioning against receivables amounting to Rs.1089.44 lacs, the explanation of Directors are that the management is hopeful of recovery considering preparation of financial statement of the said body corporate as going concern basis, future prospects of revival of textile market and stable government policies, therefore no provision there against is considered necessary.
	e.	Management views for audit qualifications where the impact is not quantified		
		(i) Management estimation on the impact of audit qualification	None	
		(ii) Auditor's Comment on (i)	None	

Emphasis of Matter: Refer Annexure 'A' (attached)

III	To be signed by:	
1	CEO / Managing Director	Sd/ <hr/> Ashish Bagrodia Managing Director (DIN-00047021)
2	Chief Financial Officer	Sd/ <hr/> Sanjay Kedia Chief Financial Officer (CFO)
3	Auditor of the Company	Sd/ <hr/> N.K. Lodha (Partner) M.No.85155 M/s Lodha & Co. Chartered Accountants (FRN: 301051E)

4	Audit Committee Chairman	Sd/ _____ Chandra Mohan Audit Committee Chairman (DIN-00017621)
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Date 24.05.2017

Place Chandigarh

Winsome Textiles Industries Limited
(Financial year ended 31st March 2017)

ANNEXURE 'A'

Emphasis of Matter

Attention is drawn to:

- (i) Balances of loans and advances and other liabilities are subject to confirmation/reconciliation.
- (ii) As per past practice, Consumption of raw materials have been accounted for as balancing figure as assessed and estimated by the management.

Our opinion is not qualified in respect of matters stated above.

Management Comments:

- (i) The process of confirmation/reconciliation is in process. The Company has received confirmation and reconciliation from majority of parties having substantial amount. Reconciliation of balance parties will be reconciled shortly as the same are already in process.
- (ii) The company is following said practice since inception i.e. from last 31 years.

NOTICE

WINSOME TEXTILE INDUSTRIES LIMITED

CIN: L17115HP1980PLC005647

Regd. office: 1, Industrial Area, Baddi, Distt. Solan, H.P. -173205

Phone No: - 01795-244045 Fax No. 01795-244287

Website: www.winsometextile.com, email: cswtil@winsometextile.com

NOTICE is hereby given that the **36th Annual General Meeting of the Members of Winsome Textile Industries Limited**, will be held on Monday, the 4th day of September, 2017 at 10:00 A.M. at its Registered Office at 1, Industrial Area, Baddi, Distt. Solan (H.P.) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the company for the year ended 31st March 2017, together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Ashish Bagrodia (DIN-00047021), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, section 141 and other applicable provisions, if any, of the Companies Act 2013 read with Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendations of Audit Committee and Board of Directors, M/s B. Chhawchharia & Co., Chartered Accountants, Kolkata (ICAI Firm Regn. No. 305123E), be and is hereby appointed as Statutory Auditors of the Company, in place of M/s Lodha & Co., Chartered Accountants, New Delhi (ICAI Firm Regn No. 301051E), whose tenure expires at the ensuing 36th Annual General Meeting of Company, at a remuneration to be decided by the Board of Directors.

RESOLVED FURTHER THAT M/s B. Chhawchharia & Co., Chartered Accountants, Kolkata (ICAI Firm Regn. No. 305123E), if appointed as the Statutory Auditors of the Company shall hold office for a period of five years commencing from the conclusion of this 36th Annual General Meeting till the conclusion of 41st Annual General Meeting of the Company and ‘if required’ shall be subject to ratification of the appointment by Members at every Annual General Meeting held after this Annual General Meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of Companies Act 2013, read with Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), the payment of remuneration of Rs. 70,000/- (Rupees Seventy Thousand Only) to M/s Aggarwal Vimal & Associates, Cost Accountants, Chandigarh, (Firm Registration No.000350), appointed by the Board of Directors as Cost Auditor of the Company, for conducting the audit of cost accounts of Company for the financial year 2017-18, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

By order of the Board

Place: Chandigarh

Dated: 24.05.2017

Sd/-

(ASHISH BAGRODIA)

CHAIRMAN & MANAGING DIRECTOR

DIN-00047021

NOTE:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY SIGNED AND STAMPED NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES ETC. MUST BE SUPPORTED BY APPROPRIATE RESOLUTION/ AUTHORITY, AS APPLICABLE.**

