

**winsome****Textile Industries Ltd.**

SCO # 191-192, Sector 34-A

Chandigarh - 160 022 INDIA

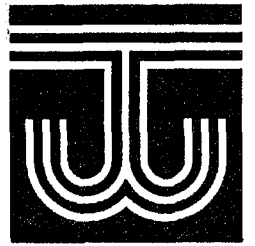
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CIN : L17115HP1980PLC005647

E-mail : wtill@winsometextile.com

Website : www.winsometextile.com



Ref. No. WTIL/SECT/18/

Date: 25<sup>th</sup> September, 2018

**BSE 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 37<sup>th</sup> Annual General Meeting of shareholders of Company was held on Monday, 24<sup>th</sup> September 2018 at 10:00 A.M. at registered office of Company: 1, Industrial Area, Baddi, Distt. Solan (H.P.), 173205. In this regard, please find attached herewith the following disclosures/documents.


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 25<sup>th</sup> September 2018 (Section 108 of Companies Act 2013 read with Companies (Management and Administration) Rules, 2014) as an **Annexure - III**
4. Annual Report for F.Y. 2017-18 (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**

You are requested to take the above said disclosures/documents on your record.

Thanking You

Sincerely yours,

**For Winsome Textile Industries Limited**

  
Videshwar Sharma  
Company Secretary  
ACS-17201



# 37<sup>TH</sup> ANNUAL REPORT

## 2017-18



*Passion  
for  
Innovation*



**winsome**  
Textile Industries Ltd.



# COMPANY INFORMATION

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## 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 Kumar Kedia

## COMPANY SECRETARY

Shri Videshwar Sharma

## STATUTORY AUDITORS

M/s B. Chhawcharia & Co.  
Chartered Accountants  
Firm Registration No: 305123E

## 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



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# Knowing Winsome Textile

## Passion for Innovation

Over the years, **Winsome Textile** has established the reputation of a sectoral pioneer in the Mélange yarns and value added yarns & knitted fabrics. All of our facilities and processes are aligned with international operational standards. As on March 31, 2018, we have a marketing footprint spanning across 54 countries. Headquartered in Chandigarh, we have our operations carried out at Baddi, Himachal Pradesh.

We have constantly thrived and worked towards enhancing our presence in the industry, this helps us build a name that speaks of nothing but our passion. A passion that speaks for the new innovations, innovations that speaks of our determination.

Innovation sure is significant, but it only survives when coupled with the right passion and determination. The urge to never compromise is a common aspiration. But what makes it extraordinary is when your innovation is on course with its purpose. You are then sure to deliver nothing but the best. We have the state of the art technology that helps us better our processes and present a better experience to our customers, every single time.

### OUR VISION AND MISSION

*"Global Player in Innovative and value added Textile"*

### OUR VALUES

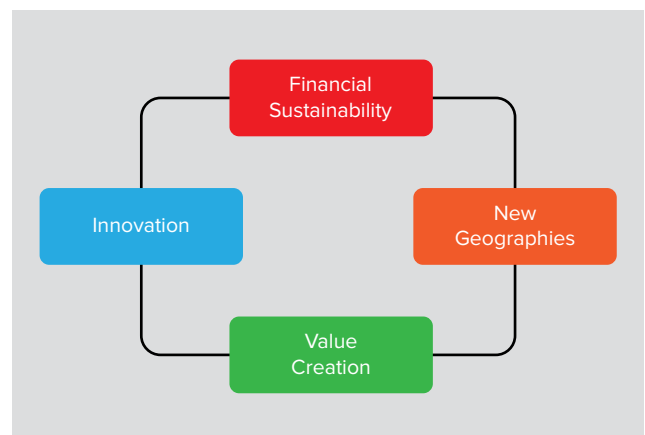
To provide customer satisfaction and value addition, through teamwork, honesty and integrity, for continuous growth and development.

### OUR POSITIONING

Trend setter for the Mélange yarn manufacturing in India.

### OUR PHILOSOPHY

We work towards creating a sustainable financial model for our stakeholders, expand our market presence across the country and globe, manufacture products backed by a strong innovation, culture and create a company that delivers growth.



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.

| YARN                             | KNITTING     | HYDRO PLANT |
|----------------------------------|--------------|-------------|
| Yarn & Dyed Yarn/Fibre           | Fabric       | Power       |
| ~110,000 Spindles<br>29 Tons/Day | 8 Tons / Day | 3.5 MW      |

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



## 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
- **2016-17:** Texprocil award; Silver Trophy for the Second Highest Exports of "Processed Yarn"

## RESEARCH & DEVELOPMENT UNIT

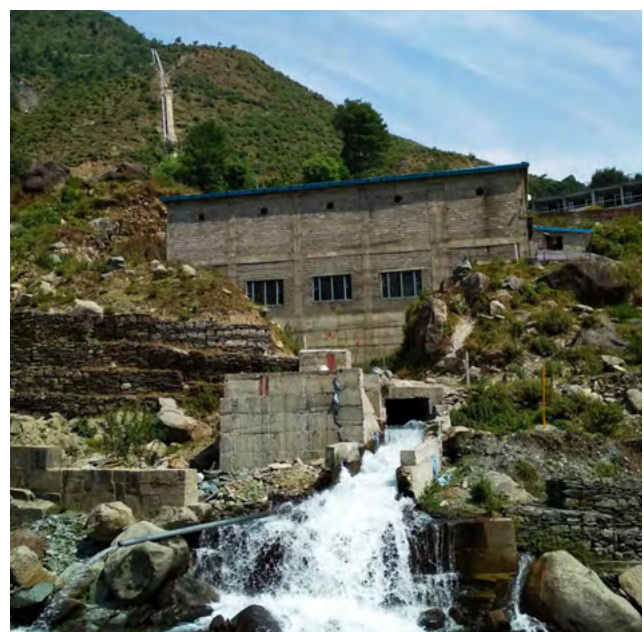
We have state of the art research & development team which is innovation driven and determined to add value to our products. With persistent efforts of our R&D team, we have been able to increase our value added products production from 58% in FY 2006-07 to 100% in FY 2015-16.

It gives us immense pleasure to announce that once again almost 100% of our products in FY 2017-18 were value added as a result of our continued determination.

In November 2017, the R&D lab received recognition from the Ministry of Science and Industrial Technology, Government of India as a Research Institution. The lab can now avail Income Tax weighted deduction on R & D related expenses (both capital as well as revenue) and also custom duty exemption from the Government of India in respect of materials and machines imported for R & D purposes.

## HYDRO PLANT

In order to save the depleting fossil fuels reserves and harness the energy from the perennial rivers of the Himalayan region, we in FY 2016-17, synchronized with the state grid our one Hydro power Plant. The plant with the capacity of 3.5 MW is capable of producing 20 million units of electricity each year. This year we managed to harness electricity from the plant and sold the electricity to HPSEBL and from February'18 onwards we wheeled the power to our spinning unit. The plant reached full operational level in February 2018. The energy produced by the plant will decrease our reliance on the Government provided electricity by approx. 20%. This will bring down the electricity expenditure by around 12%.





## Presence across the globe

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WTIL is today associated with over 250 customers across 54 countries across the globe and 300 plus customers within India.





# Participation



## PARTICIPATION IN INTERNATIONAL & DOMESTIC FAIRS

| Location | Month & Year | Exhibition Name                  |
|----------|--------------|----------------------------------|
| Mumbai   | April - 2017 | Fibres & Yarns                   |
| Delhi    | July - 2017  | Yarnex                           |
| Tirupur  | Sep - 2017   | Yarnex                           |
| Paris    | Sep - 2017   | Premier Vision                   |
| Ethiopia | Oct - 2017   | Africa Sourcing and fashion week |
| China    | Oct - 2017   | Yarn Expo-Shanghai               |
| Colombia | Jan - 2018   | Colombiatex                      |



# Certifications

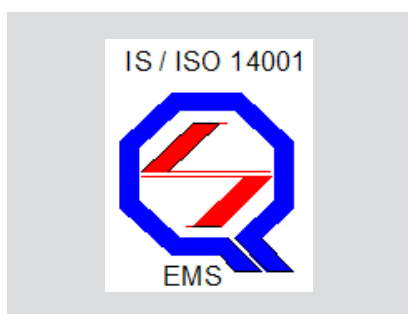
In order of maintaining world class quality standards we have achieved different certifications related to global standards. Some of those certifications are following:

## ISO-9001:



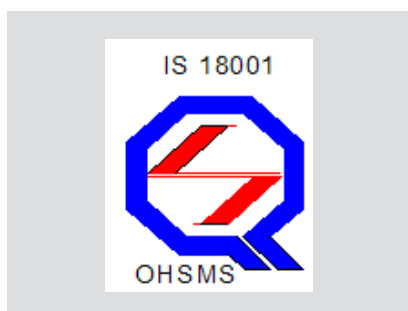
This standard is based on a number of quality management principles including a strong customer focus, the motivation and implication of top management, the process approach and continual improvement. Using ISO 9001 standard helps ensure that customers get consistent, good quality products and services, which in turn brings many business benefits. **Winsome Textile** 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.

## 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 Textile** acquired it in Mar 2000 becoming an environment friendly organization. WTIL had become the first in the northern region to be ISO 14001 certified. Using ISO 14001:2015 can provide assurance to company management and employees as well as external stakeholders that environmental impact is being measured and improved.

## 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 Textile** 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 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 Textile** acquired this certificate considering the quality standards of raw material we use.

### 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.

### 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.

# Chairman's Message



Dear Shareholders,

Last year was an interesting year in the life of our company. Interesting is a great way to say there is rarely a dull moment in business today, and **Winsome Textile** was no exception this year. We celebrated many successes, worked through a few minor setbacks, created a host of opportunities and would like to thank you for showing your continuous support all along. I have discussed virtually every year in our Annual Report, we believe the ultimate success of any business should primarily be measured by the per share fundamental value it creates. Success is measured by the free cash flow created in our business, return on invested capital, and growth in per share book value of the company overall. From these perspectives, we had a challenging year.

In the previous year, we focused on innovation and strengthening ourselves at the core. To ensure that we are on the path to becoming a 'Global player in innovative and value added textile', we were

supported indefinitely by our in-house Research & Development Unit at the Baddi Plant. The unit is now recognized by the Ministry of Science and Industrial Research, Government of India and has contributed towards many innovations.

Although our business growth this year was not inspiring, it needs to be seen in a wider context including the whole transformation that the industry is going through. Consumer behavior is changing, customers' expectations are increasing and the competitive landscape is being redrawn. The scope of profit in the mélange yarn segment has attracted many small players into the market as the margins in such specialty yarns are fairly high. This has given birth to an excess of supply of mélange yarn in the market. The mélange yarn segment in itself is transforming from being a specialty product to being a commodity and therefore, discounting the returns to that of a regular commodity. This is where strengthening of the core capabilities is important. Despite this challenge we have managed to stand out of the competition with our high quality product and critical experience that we hold in this segment. We have maintained our market position whereas, the market as a whole has shown a downtrend.

It is fair to say that the months following demonetization were challenging and brought along with them a shortage in demand from the higher entities of our value chain. The implementation of GST did not bring much joy either and further rattled the industry, but we can proudly acknowledge that we performed fairly well considering the volatility of the market surrounding us.



At the beginning of the year, the demand forecast for Mélange yarn was projected to decline because of change in fashion trends. As the year progressed the prediction held true, leading to a steep decline in the demand. We reacted to this trend early and were well prepared for the market and adapted accordingly. Even with a decline in the market, we have managed to stay on par with the income of the previous financial year. The industry experience enables us to tackle such cyclic trends in the yarn business and gives us an edge over the competition.

Our decision to increase the knitting capacity from 6 tons per day to 8 tons per day has paid its dividend by supporting the yarn business better in this challenging year. We intend to further grow this segment in coming years to diversify our business and increase our vertical integration capabilities.

The market volatility is not limited to just our industry, the value of Rupee has depreciated fairly over last few months and a continuation of this trend will lead to increase in realization for the company in the coming times. However unlikely, a sudden appreciation in Rupee could lead to a stronger competition with international manufacturers.

Our manufacturing EBITDA margin has seen a decline of around 5% in comparison to the previous year. However, we have managed to reduce our long term borrowings by around 22% within the last financial year.

To sustain the momentum of our company, we realize the need to lay a solid foundation of people, process and systems. We acknowledge the importance of these initiatives and hence we have taken this as a major goal. Towards this goal, we are glad to share that our company has embarked upon major organizational development initiatives in the areas of building human resources capabilities and supported by a robust technology platform. In an era where all organizations have access to the similar opportunities, same financial resources, strategies and markets, what differentiates excellent organizations from others are their intangible assets. These include our Organization Structure, People competencies, Systems & Processes, our

Culture and most importantly our Values & Beliefs. Our approach towards growth remains unaffected by the sluggish demand, price erosion and liquidity mismatch. We are determined to continue differentiating ourselves from the competition with the quality of our products. The competition may have created a surplus of supply in the market, but we believe in the quality of our products and the customers' confidence we have gained over the years.

I must assure our shareholders that our experience in the market gives us an opportunity to better understand the market. This year, we read the market early and emphasized on increasing our knitting capacity at the same time strengthening the yarn segment. Our performance this year gives me satisfaction that if at a time of sectoral weakness we can manage such results, we should be tremendously confident of the opportunities that lie in front of us once the market stabilizes and gets back on track. In this coming year we will look forward to investing even more on innovation as well as on marketing. The increased presence of competition has given unprecedented importance to marketing ourselves both, domestically and internationally. Our target will be to increase our clientele and continue working closely with our esteemed clients.