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY IN NUMBER AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to special business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
3. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) shall send certified true copy of the Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Company to attend the AGM.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 28.08.2017 to 04.09.2017 (both days inclusive).
5. As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, details in respect of director(s) seeking re-appointment at the AGM, forms integral part of the notice. Requisite declarations/consent have been received from the Director(s) seeking reappointment as per provisions of Companies Act, 2013 including rules framed thereunder.
6. The unclaimed dividend for the year 2010-2011 is due to be transferred to Investor Education and Protection Fund, in the month of August/September 2018. The shareholders who have not claimed their dividend for the aforesaid years are requested to claim the same from the Company immediately. Further the necessary compliance with regard to provisions of Section 124 and 125 of the Companies Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 will be made in due course of time.
7. Members desiring any information, as regards accounts & operations, are requested to write to the Company at its Registered Office at least ten days before the date of Annual General Meeting so as to enable to keep the information ready.
8. Members/Proxies are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for identification.
9. In case of joint holders attending the meeting only such joint holders who are higher in the order of names will be entitled to vote.
10. Relevant documents referred to in the proposed resolutions are available for inspection at the

Registered office of the Company during normal business hours (9:00 A.M. to 5:00 P.M.) on all days except Saturdays, Sundays and Public holidays up to the date of the Annual General Meeting.

11. Members holding shares in physical form are requested to convert their shares into dematerialized form in their own interest and convenience purpose.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Registrar & Share Transfer Agent of the Company.
13. The notice of AGM along with Annual Report 2016-17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members who have so far not registered their email addresses & changes therein, are requested to register the same with their Depository Participant in case of electronic holdings under intimation to Registrar & Share Transfer Agent.

In case of shares in physical form, members may register their email addresses & changes therein with Registrar & Share Transfer Agent of the Company. The Annual Report of the Company circulated to the Members of the Company, will be made available on the Company's website at www.winsometextile.com

14. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates etc. immediately to the Registrar & Share Transfer Agent of Company.
15. The route map showing directions to reach the venue of the 36th AGM is annexed.
16. As a measure of economy, copies of Annual Report will not be distributed at the venue of the AGM. Members are therefore requested to bring their own copies of the Annual Report to the meeting.
17. Link Intime India Private Limited, having its office located at 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR Naryana, New Delhi - 110028 (Tel. 011-41410592-94, Fax No. 011-41410591) is acting as Common Agency (Registrar & Share Transfer Agent) for dematerialization and physical transfers of shares of the Company. The members should send their physical shares for transfers, transmissions, communications for change of address, issue of duplicate shares, bank details, ECS details, bank Mandates etc. directly to the aforesaid Registrar & Share Transfer Agent.

18. Voting through electronic means :

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to provide members facility to exercise their right to vote on all the resolutions proposed to be considered at the 36th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of AGM ("remote e-voting") will be provided by National Securities Depository

Limited (NSDL).

- II. The facility for voting through Polling Paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through Polling Paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period will commence on 31st August, 2017 at 9:00 A.M. (IST) and will end on 3rd September, 2017 at 5:00 P.M. (IST) During this period, members' of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 28th August 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The instructions for remote e-voting are as under :

- A. In case a Members receives an e-mail from NSDL [for Members whose e-mail addresses are registered with the Company/Depository Participant(s)] :
- i. Open the e-mail and also open the attached PDF file namely "Winsome e-voting 2017. Pdf" with your Client ID (in case you are holding shares in demat mode) OR Folio No. (In case you are holding shares in physical mode) as password. The said PDF file contains your "User ID" and "Password" for e-voting. Please note that the password is an initial password.
- ii. Launch internet browser by typing the URL <https://www.evoting.nsdl.com>
- iii. Click on "Shareholder – Login".
- iv. If you are already registered with NSDL for e-voting then you can use your existing User ID and password and Click Login.
- v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
- vi. Password Change Menu appears. Change the password with a new password of your choice with minimum 8 digits/characters or combination thereof. Please keep a note of the new Password. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
- vii. Home page of "e-Voting" opens. Click on e-Voting-Active Voting Cycles.
- viii. Select "EVEN" (E-Voting Event Number) of Winsome Textile Industries Limited.
- ix. Now you are ready for e-Voting as "Cast Vote" page opens.
- x. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted.
- xi. Upon confirmation, the message "vote cast successfully" will be displayed.
- xii. Once you have voted on the resolution, you will not be allowed to change/modify your vote.
- xiii. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter copy etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail: gmadan1959@gmail.com with a copy marked to

evoting@nsdl.co.in.