I would like to show my regards to all my colleagues across the country and the globe for their tremendous dedication, commitment and contribution to strengthening **Winsome Textile**. We are continuously working forward to fulfill our mission of generating maximum value for our stakeholders. We have come out of these turbulent times stronger, more resolute and prepared to reap the benefits of the hard work we put in. We are driven by our aspirations for tomorrow!

I would like to pay my sincere appreciation to the Board of Directors for their guidance. I would like to express my gratitude to all our stakeholders for their continuing faith in **Winsome Textile**.

Yours Sincerely,

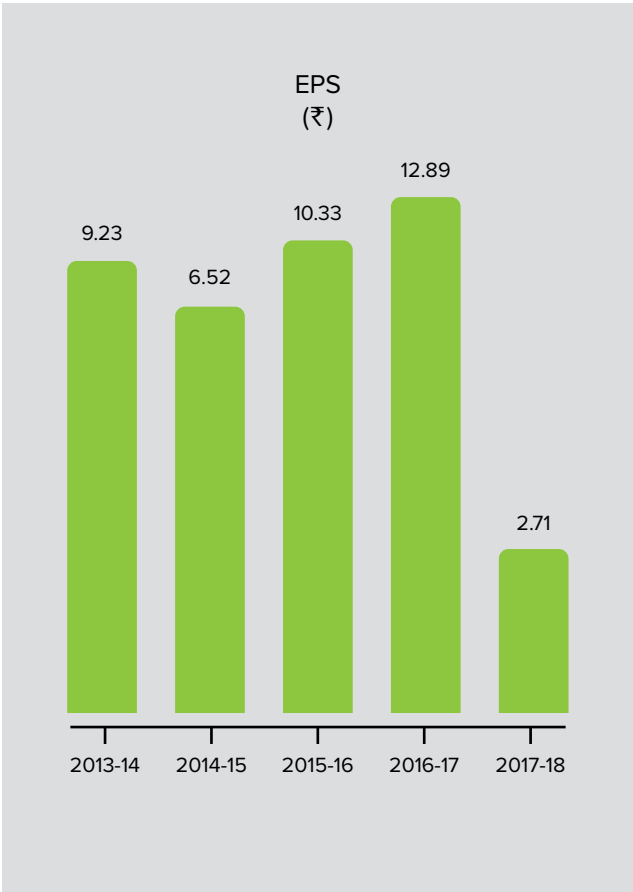
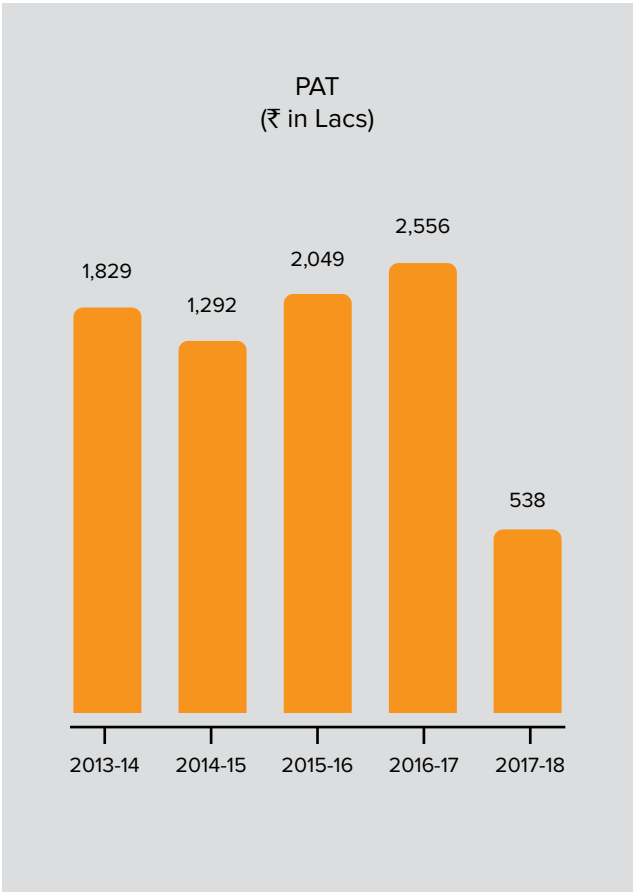
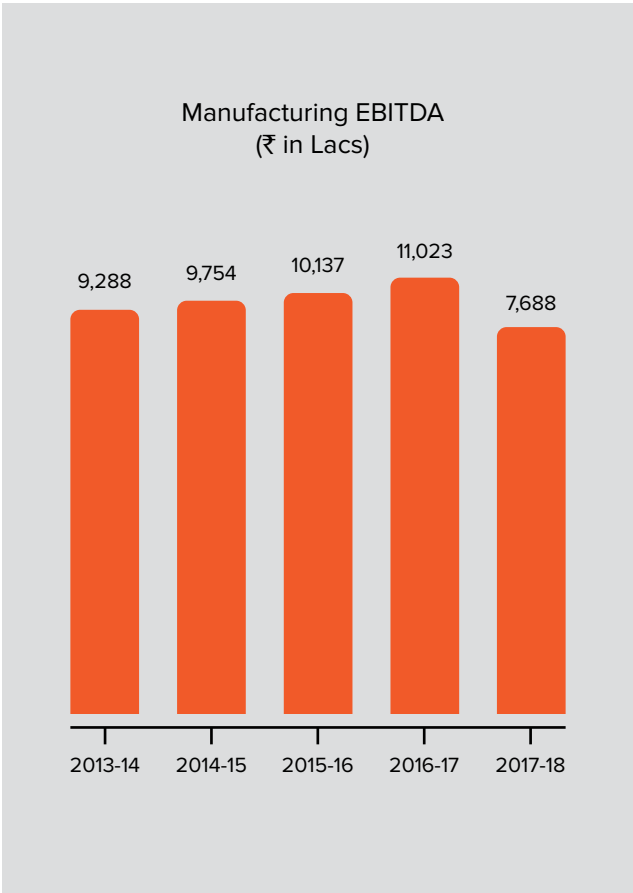
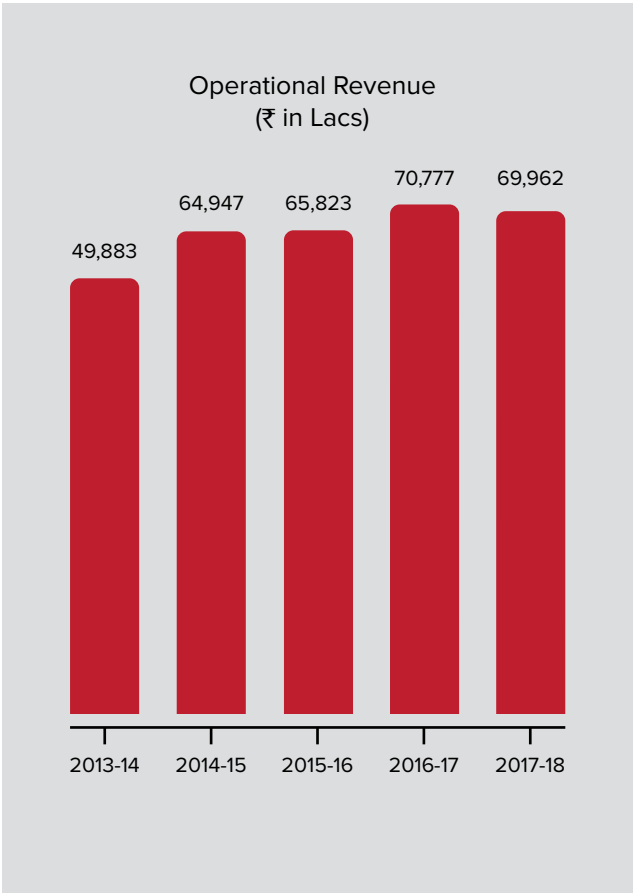
Ashish Bagrodia

Chairman & Managing Director

**Winsome Textile Industries Ltd.**

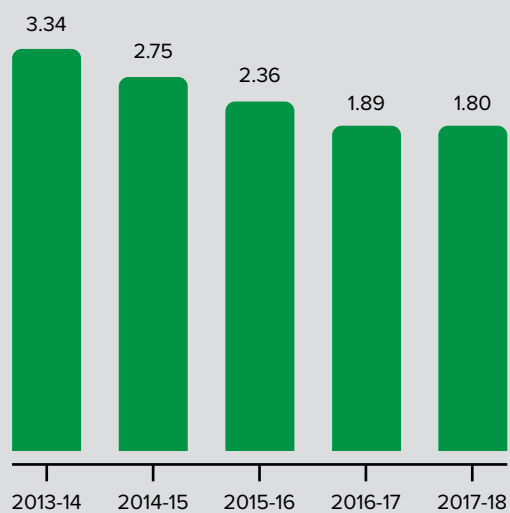


# Performance Highlights

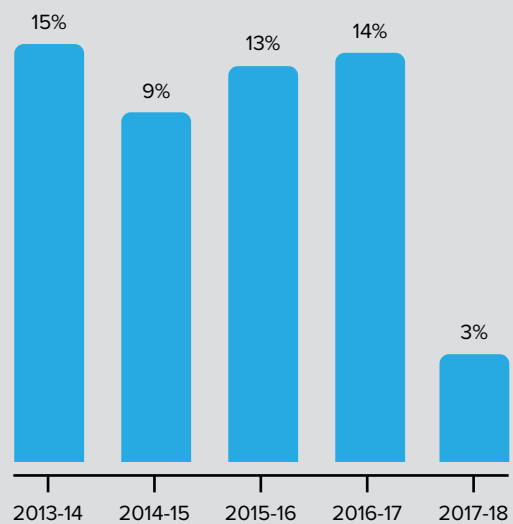




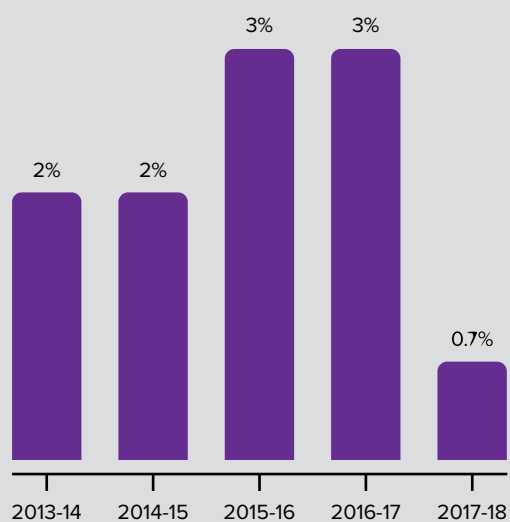
### Debt Equity Ratio



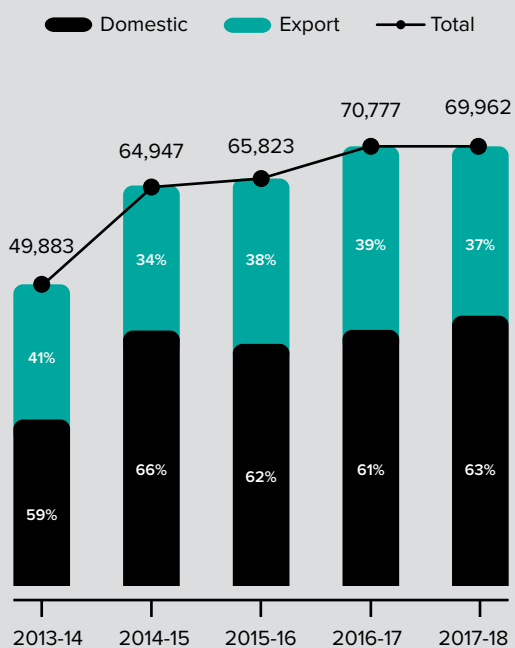
### Return on Equity



### ROA



### Revenue Breakup (₹ in Lacs)



# Business Segments

The Company's engagement extends beyond manufacturing; it has a passionate involvement in the development of blends and shades that can potentially enhance consumer convenience and marketplace excitement. The Company has progressively emerged as a one-stop mélange yarn solutions provider for some of the largest companies within India and the world. To ensure consistent quality yarn & fabric, we follow a comprehensive quality control management system. Our manufacturing process is thoroughly monitored by our quality control system.

## Yarn

Our yarn has been widely accepted and appreciated in the industry by prominent manufacturers, domestically and world-wide. Our portfolio consists of specialized products with different blends available allowing our customers to choose from a wide range. We are also part of the Better Cotton Initiative (BCI) which is widely accepted as the global standards for Better & Sustainable Cotton, and bringing together cotton's complex supply chain, from the farmers to the retailer, for Supima, Egyptian, and Indian cotton of all counts. We have an installed capacity of 110,000 spindles.

## Yarn/Fibre Dyed Capacity

We are committed to producing 100% value addition products and this commitment is supported by our in-house Fibre and Yarn dyeing unit. Our Yarn/ fibre dyed capacity has increased by CAGR of 8% in last 10 years which enables us to dye around 29 Tons of Yarn/Fibre every day. The capacity of the Fiber dyeing unit is in-line with the spinning division and strengthens our vertical integration.

## Product Portfolio:

**"Winsome Textile** is a synonym of Mélange in India"

## Mélange Yarn

We are one amongst the largest producer of Mélange yarn in India. We provide finest quality mélange yarn in 100% cotton as well as cotton blends with Viscose, Polyester, Bamboo, Modal, Wool, Nylon etc. of count ranging 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 in-house advantage of Mélange library which allows us to have a library of thousands of shades. We keep innovating with shades and capable of developing any shade as per customer requirement which provides us competitive advantage 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. All the dyes used at our Dyeing units is Azo-free. To better serve our customers' demand we have adopted the use of pantone color card for quick shade matching and reference which saves time and money. Furthermore, it helps us ensure that we manufacture our products with the lean implementation of First-Time-Right (FTR) principle.

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 shades as per the customer requirement.

Below is our product portfolio in different ranges.

### Blends

- 100% Cotton
- Cotton Polyester
- Cotton/Viscose
- Cotton/Wool
- Cotton/Linen
- Cotton/Silk
- Cotton/Modal
- Cotton/Nylon
- Supima Cotton
- 100% Viscose
- Viscose/Polyester
- Viscose/Linen
- Polyester/Cotton/Viscose
- Cotton/Wool/Nylon
- Cotton/Wool/Polyester
- Cotton/Sparkle
- Viscose/Sparkle
- Modal/Sparkle
- Polyester/Linen

### Specialty Products

- Jaspe Yarn
- Jaspe Slub Yarn
- Neps Yarn
- Chill Yarn
- Flake Yarn
- Snow Yarn
- Slub Mélange
- Siro Slub Yarn
- Linen Look Yarn
- Wool Touch Yarn
- Foggy Yarn

- Sparkle Yarn
- Shiny Yarn
- Fluorescent Yarn
- Injection Slub Yarn
- Fuzzy Yarn
- Pattern Yarn
- Mohair Yarn
- Vintage Htr
- 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 2017-18 we have added following products in our portfolio:

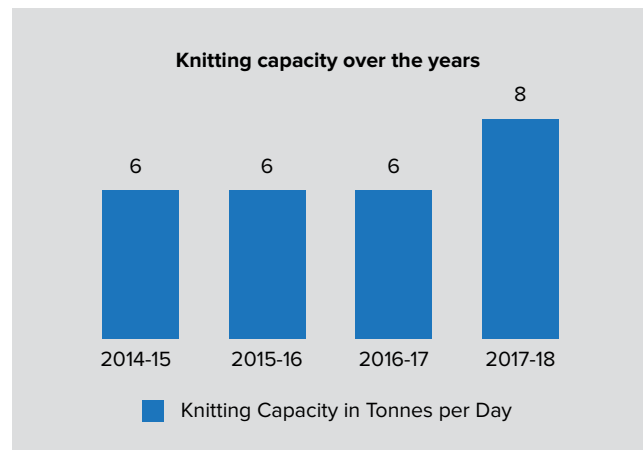
| S.No. | Product Name                      |
|-------|-----------------------------------|
| 1     | Pima /Cashmere Mélange            |
| 2     | Pima/Modal/Nylon Cashmere Mélange |
| 3     | Coolmax Mélange                   |
| 4     | Thermolite Mélange                |
| 5     | Recron Fresh Mélange              |
| 6     | Shimmer Mélange                   |
| 7     | Polyester/ Cotton Vintage Mélange |
| 8     | Two Tone Snow Mélange             |
| 9     | Cashmere Touch Mélange            |
| 10    | Pattern Mélange                   |

### Fabric

To diversify our business offerings, we took the route of non-linear capacity addition and established an in-house Knitting Division. Our Knitting segment has the potential to produce specialized Knitted products with the latest technology. This adds another feather in our cap. Building upon our Non-linear expansion into knitting, we expanded linearly to increase our knitting capacity from 6 TPD to 8 TPD.

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 equipment from Japan & Italy, we manufacture premium quality with high technical value.

#### Production in Tons/day





# Management Discussion & Analysis

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## ECONOMIC OVERVIEW

### World

2017 was expected to be a good year for the global economy as growth was forecasted to reach 3.7 per cent. However, the economy grew overwhelmingly at 3.8 per cent, surpassing the projections. This growth can be attributed to the rise in Global trade. The Growth was driven by an investment recovery in advanced economies, continued strong growth in emerging Asia, a notable upswing in emerging Europe, and signs of recovery in several commodity exporters. The year ended on a high with a growth rate of over 4 per cent in the second half.

Global growth is expected to tick up to 3.9 per cent this year and next, supported by strong momentum, favorable market sentiment, accommodative financial conditions, and the domestic and international repercussions of expansionary fiscal policy in the United States.

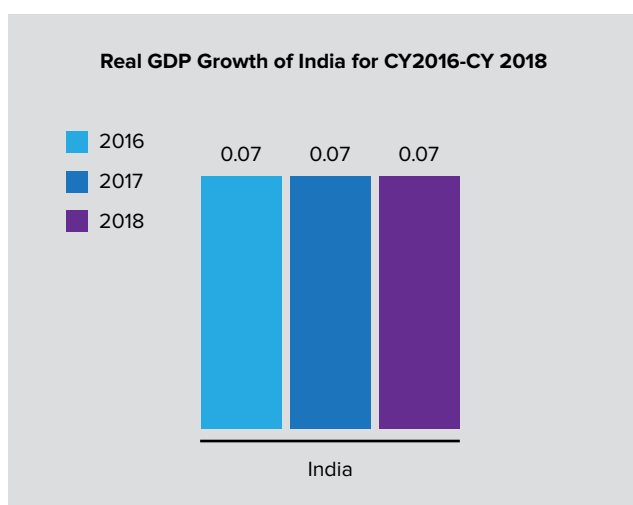
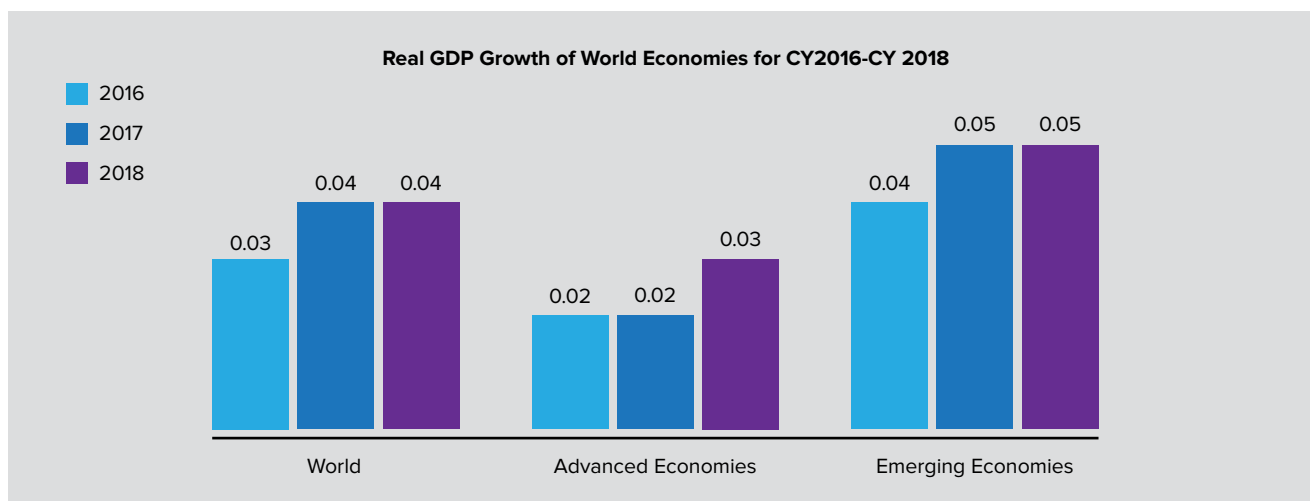
Long term growth for advanced economies is forecasted to remain subdued due to their slow growth potentials. However, emerging markets and growing economies are on track to continue delivering stable growth. The reason for the growth in emerging economies being gradual recovery in export and projected growth in India's growth. This provides some offset to China's gradual slowdown and emerging Europe's return to its lower-trend growth rate.

The months following the US elections saw a period of uncertainty in the trade market and investments were subdued. Over the next few months the market again gained the pace as a result of positive sentiments towards the decisions taken by the new US government. Therefore, business confidence is up and trade grew last year faster than under the previous government.

However, recent import restrictions announced by the United States, retaliatory actions by China, and potential retaliation by other countries raise concerns in this regard and threaten to damage global and domestic activity and sentiment. Similarly, changes in US tax policies are expected to exacerbate income polarization, which could affect the political climate for policy choices in the future. Climate change, geopolitical tensions, and cybersecurity breaches pose additional threats to the subdued medium-term global outlook.

Across advanced economies, the 0.6 percentage point pickup in 2017 as compared to 2016 is explained almost entirely by investment spending, which remained weak since the 2008–09 global financial crisis and was particularly subdued in 2016 due to the European sovereign debt crisis of 2010–2012 and the global commodity price realignments of 2014–2016. Both stronger gross fixed capital formation and an acceleration in stock building contributed to the pickup in investment, with accommodative monetary policy, stronger balance sheets, and an improved outlook helping release pent-up demand for capital goods.

The year saw a cyclic rebound in global trade as it recovered strongly after two years of weakness. The trade growth rose from 2.2 per cent in 2016 to 6.4 per cent in 2017, reflecting improved investment growth rates in formerly stressed commodity exporters as well as the recovery in advanced economy investment and domestic demand more generally. Among advanced economies, large exporters, such as Germany, Japan, the United Kingdom, and the United States, contributed strongly to the recovery in exports. The same is true for imports, all major advanced economies reflected an upwards trend except for the United Kingdom.



## India

This year India has shown growth of around 7.5 per cent, which makes it the fastest growing economy among the G20 nations. The acceleration of structural reforms, the move towards a rule-based policy framework and low commodity prices have provided a strong growth impetus.

Reforms are gradually paying off, as confirmed by the recovery in industrial production and investment after several weak years. With capacity utilization rising, corporate earnings recovering and the recapitalization of public banks, investment has revived. Private consumption has suffered from the confidence and employment shocks associated with demonetization. However, a recovery is underway as suggested by the recent rebound in two-wheelers sales and other vehicles. The number of employees eligible for social security benefits has been boosted by an amnesty scheme for companies, but still stands

below 10% of total employees. Employment data are partial but suggest that overall job creation has been lackluster.

Recent deregulation measures and efforts to improve the ease of doing business have boosted foreign investment. Investment is still held back by the complexity of the GST reforms, a slow land acquisition process, regulations which remain stringent in some areas, weak corporate balance sheets, high non-performing loans which weigh on banks' lending, and infrastructure bottlenecks.

The inflation has continued to moderate this year with Consumer Price Index declining to 3.3 per cent for April-December 2017 as compared to the same period in 2016. However, the Wholesale Price Index stood at 2.9 per cent when compared to 0.9 percent in 2016. The sudden spike after years of subdued figures can be attributed to the volatility in the crude oil prices.

Corporate income in India continued to grow at 15-20 per cent supported strongly by recovery in capital expenditure. On the tax front, the year saw its share of ups and down, complexities of GST and the slow process of returns has hurt exporters. At the same time, tax collection figures for the year show an increase in net direct taxes by 19.5 per cent year-on-year and an increase in net direct taxes by 22.2 per cent year-on-year. According to the Reserve Bank of India, The export contributing sectors with high working capital/sales ratio were hit the most due to these liquidity constraints. Textile industry has a working capital to sales ratio of around 34 per cent.



Such Investments and exports when supported by smoother implementation of Goods and Service Tax (GST) reforms have the potential of becoming the primary growth drivers of the Indian Economy. Growth will be supported by an acceleration in private investment as excess capacity diminishes, deleveraging by corporates and banks continues and infrastructure projects mature. The IMF projects Indian economy to grow at 7.6 per cent for 2018-19. Robust private consumption and new reforms have been the support pillars for the Indian economy for years and will continue to sustain the stable growth expected from the country.

## GLOBAL T&A INDUSTRY

In 2017, global textile and apparel trade stood at US\$ 768 billion and has grown at a CAGR of 4% since 2005. Apparel is the largest category with a share of 58%, followed by fabric with a share of 19%.

The global textile and apparel trade is expected to grow at a rate of ~6% from the present worth of US\$ 768 billion to US\$ 1,230 billion by 2025. Growth in global trade indicates an attractive opportunity for countries with large manufacturing capacities and competitive manufacturing.