- B. In case a Members receives physical copy of the Notice of AGM [for Members whose e-mail addresses are not registered with the Company/Depository Participant(s)] :
- i. Initial password is provide in the enclosed 'Instruction for e-voting' for the AGM.
EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN
 - ii. Please follow all steps from Sr. No. (ii) To Sr. No. (xiii) Above, to cast vote.
- V. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or call at 1800-222-990.
- VI. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 28th August 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- VII. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. 28th August 2017.
- VII. Mr. Girish Madan, Practicing Company Secretary (Membership No. FCS-5017) has been appointed as the Scrutinizer to Scrutinize the remote e-voting process including polling papers in fair and transparent manner.
- IX. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, declare the result of the voting forthwith.
- X. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company i.e. www.winsometextile.com and on website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Bombay Stock Exchange, Mumbai.

Item No. 2

Details pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) and Secretarial Standard 2 on General Meeting with respect to Director retiring by rotation and being eligible seeking re-appointment is as under:

Name of Director	Ashish Bagrodia
Date of Birth	19.06.1970
Nationality	Indian
Date of appointment on the Board	01.10.1996
Director Identification Number	00047021
Qualifications	B. E. (Mech.) Hons.
Experience & Expertise in specific Functional Areas	More than two decades of vast & rich experience in Textile Industry & in various business operational matters like projects implementation/ projects developments, business strategy, Corporate leadership and Corporate Advisory/Management.
No. of shares held in the Company as on 31.03.17	49220 Equity Shares of Rs.10/- each.
No. of Board Meetings attended during the year	All Four Board Meetings were attended.
* Directorship held in Other Public Ltd. Companies	Confederation of Indian Textile Industry (CITI) PHD Chamber of Commerce & Industry Inde Dutch Engg. & Aerospace Services Ltd. IDS Infotech Ltd. IDS Eservices Limited
Membership/Chairmanship of Committees held in Other Public Ltd. Companies (includes only Audit Committee & Stakeholder's Relationship Committee)	Chairmanship: NIL Membership: NIL
Relationships between Directors inter-se	NIL
Remuneration details	Refer Corporate Governance Report

** All unlisted Public Limited Companies.*

The relatives of Shri Ashish Bagrodia may be deemed to be interested in the said resolution, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, in this resolution. In view of above, Board recommends this resolution for approval by the shareholders.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

ITEM NO. 3

This Explanatory Statement is provided though strictly not required as per Section 102 of the Act.

As per the provisions of section 139 of Companies Act, 2013 ("the Act") read with Companies (Audit & Auditors) Rules 2014, no listed company shall appoint an Audit Firm (including its affiliate firm) for more than two terms of five consecutive years. The Act also provided for additional transition period of three years from the commencement of the Act i.e. 1st April, 2014.

M/s Lodha & Co, Chartered Accountants, were appointed as Statutory Auditors of Company since 1984. The shareholders in their 33rd Annual General meeting held on 29th September 2014 have re-appointed M/s Lodha & Co, Chartered Accountants, as Statutory Auditors of Company, for a period of three years i.e. from the conclusion of 33rd Annual General Meeting of Company till the conclusion of 36th Annual General Meeting of Company, subject to the ratification of their appointment by members in every subsequent Annual General Meeting as per provisions of Section 139 of Companies Act 2013 read with Companies (Audit & Auditors) Rules 2014.

Therefore considering the aforesaid provisions, the present Statutory Auditors i.e. M/s Lodha & Co., Chartered Accountants, have completed their tenure including the additional transition period of three years. Accordingly, present Statutory Auditors i.e. M/s Lodha & Co., Chartered Accountants, will thus be holding the office of Statutory Auditors up to the conclusion of forthcoming 36th Annual General Meeting. The Audit Committee and the Board of Directors have placed on record their appreciation for the professional services rendered by M/s Lodha & Co. during their association with the Company as its auditors.