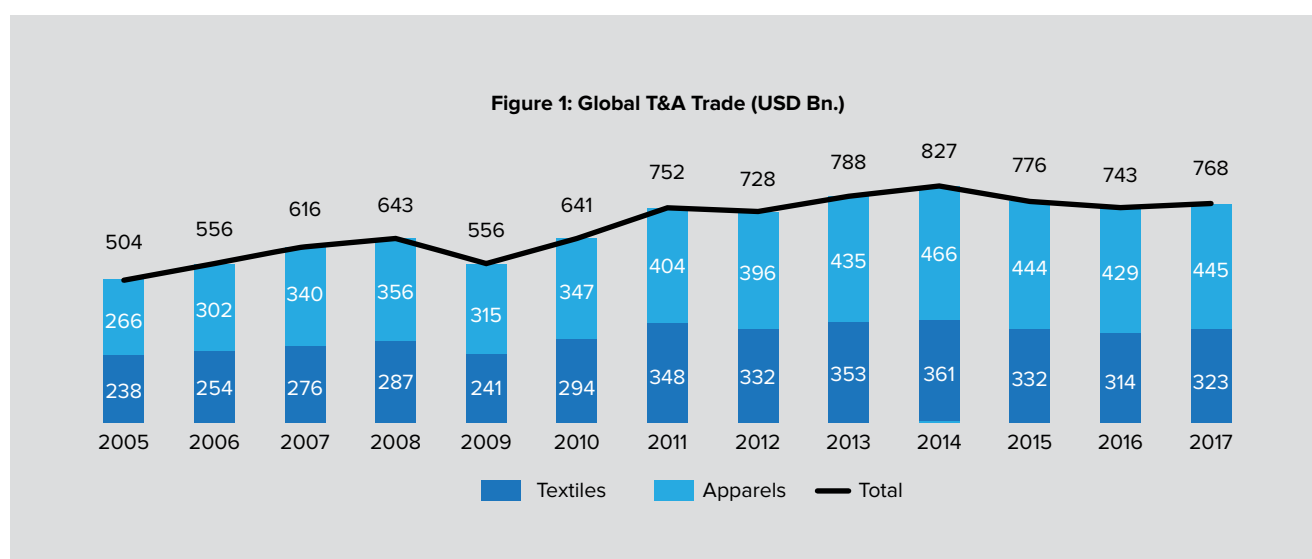
India can be one of the gainers in the changing trade landscape.

**Table 1: Largest Exporter of Textiles and Apparel - 2017 (US\$ billion)**

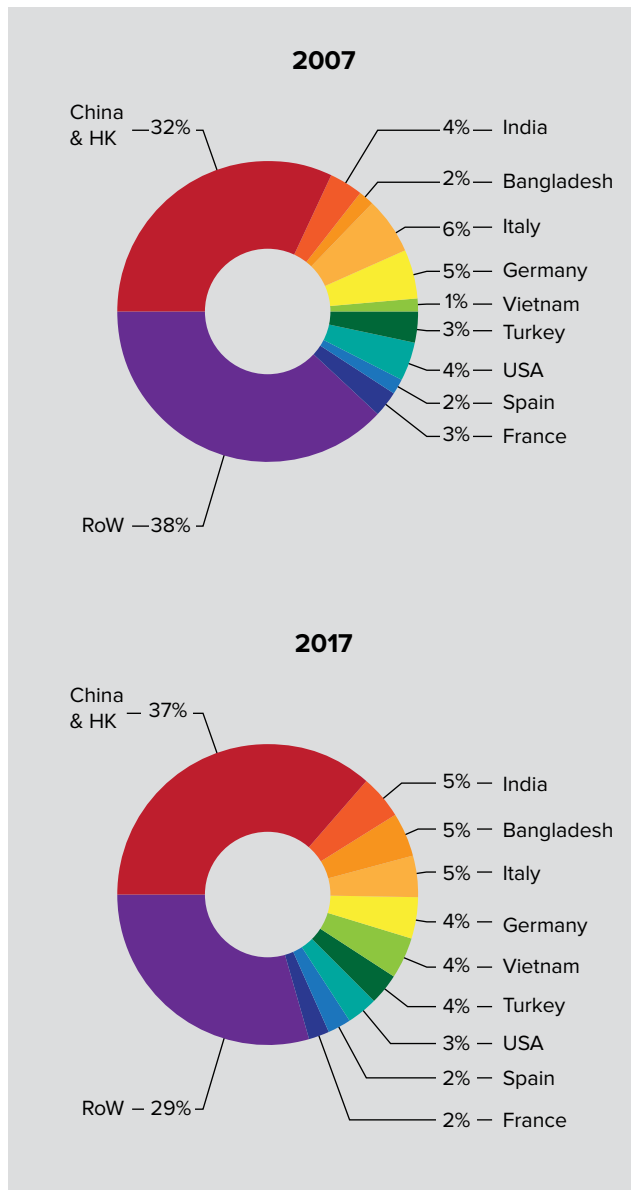
| Country            | T&A Exports | Share 2017 (%) |
|--------------------|-------------|----------------|
| China              | 280         | 36%            |
| <b>India</b>       | <b>37</b>   | <b>5%</b>      |
| Bangladesh         | 36          | 5%             |
| Germany            | 36          | 5%             |
| Italy              | 34          | 4%             |
| Vietnam            | 33          | 4%             |
| Turkey             | 27          | 3%             |
| USA                | 26          | 3%             |
| Spain              | 19          | 2%             |
| France             | 16          | 2%             |
| Belgium            | 15          | 2%             |
| Korea              | 13          | 2%             |
| RoW                | 197         | 26%            |
| <b>Grand Total</b> | <b>768</b>  |                |

Source: UN Comtrade & Wazir Analysis

China has successfully leveraged its low manufacturing cost and large scale infrastructure to achieve notable share of 37% in global textiles and apparel trade followed by India with a share of 5%. It is then followed by Bangladesh and Germany with a share of 5% each and Italy & Vietnam each having a share of 4%. It is worth noting that many major exporting nations do not have presence of the entire value chain. Bangladesh and Vietnam having 3rd and 6th position in global trade, respectively, have negligible presence in textiles trade and are major apparel exporters. Similarly, Korea is more focused on exports of textiles.



There was a 4% decline in trade in 2016 compared to 2015 owing to stifled global economic scenario. However, the trade in 2017 showed a positive growth of 3% after the downfall in 2016.



Source: UN Comtrade and Wazir Analysis

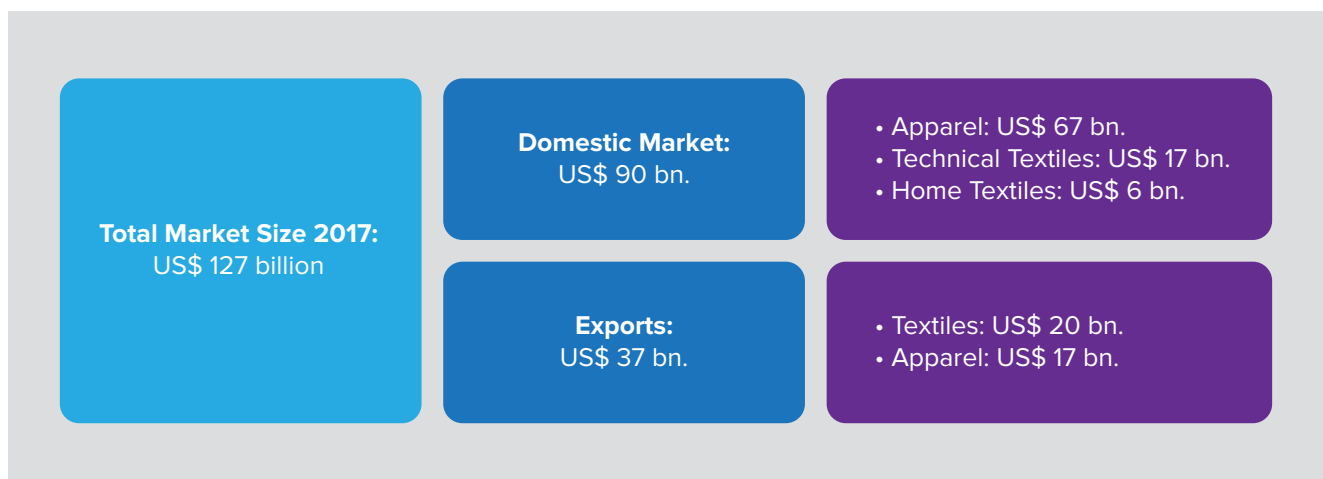
## Share of Major Suppliers:

Over the last decade, share of top 10 global suppliers has increased from 62% in 2007 to 71% in 2017 indicating consolidation of global sourcing. China & HK has maintained the top position with 37% share in global exports in 2017. India has emerged as second largest exporter of textile and apparel.

## INDIAN TEXTILE INDUSTRY OVERVIEW

Textile and apparel sector is one of the leading segments of the Indian economy and one of the largest sources of foreign exchange earnings. It accounts for about 5% of the gross domestic product (GDP), and around 13% of the total exports earnings. The sector also provides direct employment to 52 million people and indirect employment to an additional 69 million people.

India's key strengths in this sector lies in availability of all types of natural and manmade fibres, large pool of manpower across the levels of hierarchy, presence of complete value chain and a large and growing domestic market. Indian exporters are also well supported by Government Schemes such as Duty Drawback, Rebate of State Levies (ROSL), Merchant Export from India Scheme (MEIS), Advanced Authorization, etc. Several state governments like Gujarat, Jharkhand, Maharashtra, etc. are also offering sector specific incentives like capital subsidy, interest subsidy, wage subsidy, etc. These support initiatives allow Indian exporters to overcome a large part of duty



Data Source: Ministry of Textiles, DGCI&S and Wazir Analysis

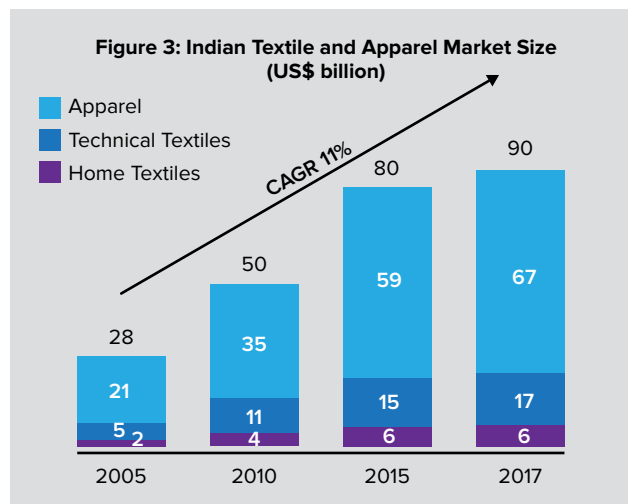
disadvantage they face in markets of EU and US where some of the competing nations get a zero duty access. These factors make India a preferred destination for textile investments as compared to its competing nations like Bangladesh, Vietnam, and Sri Lanka etc. This section further details the current status of Indian textile and apparel industry, key trends, challenges and the way ahead for the sector.

Indian textile and apparel sector has double advantage of being export competitive as well having large domestic consumption which is growing. Indian textile and apparel market is currently estimated at US\$ 127 Bn. The domestic consumption of textiles and apparel constitutes approximately 70% of the total market size while exports constitute the rest 30%.

### Domestic Market Overview

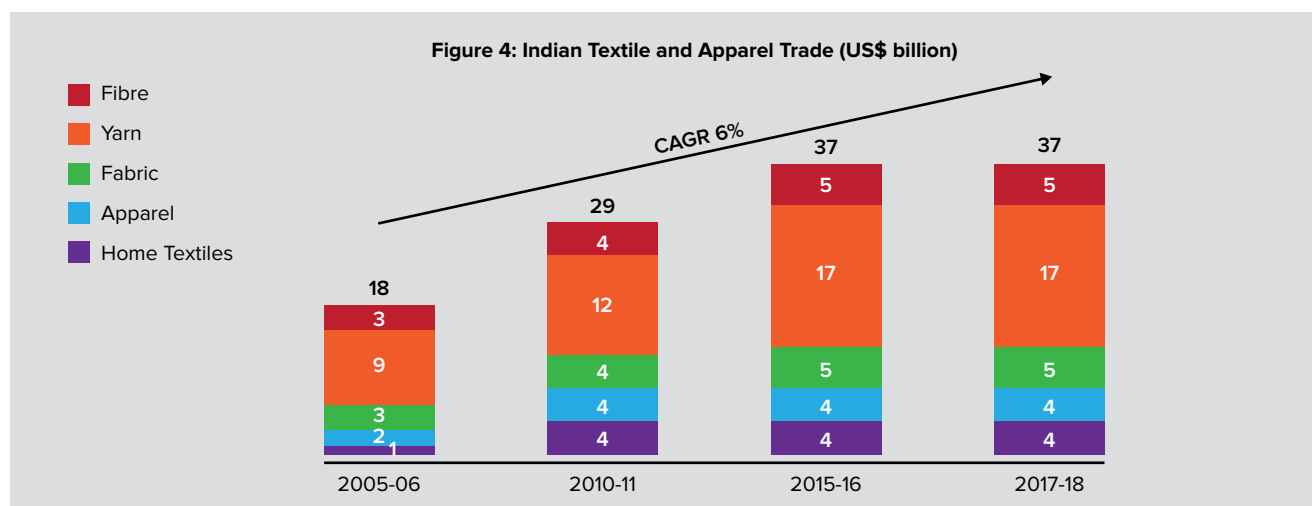
The current domestic textile and apparel market is estimated at US\$ 90 billion, with apparel having ~75% share. With growth of disposable income, favorable demographics and changing lifestyle, consumption of products and services is expected to grow continuously in the foreseeable future, including textiles and apparel.

Indian consumers' affinity towards brands and organized retailing is increasing, which is helping the consumption growth of all products, including textile and apparel. Organized retailing in India



Source: Ministry of Textiles and Wazir Analysis

currently stands at only 8% of the overall retail market of US\$ 600 Bn. Within this, apparel has a share of approximately 8%. With growth of disposable income, favorable demographics, changing lifestyles and a high potential for penetrating non-urban metro markets; the share of organized markets in India is expected to reach 31% by 2025. India is also witnessing growth of its aspiring middle class who tend to seek value and consume premium products. This shift in number of households within different income brackets will improve the consumption of products and services, which will definitely include textile and apparel as a lifestyle choice to enhance fashion. The vast population base and growing economy has caused global retailers and brands to enter the Indian market, either on their own or through local partners.



Source: DGCI&S and Wazir Analysis

## Indian Exports Overview

In terms of global ranking, India is ranked 2nd in textile export with 6% share and 5th in apparel export with 4% share. Overall, India holds second position with 5% share of global exports. India's textile and apparel exports were US\$ 37 billion in 2017-18 and have grown at 6% CAGR since 2005. Availability of raw material, skilled manpower and favorable central & state govt. schemes would further help Indian exporters increase their market share and global competitiveness.

## 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, garmenting, made-

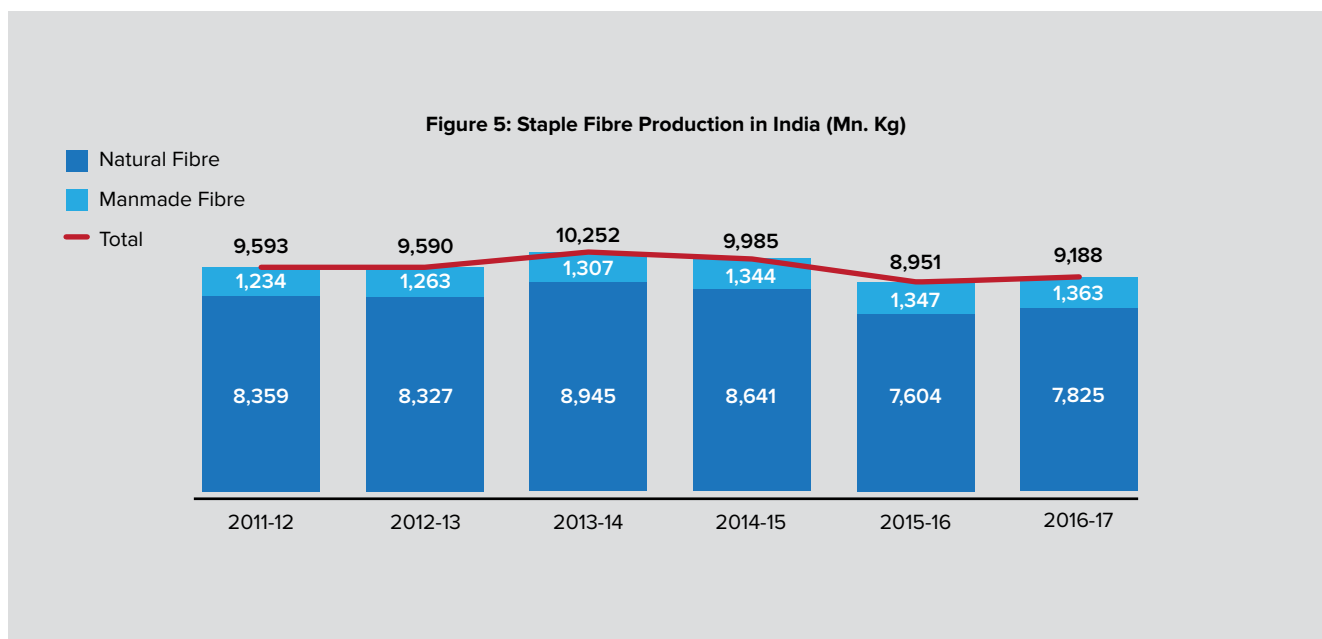
ups and technical textiles. The snapshot of installed capacities of textile infrastructure in India is provided in the table below:

**Table 2: Installed Capacities in Indian Textile Sector (2016-17)**

| Description                   | Capacities  |
|-------------------------------|-------------|
| Spindles                      | 52 Mn.      |
| Rotor                         | 0.9 Mn.     |
| Looms (Including Power Looms) | 2.6 Mn.     |
| Man Made Fibre                | 1.8 Bn. kg. |
| Man Made Filament             | 2.2 Bn. kg. |

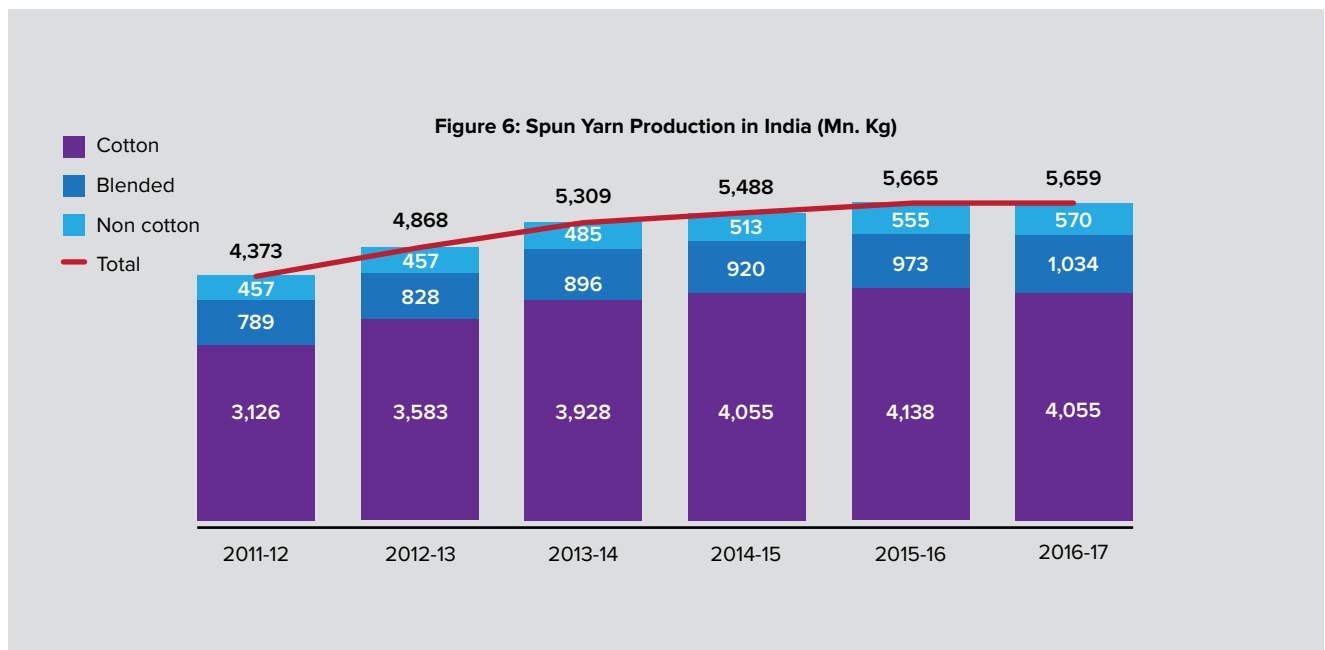
Source: Office of Textile Commissioner

India's total staple fiber production stood at 9,189 million kg in 2016-17. Natural fiber production in India has reduced at 1% CAGR, but the production of man-made staple fiber grew at 2% CAGR since 2011-12.



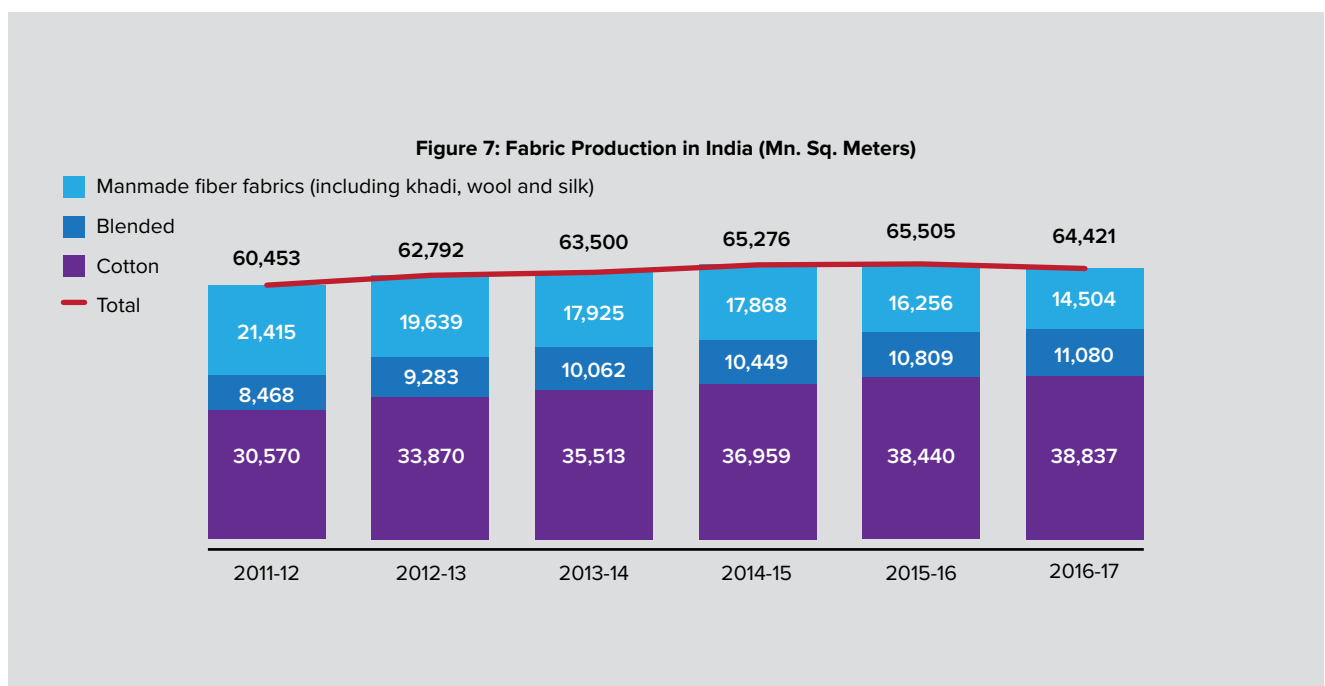
Source: Office of Textile Commissioner

India is one of the most competitive producer of spun yarn. The production of spun yarn stood at 5,659 million kg in 2016-17, growing at a CAGR of 3% since 2011-12.



Source: Office of Textile Commissioner

Fabric production in India has grown at a CAGR of 1% since 2011-12. Cotton fabrics have the majority share of 60% while manmade fabrics and blended fabrics have a share of 23% and 17%, respectively.



Source: Office of Textile Commissioner

## India's Global Position

### Share in global trade and future projections

Global textile and apparel trade grew at a rate of 4% over the last decade to reach a value of US\$ 743 Bn. in 2016. During the same period, India's export of textile and apparel grew at a comparatively higher rate of 7% to reach an export value of US\$ 37 Bn. in 2016. India's textile and apparel exports are expected to grow at a CAGR of 6% to reach US\$ 60 Bn. in 2025.

India currently enjoys the position of being the second largest exporter of textile products to the world, next to China. Availability of raw material, skilled manpower and favourable central & state govt. schemes would further help Indian exporters increase their market share and global competitiveness.



Source: Office of Textile Commissioner

### Operational Performance and Financial Overview

Our growth strategy over the year has been focused towards producing innovative products and strengthening our value chain. This farsighted approach has paid exciting dividends, considering the phase that the mélange yarn market is going through. At a time when mélange yarn is transforming into a commodity product, constantly innovating our products over the years to be better than ourselves has helped majority of products to retain the status of specialty products. Moreover, our decision to expand the capacity of the knitting division was well timed as it has efficiently helped us get through these rough tides. The construction of an in-house Hydro plant provides us with electricity at rates cheaper than the Government. Overall, these measures ensured that we could reduce our financial liabilities and have helped us stabilize our debt-equity ratio around 1.8 in 2017-18.

A brief financial overview of the year is mentioned hereunder: (in Rs. Lacs)

|                                      |           |
|--------------------------------------|-----------|
| Total Income                         | 69,961.82 |
| Depreciation & Amortization Expenses | 2,470.75  |
| Profit before tax                    | 688.26    |
| Profit for the year                  | 496.24    |



**Human Resources**

The Company believes that a motivated and efficient workforce can help it attain its targets. Taking cognizance of that fact, the Company provides extensive training to its employees in order to develop their skill sets and keep them motivated. The company under the PMKVY 2.0 scheme has been accredited and affiliated to provide training. Upon completion of the training provided under the scheme, trainees are directly placed into the company. Our employee base as on 31st March 2018 was 2,177.

**Internal control system**

Winsome has well-established policies and procedures for internal control of operations and activities. We continuously strive to integrate the entire organization – from strategic support functions like finance, human resources, and regulatory affairs to core operations like research, manufacturing and supply chain management.

Moreover, the Company has obtained ISO 9001, ISO 14001, ISO 18001, GOTS, Supima and Oeko-TEX certifications and adheres to standard operating practices in its manufacturing and operating activities.

The remaining mandatory information required to be provided under ‘Management Discussion & Analysis’ have been mentioned elsewhere in the annual report.

# 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 2017-18 we did energy conservation in the following areas.

- Up gradation of Card Waste Collection.
- Leakage arresting in Compressed Air system in whole plant.
- Installation of 04 LED Street Lights 100W in place of Metal Halide 250W.
- Modification in Blow Room Waste Collection System.
- Replacement of Pneumafil Fan by Laser Sensor in Speed Frame LF1400 in Speed frame.
- Replacement of Old rewind Motor with new Motor in Card C1/3.
- D.G. Set and grid power etc. is generally used by the Company with regard to alternate source of energy.
- Implementation of energy management system by use of KWH meters to reduce unnecessary usage of electricity by end users etc.