Accordingly now the Company has to rotate its Statutory Auditors in ensuing 36th Annual General Meeting and as per provisions of Section 139, section 141 & other applicable provisions of Companies Act read with Companies (Audit & Auditors) Rules 2014, Board of Directors based on the recommendations of Audit Committee, proposes the appointment of M/s B. Chhawchharia & Co., Chartered Accountants, Kolkata (ICAI Firm Regn. No. 305123E) as Statutory Auditors of Company for a period of 5 years commencing from the conclusion of 36th Annual General Meeting of Company till the conclusion of 41st Annual General Meeting of Company, and if required shall be subject to ratification by shareholders of Company at every Annual General Meeting held after 36th Annual General Meeting.

M/s B. Chhawchharia & Co., Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits mentioned under provisions of section 141 of Companies Act 2013 and rules made thereunder read with Companies (Audit and Auditors) Rules 2014.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested in this resolution. In view of above, Board recommends this resolution for approval by the shareholders.

ITEM NO. 4

The Board of Directors, on the recommendations of Audit Committee have appointed M/s Aggarwal Vimal & Associates, Cost Accountants, as Cost Auditor of Company for the Financial Year 2017-2018 to conduct the Cost Audit of Cost Accounts of the Company on a total remuneration of Rs.70,000/- (Rupees Seventy Thousand only). According to provisions of section 148 of Companies Act 2013 read with Companies (Audit & Auditors) Rules 2014, the remuneration of Cost Auditor is subject to the ratification of members of Company.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested in this resolution. In view of above, Board recommends this resolution for approval by the shareholders.

By order of the Board

Sd/-

(ASHISH BAGRODIA)

CHAIRMAN & MANAGING DIRECTOR

DIN-00047021

Place: Chandigarh

Dated: 24.05.2017

WINSOME TEXTILE INDUSTRIES LIMITED

CIN:L17115HP1980PLC005647

Regd. office: 1, Industrial Area, Baddi, Distt. Solan, H.P. - 173205 | Phone No:- 01795-244045 Fax No. 01795-244287

Website: www.winsometextile.com, email: cswtil@winsometextile.com

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) :

Registered address :

Email Id :

Folio No. / Client ID No. : DP ID No.

I/We, being the member(s) of shares of Winsome Textile Industries Limited , hereby appoint

1. Name:Email:

Address:

Signature: _____ or failing him / her

2. Name:Email:

Address:

Signature: _____ or failing him / her

3. Name:Email:

Address:

Signature: _____ or failing him / her

As my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36th Annual General Meeting of the Company, to be held on Monday, the 4th day of September, 2017 at 10:00 A.M. at regd. office of Company at 1, Industrial Area, Baddi, Distt. Solan, Himachal Pradesh and at any adjournment thereof in respect of such resolutions as are indicated below :

S. No.	Resolutions	For	Against
	Ordinary Business		
1	Adoption of Audited Financial Statements of the Company together with the Reports of Board of Director's and Auditor's thereon for the year ended 31st March, 2017.		
2	Re-appointment of Shri Ashish Bagrodia (DIN-00047021) as Director who retires by rotation.		
3	Appointment of M/s B. Chhawchharia & Co., Chartered Accountants, as Statutory Auditors of Company & to fix their remuneration.		
	Special Business		
4	Ratification of remuneration of Cost Auditors.		

Signed this day of 2017.

.....

Signature of Shareholder

.....

Signature of proxy holder(s)

**AFFIX
REVENUE
STAMP**

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the Commencement of the Meeting.
- Incomplete Proxy Form will not be considered.

WINSOME TEXTILE INDUSTRIES LIMITED

CIN:L17115HP1980PLC005647

Regd. office: 1, Industrial Area, Baddi, Distt. Solan, H.P. - 173205 | Phone No:- 01795-244045 Fax No. 01795-244287

Website: www.winsometextile.com, email: cswtil@winsometextile.com

ATTENDANCE SLIP

(To be presented at the entrance)

36th ANNUAL GENERAL MEETING ON MONDAY, 4TH SEPTEMBER, 2017 AT 10:00 A.M.

at Regd. Office of the Company at 1, Industrial Area, Baddi, Distt. Solan, H.P. -173205

Folio No.: _____ DP ID No.: _____ Client ID No.: _____

Name of the Member: _____

Signature: _____

Name of the Proxyholder: _____

Signature: _____

NOTE:

- 1. Only Member/Proxyholder can attend the Meeting.**
- 2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.**
- 3. No gifts or coupons would be given to the Shareholders/Proxyholder for attending the Meeting.**