- Apart from Grid power, DG sets as standby power, the Company has purchased power from IEX through open access system. Further, Company has also used another source of energy of Captive power from Manuni HEP 3.5MW through Open access system.



### 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 setup by the Government of India and any State Government.



### Training Programme under the PMKVY

**Winsome Textile Industries** is the first training center to be accredited and affiliated under the Textile Sector for PMKVY 2.0, in entire North India. We provide training in two job roles- Ring Frame Tenter and Autoconer Tenter. Both are Level 4 courses, upon completion of which the trainees are successfully placed in our organization. The training conducted under PMKVY, is advantageous to the trainees as they get standardized training kit, training resources and OJT is aligned with the National Standard Qualification Framework. The certificates are issued to them after the complete the course and pass the assessments. Under this scheme, we received 100% results as out of the 38 trainees who passed the training all were placed.



### Total Quality Management Projects

To maintain high standard of work in company operations, TQM projects are implemented which helps us in cost saving. In 2017-18 we saved more than Rs. 240 Lacs by following TQM projects.

- Mélange Sliver waste Reduction
- Left over material reduction in export order
- Mélange Mixing Shade Correction
- Reduction in cost of Flat Belt
- Skew/Spirality Problem reduction
- Reconciliation of knitting orders
- Reduction in knitting customer complaint

### 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:

- Risk Assessment
- Risk Management and Risk Mitigation
- Risk Monitoring

The different kind of risk we monitor are:

- Credit Risk
- Foreign Exchange Risk
- Financial and Liquidity Risk
- Business Operational Risk
- Legal and Political Risk
- Geographic and Environmental Risk

The Audit 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 Audit Committee are empowered to amend this policy in whole or in part, at any time consistent with requirements of applicable laws, rules and regulations.



### Child labor Policy

We are aware of the mal-practices of child labor and strongly condemn the use of children for any labor work. Thus, we have a strict child labor policy in place and a strict check of birth certificate for all new applicants is conducted. An age verification by the village Panchayat or from Municipality is mandatory.



### Labor Policy

We believe in creating long term relations with our employees. We at **Winsome Textile** are committed to growth of the employees along with the company. Thus, we have practiced absolutely

no discrimination in respect of employment on the basis of irrelevant factors like caste, color, creed, sex and place of residence etc. Merit is the overriding criteria both for employment as well as for promotion, with due regard to seniority.

The women workers are trained in the technical as well as non-technical aspects. Their safety is ensured with the pick-and-drop facility offered to them. Women workers are allowed the shifts comfort in compliance with the Factory's Act 1948.

### Prevention of 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 37th Annual Report together with the Audited Financial Statements of the Company for the financial year ended 31st March, 2018.

(Rs. in lacs)

| Financial Highlights  | Year ended<br>31.3.2018 | Year ended<br>31.3.2017 |
|---|-------------------------|-------------------------|
| <b>Sales</b>  | <b>69961.82</b>         | 71494.39                |
| Profit before Interest & Depreciation                       | <b>7994.23</b>          | 11371.79                |
| Less : Interest   | <b>4835.22</b>          | 5434.06                 |
| Profit/(Loss) before Depreciation                           | <b>3159.01</b>          | 5937.73                 |
| Less : Depreciation   | <b>2470.75</b>          | 2738.56                 |
| Profit/ (Loss) before Tax                                   | <b>688.26</b>           | 3199.17                 |
| Less : Provision for Taxation - Current Tax(MAT)            | <b>153.47</b>           | 1011.79                 |
| - MAT Credit  | <b>(153.47)</b>         | -                       |
| - Deferred Tax Liability/(Assets)                           | <b>422.69</b>           | 1.95                    |
| - MAT Credit earlier year/Charged Earlier Year              | -                       | -                       |
| - Tax/MAT for earlier years                                 | <b>(280.46)</b>         | -                       |
| - Tax Adjustment for the earlier year                       | <b>49.79</b>            | -                       |
| Net Profit/ (Loss) after Tax                                | <b>496.24</b>           | 2185.43                 |
| Add : Surplus brought from previous year                    | <b>9766.38</b>          | 7580.95                 |
| Less: Adjustments & amounts transferred to General Reserves | <b>(7273.65)</b>        | -                       |
|   | <b>2988.97</b>          | 9766.38                 |
| <b>Appropriations :</b>                                     |                         |                         |
| Proposed Dividend   | <b>NIL</b>              | NIL                     |
| Corporate Dividend Tax                                      | <b>NIL</b>              | NIL                     |
| Surplus Carried to Balance Sheet                            | <b>2988.97</b>          | 9766.38                 |
|   | <b>2988.97</b>          | 9766.38                 |

## PERFORMANCE REVIEW

During the year under review, your Company has achieved a sales turnover of Rs. 69961.82 lacs as against sales turnover of Rs. 71494.39 lacs during the previous year showing a decrease of 2.14% and a net profit (after tax) of Rs. 496.24 lacs for the year against net profit (after tax) of Rs. 2185.43 lacs during the previous year. The exports of the company for the current financial year were of Rs. 25570.84 lacs against Rs. 27896.59 lacs for the previous financial year.

The Profitability of your company in the current year has been impacted by the two major changes that have affected businesses throughout the country, especially textiles. Demonetization done in October/ November 2016, had huge impact on demand for yarn and by the time industry recovered from it, the Goods and Services Tax (GST) was implemented. Both these factors resulted in low demand of products which led to dumping of yarn in the market at low prices. Further, your Company exports substantial quantity of Yarn and Fabric but downward revision of export incentives in July 2017 post GST further resulted in poor sales realisation thereon.

However, impact on the performance of the Company due to above said factors during the last year have now been greatly neutralized and performance of the Company is expected to be better during next financial year.

### **ACCOLADES AND RECOGNITIONS**

We are delighted to inform you that your Company was conferred with Silver Trophy by 'TEXPROCIL' for second Highest Exports of Cotton Yarn (Processed Yarns) in the Category II for F.Y. 2016-17. Apart from this your Company is making persistent efforts to maintain its distinguish position in the competitive environment.

### **HYDRO POWER PROJECT OF COMPANY**

The Company's Manuni Hydro electric 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 31.03.2017. The Project has generated about 97 lac units during the FY 2017-18.

### **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) Company has installed 02 nos. of machines in dye house for the Financial Year 2017-18. (i) RF Dryer 85 KW From Stalam - This will help us in further increasing drying capacity of the dye house and (ii) Tecnorama Dyerama - Installation of said machine will increase our recipe generation and will also increase our Right First Time Dyeing (RFT).
- (b) This year we have added 04 nos. new Trutzschler TC10 cards in our process. With these initiatives we will be able to enhance our value added yarn production.
- (c) We have also added Carton stretch wrapping machine. Due to this installation we cover the packed carton with Poly Propylene to avoid the moisture and water inside the carton.
- (d) We have added ULTRA VIOLET COTS TREATMENT MACHINE due to which we will be able to reduce the breakage at different stages and also improve the yarn quality
- (e) We have added new waste collection plant for increasing the card cleaning efficiency and separation of cotton and polyester waste.



## **SHARE CAPITAL**

The paid up Equity Share Capital as at March 31, 2018 was Rs. 19,82,00,000/- (comprised of 1,98,20,000 equity shares of Rs. 10/- each). During the year under review, the Company has neither issued any shares nor granted stock options or sweat equity, preference shares and also not made any provision for purchase of its own shares by employees or by trustees.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The company has not given any loan or provided any security / guarantee as per Section 186 of the Act during the year 2017-18. The investments under section 186 of the Act are given in the Financial Statements forming part of the Annual Report.

## **PUBLIC DEPOSITS**

The Company has not accepted or renewed any deposits from the public during the FY 2017-18.

## **DIVIDEND & RESERVES**

Keeping in view to conserve the resources, your Directors do not recommend any dividend for the FY 2017-18. The Company has proposed to carry Rs. 7313.96 Lacs from surplus in the P&L account to General reserves.

The unclaimed dividend of FY 2010-11 is due to be transferred to Investor Education and Protection Fund in the month of August/September, 2018. The equity shares of all shareholders who have not claimed the dividend for last seven consecutive years shall also be transferred to the above said Fund. The concerned shareholders have been individually informed about the same and have been requested to encash their unclaimed dividend to avoid transfer of the same along with equity shares to the above said Fund. Although, the unclaimed dividend and shares transferred to the Fund can be claimed by the concerned shareholders even after the above said transfer by approaching the Investor Education and Protection Fund Authority.

## **NUMBER OF MEETINGS HELD**

The details of Board and Committee Meetings are given in the Corporate Governance Report.

## **DIRECTORS / KEY MANAGERIAL PERSONNEL**

There was no change in the Directors during the FY 2017-18. Shri Ashish Bagrodia, Chairman & Managing Director shall be liable to retire by rotation at the ensuing Annual General Meeting, being eligible has offered himself for re-appointment.

As per recent notification by SEBI the non-executive Directors who have attained the age of seventy five years can not continue as such after 1st April, 2019 unless their appointment/continuation have been approved by shareholders through special resolution. As on date, three Independent Directors of the Company, namely, Sh. Chander Mohan, Sh. Satish Girotra and Sh. Amrit Lal Batra have already attained the above said age limit. In this regard, respective resolutions have been proposed in the Notice of Annual General Meeting for variation in their appointment to the extent that they can continue to be directors even after attaining age of seventy five years.

Furthermore, there was a change in the Key Managerial Personnel during the year 2017-18. Shri Sourabh Gupta, Company Secretary & Compliance Officer has resigned w.e.f. 23rd June, 2017 and in his place Shri Videshwar Sharma has joined as Company Secretary & Compliance Officer w.e.f. 26th July, 2017

## **BOARD 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 and governance etc. 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 03rd February, 2018 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](http://www.winsometextile.com) under corporate policies.

## **REMUNERATION POLICY**

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their Remuneration. The said policy has also been uploaded on the website i.e. [www.winsometextile.com](http://www.winsometextile.com) of the Company. The Key provisions of Nomination and Remuneration policy are appended as an **Annexure I** to the Board's report.

## **AUDIT COMMITTEE**

The company has duly constituted an Audit Committee, the scope of which is quite comprehensive and is in conformity with the provisions of the Companies Act, 2013 and Listing Regulations. The composition of the Audit Committee is given in Corporate Governance Report.

All the recommendations of the Audit Committee were accepted by the Board.

## **DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has adopted the Whistle Blower Policy/Vigil mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's Code of Conduct and Ethics. Such mechanism/policy has also been uploaded on the website of the Company i.e. [www.winsometextile.com](http://www.winsometextile.com) under corporate policies.

## **STATUTORY AUDITORS**

At the 36th Annual General Meeting of Company held on 04th September 2017, M/s B. Chhawchharia & Co., Chartered Accountants, were appointed as Statutory Auditors of Company, for a period of five years i.e. from the conclusion of 36th Annual General Meeting of Company till the conclusion of 41st Annual General Meeting of Company, subject to the ratification of their appointment by the members at every subsequent Annual General Meeting as per the provisions of section 139 of Companies Act 2013 read with Companies (Audit & Auditors) Rules 2014.

Furthermore, as per the Companies Amendment Act, 2017, the above said requirement of ratification at every subsequent Annual General Meeting has been done away with. So, the approval of the shareholders have also been sought to approve the variation in terms of appointment of Statutory Auditors to incorporate such changes in their remaining tenure of appointment. After the approval of shareholders, there shall be no requirement of annual ratification of Auditor's appointment of Statutory Auditors.

Furthermore, for the current ratification, the Company has received a Letter/certificate of Eligibility in terms of provisions of section 139 of the Companies Act 2013 read with Companies (Audit & Auditors) Rules 2014 from M/s B. Chhawchharia & Co., Chartered Accountants, to the effect that ratification of their appointment for the FY 2018-19, if made, would be in accordance of provisions of section 141 of the Companies Act 2013 and Rules made there under and that they are not disqualified for such appointment within the meaning of section 141 of the Companies Act, 2013, the Chartered Accountants Act 1949 and rules & regulations made there under.

## **AUDITOR'S REPORT**

The auditor's report is self-explanatory and requires no explanation.

## **COST AUDIT & AUDITOR**

M/s Aggarwal Vimal & Associates, Cost Accountants were appointed as Cost Auditors of your Company for auditing the cost accounts records for the financial year 2017-18 under provisions of Section 148 of the Companies Act, 2013. They are likely to submit Cost Audit Report within the prescribed time limit.

Furthermore the Board has re-appointed M/s Aggarwal Vimal & Associates, Cost Accountants as Cost Auditors of the Company for the financial year 2018-19 on a remuneration of Rs.75,000/- (Rupees Seventy Five Thousand only). The Company has received 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.

## **SECRETARIAL AUDIT & AUDITORS**

Shri Ramesh Bhatia, Practicing Company Secretary was appointed to conduct the secretarial audit of the Company for the financial year 2017-18 as required under Section 204 of the Companies Act, 2013 and Rules made there under. The secretarial audit report for FY 2017-18 is appended as an **Annexure II** to the Board's report. The Secretarial auditors' report for the year under review requires no comments.

Furthermore, the Board has re-appointed Shri Ramesh Bhatia, Practicing Company Secretary as

secretarial auditor of the Company for the financial year 2018-19.

## **RELATED PARTY TRANSACTIONS**

All Related Party transactions entered during the financial year were on arm's length basis and in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for review under omnibus approval route. There was no material contract or arrangement or transactions with Related Party during the year. Thus, disclosure in form AOC-2 is not required.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013, the rules there under and Listing Regulations. This Policy as considered and approved by the Board has also been uploaded on the website i.e. of the Company at <http://www.winsometextile.com/files/pdf/68-63-file.pdf>.

## **PARTICULARS OF EMPLOYEES**

The information under 197 read with rule 5(1), 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules is appended as an **Annexure III & Annexure IV** to the Board Report.

## **EXTRACT OF ANNUAL RETURN**

In accordance with Section 134(3) (a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is appended as an **Annexure V** to the Board's report.

## **INDUSTRIAL RELATIONS**

The company maintained healthy, cordial and harmonious industrial relations at all levels.

## **DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY**

The Company has been addressing various risks through well defined risk management policy/procedures, which in the opinion of the Board may threaten the existence of the Company. 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 available on the website of the Company i.e. [www.winsometextile.com](http://www.winsometextile.com).

## **INTERNAL FINANCIAL CONTROL SYSTEMS**

The Company has laid down adequate internal financial controls with reference to financial statements.

During the year such controls were tested and no material weakness in their operating effectiveness was observed.

Further, 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, an 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.

## **ASSOCIATES AND SUBSIDIARIES**

The Company has no Associates & Subsidiaries as on March 31, 2018.

## **OVERSEAS BRANCH**

During the year, Company has got approval to open a Branch office in Poland from respective authorities. The concerned branch shall cater to the textile market in the Central Europe. The said branch is likely to operational in second quarter of FY 2018-19.

## **CORPORATE GOVERNANCE AND COMPLIANCE WITH SECRETARIAL STANDARDS**

As per the provisions of Listing Regulations, a separate Report on Corporate Governance practices followed by the Company together with a Certificate from the Practising Company Secretary, confirming compliance forms part of this report. Furthermore, the Company has complied with Secretarial Standards issued by Institute of Company Secretaries of India on Board Meetings and General Meetings.

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

As required under Section 134(3)(m) of the Companies Act 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 the particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are appended as an **Annexure VI** to the Board's Report.

## **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.

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 there under, (as amended). 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 weblink: <http://www.winsometextile.com/files/pdf/68-59-file.pdf>. Annual Report on Corporate Social Responsibility [CSR] activities is appended as an **Annexure VII**

#### **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations.

#### **DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to the provisions of section 134(3)(c) and 134(5) of Companies Act, 2013, it is hereby confirmed that:

- in the preparation of annual accounts for the financial year ended 31st March, 2018, the applicable accounting standards have been followed and that there are no material departures;
- the Directors have selected such accounting policies and applied them consistently and made judgements 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, 2018 and of the profit or loss of the Company for the year ended on that date;
- 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;
- the annual accounts have been prepared on a going concern basis;
- 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;
- 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.

## **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/relevant regulation.

## **STATUTORY DISCLOSURES**

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

## **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.

## **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.

## **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 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.

**For and on behalf of the Board**

**Place:** Chandigarh  
**Date:** 25th May 2018

**Sd/-**  
**(ASHISH BAGRODIA)**  
**CHAIRMAN & MANAGING DIRECTOR**  
**DIN-00047021**



# Annexure - I

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## NOMINATION AND REMUNERATION POLICY OF WINSOME TEXTILE INDUSTRIES LIMITED

### 1. INTRODUCTION

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.

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.

### 2. Key Objectives of Policy

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.

### 3. Applicability

This policy is applicable to :

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

The said policy is applicable with immediate effect.

### 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 **“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
  - 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

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:-

- 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.
- To carry out/to perform such other function as 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.

The aforesaid Policy will ensure that:

- (a) 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;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- (c) 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 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.

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.

- 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) Term / Tenure :**

- (i) Managing Director/Whole-time Director/Manager (Managerial Person):

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.

- (ii) Independent Director :

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.

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.

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.

### **(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**

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.

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.

### **(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**

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.

Further, the Nomination & Remuneration Committee while determining the individual remuneration packages/structure for Directors, KMP's, Senior Management Personnel and for other employee's 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,

#### **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 Directors, 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 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.

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.

- 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**

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.

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.

### **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 - II

### 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, 2018

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 compliances 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 31/03/2018 (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:

Contd.....2

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 31/03/2018 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 thereunder.
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investments, ODI and ECB's.
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 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 Obligation sand 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 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, read with the Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, except that:

Contd.....3

**The remuneration paid to the Managing Director of the company during the year ended 31st March, 2018 has exceeded the Limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013. How-ever, as informed by the company, it is in the process of filing waiver application with the Central Government for regularization of the excess amount paid.**

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

|  |           |   |               |
|--|-----------|---|---------------|
|  | Signature | : | sd/-          |
| <b>Place:</b> United States of America (USA) | Name      | : | RAMESH BHATIA |
| <b>Date:</b> 25th May 2018                   | FCS No.   | : | 2483          |
|  | C P No.   | : | 1917          |

## **“ANNEXURE A”**

To,

The Members,

**Winsome Textile Industries Limited**

1, Industrial Area, Baddi-173205.

Distt Solan H.P.

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the

(Ramesh Bhatia)

Company Secretary

**Place:** United States of America (USA)

**Date:** 25th May 2018

## Annexure - III

### 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. 2017-18:**

\*Sh. Ashish Bagrodia: 33.1 : 1

Chairman & Managing Director

**(II) The percentage increase in remuneration of each Director, CEO, CFO & CS during F.Y. 2017-18:**

| S. No. | Name                  | Designation | % increase in Remuneration |
|--------|-----------------------|-------------|----------------------------|
| 1      | *Sh. Ashish Bagrodia  | CMD         | 14.52%                     |
| 2      | Sh. Anil Sharma       | CEO         | 11.92%                     |
| 3      | Sh. Sanjay Kedia      | CFO         | 10.90%                     |
| 4      | #Sh. Videshwar Sharma | CS          | Nil                        |

# Percentage increase in remuneration of Sh. Videshwar Sharma, Company Secretary is not comparable since he has joined on 26th July, 2017.

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. 2017-18: 2.52%.**

**(IV) The number of permanent employees on the rolls of company as on 31st March 2018: 2177.**

**(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. 2017-18 is by 8.70% whereas the percentage increase in the managerial remuneration is by 14.12%. The remuneration to employees and managerial personnel commensurate with industry standards & as per nomination & remuneration policy of Company.

**(VI) It is hereby affirmed that the remuneration paid during the F.Y. 2017-18 is as per the Remuneration Policy of Company.**

For and on behalf of the Board

Sd/-

(ASHISH BAGRODIA)

CHAIRMAN & MANAGING DIRECTOR

DIN-00047021

Place: Chandigarh

Date: 25th May 2018



# Annexure - IV

## 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, 2014

| i                    | ii          | iii            | iv                   | v                  | vi         | vii                           | viii     | ix                   | x   | xi  |
|----------------------|-------------|----------------|----------------------|--------------------|------------|-------------------------------|----------|----------------------|---|---|
| Name                 | Designation | Remuneration   | Nature of employment | Qualifications     | Experience | Commencement of employment    | Age      | Last employment held | Percentage of equity shares held in Company | Whether such employee is a relative of any director or manager of the company |
| Shri Ashish Bagrodia | CMD         | Rs.107.91 Lacs | Whole Time           | B.E. (Mech.) Hons. | 23 years   | 01 <sup>st</sup> October 1996 | 48 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.72.46 Lacs | Whole Time | B.Tech & MBA                      | 38 years | 01 <sup>st</sup> October 1985 | 63 years | Mahavir Spinning Mills Ltd.                                 | Nil | N.A.   |
| Shri Satish Bagrodia         | Advisor          | Rs.60.38 Lacs | Whole Time | B.Sc. Engg. (Mech.) & FIE.        | 52 years | 1 <sup>st</sup> March 2015    | 78 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.33.78 Lacs | Whole Time | B.Com, CA                         | 18 years | 21 <sup>st</sup> May 2009     | 43 years | Limtex Group  | Nil | N.A.   |
| Shri Sanjiv Vikram Dutt      | VP- Raw Material | Rs.32.04 Lacs | Whole Time | Graduate                          | 29 years | 30 April 2007                 | 48 years | Ginni Filaments Ltd.  | Nil | N.A.   |
| Shri Alok Mishra             | VP- Exports      | Rs.30.60 Lacs | Whole Time | Masters in International Business | 21 years | 21 <sup>st</sup> January 2009 | 46 years | Indorama Synthetics TBK                                     | Nil | N.A.   |
| Shri Vipin Bathla            | VP- Marketing    | Rs.30.29 Lacs | Whole Time | MBA                               | 22 years | 11 <sup>th</sup> April 2011   | 46 years | Spentex Ind Ltd.  | Nil | N.A.   |
| Shri Sumer Mal Nahata        | VP- Marketing    | Rs.29.78 Lacs | Whole Time | B.Com                             | 51 years | 16- February 1985             | 71 years | Reliance Chemotex Ind Ltd.                                  | Nil | N.A.   |
| Shri Jugal Kishor Sharma     | VP- Technical    | Rs.26.87 Lacs | Whole Time | Diploma in Textile Tech.          | 49 years | 1 <sup>st</sup> May 1998      | 49 years | Shreyans Spinning Mills                                     | Nil | N.A.   |
| Shri Suresh Rameja           | Sr GM- Prod.     | Rs.26.81 Lacs | Whole Time | Diploma in Textile Tech.          | 26 years | 03-Aug- 2016                  | 47 years | Arham Spinning Mills  | Nil | N.A.   |
| Shri Tejinder Pal Singh Bawa | GM- Knitting     | Rs.26.40 Lacs | Whole Time | B.A, Diploma in Knitting Tech.    | 23 years | 19 February 2015              | 49 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 shares in the Company.

For and on behalf of the Board

Place: Chandigarh

Date: 25th May 2018

Sd/-  
(ASHISH BAGRODIA)  
CHAIRMAN & MANAGING DIRECTOR  
DIN-00047021

# Annexure - V

**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**AS ON THE FINANCIAL YEAR ENDED ON 31.03.2018**

[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)   | <b>CIN</b>   | : | L17115HP1980PLC005647  |
| ii)  | <b>Registration Date</b>   | : | 18.09.1980   |
| iii) | <b>Name of the Company</b>   | : | <b>Winsome Textile Industries Limited</b>  |
| iv)  | <b>Category / Sub-Category of the Company</b>                                    | : | Public Company limited by shares   |
| v)   | <b>Address of the Registered office and contact details</b>                      | : | Plot No. 1, Industrial Area, Baddi, Distt. - Solan,<br>Himachal Pradesh - 173205, Phone No: - 01795-244045,<br>Fax No. 01795-244287.   |
| vi)  | <b>Whether listed company</b>  | : | Yes  |
| vii) | <b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b> | : | Link Intime India Private Limited, 44, Community, Centre, 2nd Floor,<br>Naraina Industrial Area, Phase-1, Near PVR, New Delhi – 110028, Tele.<br>No. 011-41410592-94, Fax No. 011-41410591,<br>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 Weaving and finishing of textiles       | 131                               | 89.58                              |
| 2.      | Knitted Fabric                                   | 139                               | 10.08                              |

## 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                                     | Physical | 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             | 6570301                                   | -        | 6570301  | 33.15             | 0.08                     |
| e) Banks / FI   | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| f) Any Other....  | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| Sub-total (A) (1):-   | 6701461   | -        | 6701461  | 33.81             | 6717961                                   | -        | 6717961  | 33.89             | 0.08                     |
| (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             | 6717961                                   | -        | 6717961  | 33.89             | 0.08                     |
| B. Public Shareholding  |   |          |          |                   |   |          |          |                   |                          |
| 1. Institutions   |   |          |          |                   |   |          |          |                   |                          |
| a) Mutual Funds   | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| b) Banks / FI   | 78148   | -        | 78148    | 0.39              | 200                                       | -        | 200      | 0.00              | (0.39)                   |
| c) Central Govt   | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| d) State Govt(s)  | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| e) Venture Capital Funds  | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| f) Insurance Companies  | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| g) FIIs/FIC   | 6552654   | -        | 6552654  | 33.06             | 6552654                                   | -        | 6552654  | 33.06             | -                        |
| h) Foreign Venture Capital Funds  | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| i) Others (specify)   | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| Sub-total (B)(1):-  | 6630802   | -        | 6630802  | 33.45             | 6552854                                   | -        | 6552854  | 33.06             | (0.39)                   |
| 2. Non-Institutions   |   |          |          |                   |   |          |          |                   |                          |
| a) Bodies Corp.   |   |          |          |                   |   |          |          |                   |                          |
| i) Indian   | 4922072   | 200      | 4922272  | 24.83             | 4731772                                   | 200      | 4731972  | 23.87             | (0.96)                   |
| ii) Overseas  | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| b) Individuals  |   |          |          |                   |   |          |          |                   |                          |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh          | 445069  | 33509    | 478578   | 2.41              | 1214811                                   | 32609    | 1247420  | 6.29              | 3.88                     |
| ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 1077316   | -        | 1077316  | 5.44              | 550048                                    | -        | 550048   | 2.78              | (2.66)                   |
| c) Others (NRI's & Trust)   | 8851  | 720      | 9571     | 0.05              | 19625                                     | 120      | 19745    | 0.09              | 0.04                     |
| Sub-total (B)(2):-  | 6453308   | 34429    | 6487737  | 32.73             | 6516256                                   | 32929    | 6549185  | 33.04             | 0.31                     |
| Total Public Shareholding (B) = (B)(1)+ (B)(2)                                    | 19785571  | 34429    | 19820000 | 100.00            | 19787071                                  | 32929    | 19820000 | 100.00            | 0.00                     |
| C. Shares held by Custodian for GDRs  | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| Grand Total (A+B+C)   | 19785571  | 34429    | 19820000 | 100.00            | 19787071                                  | 32929    | 19820000 | 100.00            | 0.00                     |