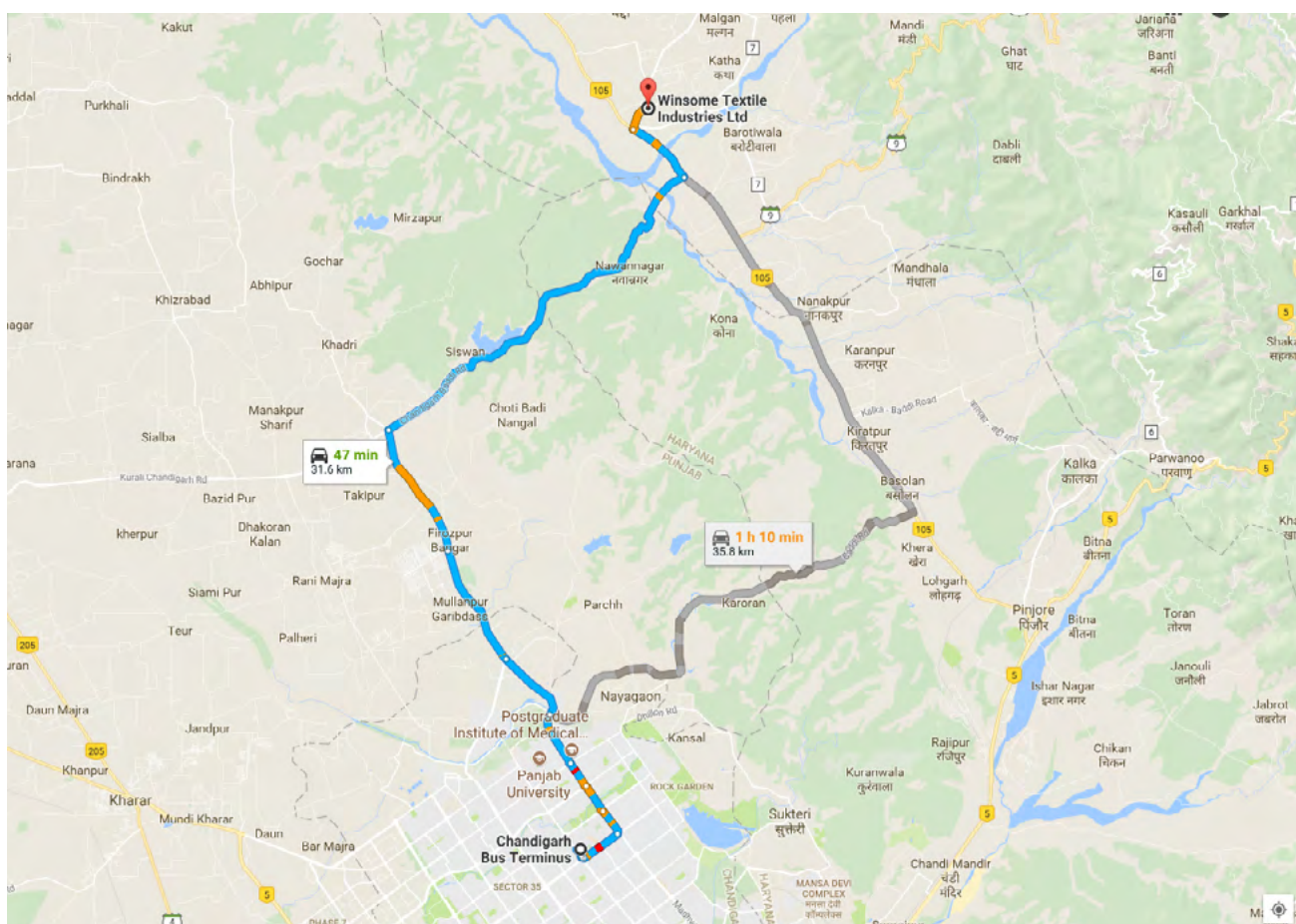
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Website: www.winsometextile.com, email: cswtl@winsometextile.com

ROUTE MAP



Source: www.google.co.in/maps

RADHA MADHAV MANDIR at Winsome Textile Industries Limited, Baddi (H.P.)



If undelivered, please return to:

CORPORATE OFFICE: Winsome Textile Industries Limited, SCO 191-192,
Sector 34-A, Chandigarh – 160022 (India)