**(ii) Shareholding of Promoters**

| S. No. | Shareholder's Name            | Shareholding at the beginning of the year |                                  |  | Share holding at the end of the year |                                  |  | % change in share holding during 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.     | Roselab Commodities Pvt. Ltd. | 3501923                                   | 17.67                            | -  | 3501923                              | 17.67                            | -  | -   |
| 6.     | Kailashpati Vinimay Pvt. Ltd. | 3051878                                   | 15.40                            | -  | 3068378                              | 15.48                            | -  | 0.08                                      |
|        | <b>Total</b>                  | <b>6701461</b>                            | <b>33.81</b>                     | <b>-</b>   | <b>6717961</b>                       | <b>33.89</b>                     | <b>-</b>   | <b>0.08</b>                               |

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

| S. No. |   | 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 |
|        | At the beginning of the year                | 6701461                                   | 33.81                        | -                          | -                               | 6701461                                 | 33.81                        |
| 1.     | Kailashpati Vinimay Pvt. Ltd. (By Transfer) |   |                              | 05.01.2018                 | 16500                           | 6717961                                 | 33.89                        |
|        | <b>At the End of the year</b>               |   |                              |                            |                                 | <b>6717961</b>                          | <b>33.89</b>                 |

**(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        | 2081244                                   | 10.50                            | -                    | -                               | 2081244                                 | 10.50                            | -   |
|        |                             |   |                                  | <b>31.03.2018</b>    | -                               | <b>2081244</b>                          | <b>10.50</b>                     | -   |
| 2      | Landscape Traders Pvt. Ltd. | 1365917                                   | 6.89                             | -                    | -                               | 1365917                                 | 6.89                             | -   |
|        |                             |   |                                  | <b>31.03.2018</b>    | -                               | <b>1365917</b>                          | <b>6.89</b>                      | -   |
| 3      | Arpit Agencies Pvt. Ltd.    | 1290799                                   | 6.51                             | -                    | -                               | 1290799                                 | 6.51                             | -   |
|        |                             |   |                                  | <b>31.03.2018</b>    | -                               | <b>1290799</b>                          | <b>6.51</b>                      | -   |

|    |   |        |      |                   |         |               |             |        |
|----|---|--------|------|-------------------|---------|---------------|-------------|--------|
| 4  | Sparrow Asia Diversified Opportunities Fund | 989000 | 4.99 |                   | -       | 989000        | 4.99        | -      |
|    |   |        |      | <b>31.03.2018</b> | -       | <b>989000</b> | <b>4.99</b> | -      |
| 5  | Bao Value Fund                              | 988785 | 4.99 | -                 | -       | 988785        | 4.99        | -      |
|    |   |        |      | <b>31.03.2018</b> | -       | <b>988785</b> | <b>4.99</b> | -      |
| 6  | Leman Diversified Fund                      | 988000 | 4.98 | -                 | -       | 988000        | 4.98        | -      |
|    |   |        |      | <b>31.03.2018</b> | -       | <b>988000</b> | <b>4.98</b> | -      |
| 7  | Davos International Fund                    | 987500 | 4.98 | -                 | -       | 987500        | 4.98        | -      |
|    |   |        |      | <b>31.03.2018</b> | -       | <b>987500</b> | <b>4.98</b> | -      |
| 8  | Daniel Vinimay Pvt. Ltd.                    | 966150 | 4.87 | -                 | -       | 966150        | 4.87        | -      |
|    |   |        |      | <b>31.03.2018</b> | -       | <b>966150</b> | <b>4.87</b> | -      |
| 9  | Ankur Agencies Pvt. Ltd.                    | 697700 | 3.52 | -                 | -       | 697700        | 3.52        | -      |
|    |   |        |      | <b>31.03.2018</b> | -       | <b>697700</b> | <b>3.52</b> | -      |
| 10 | Hypnos Fund Limited                         | 315000 | 1.59 | -                 | -       | 315000        | 1.59        | -      |
|    |   |        |      | <b>31.03.2018</b> | -       | <b>315000</b> | <b>1.59</b> | -      |
| 11 | Pawan Kumar Kejriwal                        | 596539 | 3.01 | -                 | -       | 596539        | 3.01        | -      |
|    |   |        |      | 15.09.2017        | -22798  | 573741        | 2.89        | (0.12) |
|    |   |        |      | 29.09.2017        | -4052   | 569689        | 2.87        | (0.02) |
|    |   |        |      | 06.10.2017        | -31454  | 538235        | 2.72        | (0.15) |
|    |   |        |      | 13.10.2017        | -48926  | 489309        | 2.47        | (0.25) |
|    |   |        |      | 20.10.2017        | -26889  | 462420        | 2.33        | (0.14) |
|    |   |        |      | 27.10.2017        | -105983 | 356437        | 1.80        | (0.53) |
|    |   |        |      | 03.11.2017        | -85629  | 270745        | 1.37        | (0.43) |
|    |   |        |      | 10.11.2017        | -12428  | 258317        | 1.30        | (0.07) |
|    |   |        |      | 17.11.2017        | -85466  | 172851        | 0.87        | (0.43) |
|    |   |        |      | 24.11.2017        | -25039  | 147812        | 0.75        | (0.12) |
|    |   |        |      | 01.12.2017        | -20686  | 127126        | 0.64        | (0.11) |
|    |   |        |      | 08.12.2017        | -16492  | 110634        | 0.56        | (0.08) |
|    |   |        |      | 05.01.2018        | -79832  | 30802         | 0.16        | (0.40) |
|    |   |        |      | 12.01.2018        | -14731  | 16071         | 0.08        | (0.08) |
|    |   |        |      | 19.01.2018        | -15411  | 660           | 0.00        | (0.08) |
|    |   |        |      | 02.02.2018        | -660    | -             | -           | (0.00) |
|    |   |        |      | <b>31.03.2018</b> | -       | -             | <b>0.00</b> | -      |
| 12 | ICICI Bank Ltd.                             | 77948  | 0.39 | -                 | -       | 77948         | 0.39        | -      |
|    |   |        |      | 07.04.2017        | -19556  | 58392         | 0.29        | (0.10) |
|    |   |        |      | 14.04.2017        | -10585  | 47807         | 0.24        | (0.05) |
|    |   |        |      | 21.04.2017        | -3449   | 44358         | 0.22        | (0.02) |
|    |   |        |      | 28.04.2017        | -30996  | 13362         | 80.07       | (0.15) |
|    |   |        |      | 05.05.2017        | -13362  | -             | -           | (0.07) |
|    |   |        |      | <b>31.03.2018</b> | -       | -             | -           | -      |

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                             | Sold dated 21.07.2017                   | (0.00)                           |
| 3.      | Sh. Chandra Mohan                 | -   | -                                | -                                       | -                                |
| 4.      | Sh. Amrit Lal Batra               | -   | -                                | -                                       | -                                |

| 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 |
| 5.      | Smt. Neena Singh                  | -   | -                                | -                                       | -                                |
| 6.      | Sh. Anil Sharma- CEO              | -   | -                                | -                                       | -                                |
| 7.      | Sh. Sanjay Kedia- CFO             | -   | -                                | -                                       | -                                |
| 8.      | Sh. Videshwar Sharma- CS          | -   | -                                | -                                       | -                                |

## V. INDEBTEDNESS

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

(Rs. in Lacs)

|  | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                 |          |                    |
| i) Principal Amount  | 32023.52                         | -               | -        | 32023.52           |
| ii) Interest due but not paid                              | 2.83                             | -               | -        | 2.83               |
| iii) Interest accrued but not due                          | -                                | -               | -        | -                  |
| <b>Total (i+ii+iii)</b>                                    | <b>32026.35</b>                  | <b>-</b>        | <b>-</b> | <b>32026.35</b>    |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                 |          |                    |
| • Addition   | 862.35                           | 121             | -        | 983.35             |
| • Reduction  | 981.95                           | -               | -        | 981.95             |
| <b>Net Change</b>  | <b>-119.60</b>                   | <b>121</b>      | <b>-</b> | <b>1.40</b>        |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                 |          |                    |
| i) Principal Amount  | 31892.65                         | 121             | -        | 32013.65           |
| ii) Interest due but not paid                              | 14.10                            | -               | -        | 14.10              |
| iii) Interest accrued but not due                          | -                                | -               | -        | -                  |
| <b>Total (i+ii+iii)</b>                                    | <b>31906.75</b>                  | <b>121</b>      | <b>-</b> | <b>32027.75</b>    |

## 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 | 96.60                               |
|        | (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                     | -  |
|    | - @1 % of net profit           | -  |
| 5. | Others, please specify         | 8.28   |
|    | Contribution to Provident fund |  |
|    | Total (A)                      | <b>107.91</b>  |
|    | Ceiling as per the Act         | 10% of net profits of the Company calculated as per section 198 of Companies Act, 2013. During the F.Y. 2017-18, the remuneration paid to Chairman & Managing Director has exceeded the prescribed /approved limits. However, the Company is in the process of filing application to the Central Government for waiver of recovery of excess remuneration subject to the approval by shareholders. |

## 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 | 0.88  | 0.45               | 0.73                | 0.75             | 2.81          |
|        | Commission                                     | -   | -                  | -                   | -                | -             |
|        | Others, please specify                         | -   | -                  | -                   | -                | -             |
|        | <b>Total (A)</b>                               | <b>0.88</b>   | <b>0.45</b>        | <b>0.73</b>         | <b>0.75</b>      | <b>2.81</b>   |
| 2      | Other Non-Executive Directors                  | -   | -                  | -                   | -                | -             |
|        | Fee for attending board / committee meetings   | -   | -                  | -                   | -                | -             |
|        | Commission                                     | -   | -                  | -                   | -                | -             |
|        | Others, please specify                         | -   | -                  | -                   | -                | -             |
|        | <b>Total (2)</b>                               | <b>-</b>  | <b>-</b>           | <b>-</b>            | <b>-</b>         | <b>-</b>      |
|        | <b>Total (B)=(1+2)</b>                         | <b>0.88</b>   | <b>0.45</b>        | <b>0.73</b>         | <b>0.75</b>      | <b>2.81</b>   |
|        | <b>Total Managerial Remuneration (A+B)</b>     |   |                    |                     |                  | <b>110.72</b> |
|        | Overall Ceiling as per the Act                 | 11% 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)<br>(01.04.2017 to 23.06.2017) | Sh. Videshwar Sharma (CS)<br>(w.e.f. 21.07.2017 to 31.03.2018) | Total  |
| 1.     | Gross salary  |                          |                        |  |  |        |
|        | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 67.52                    | 31.40                  | 3.64   | 11.28  | 113.84 |
|        | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 0.15                     | 0.15                   | 0.03   | 0.10   | 0.43   |

| S. No. | Particulars of Remuneration  | Key Managerial Personnel |                        |   |   |               |
|--------|--|--------------------------|------------------------|---|---|---------------|
|        |  | Sh. Anil Sharma (CEO)    | Sh. Sanjay Kedia (CFO) | Sh. Sourabh Gupta (CS) (01.04.2017 to 23.06.2017) | Sh. Videshwar Sharma (CS) (w.e.f. 21.07.2017 to 31.03.2018) | Total         |
|        | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | -                        | -                      | -   | -   | -             |
| 2.     | Stock Option   | -                        | -                      | -   | -   | -             |
| 3.     | Sweat Equity   | -                        | -                      | -   | -   | -             |
| 4.     | Commission<br>- as % of profit   | -                        | -                      | -   | -   | -             |
| 5.     | Others, please specify<br>Contribution to Provident fund               | 4.79                     | 2.23                   | 0.21  | 0.82  | 8.05          |
|        | <b>Total</b>   | <b>72.46</b>             | <b>33.78</b>           | <b>3.88</b>                                       | <b>12.20</b>  | <b>122.32</b> |

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :- NIL

For and on behalf of the Board

Sd/-

(ASHISH BAGRODIA)

CHAIRMAN & MANAGING DIRECTOR

DIN-00047021

Place: Chandigarh

Date: 25th May 2018

# Annexure - VI

## 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) Upgradation of Card Waste Collection in Shed-1 amounting to Rs.1,00,000/- which saved 21528 KWH/per annum resulting in power saving of Rs.11,84,04/-.
- (b) Arrest of leakage in Compressed Air system in whole plant with an investment of Rs.17,90,000/- which saved 297000 KWH/per annum resulting in power saving of Rs.16,33,500/-.
- (c) Installation of 04 LED Street Lights 100W in place of Metal Halide 250W with an investment of Rs.14,000/- which saved 2534 KWH/per annum resulting in power saving of Rs.13,939/-.
- (d) Modification in Blow Room Waste Collection system in Shed 5 saved 564 kWh/ per annum which resulted in power saving of Rs.3,102/-.
- (e) Replacement of Pneumafil Fan by Laser Sensor in Speed Frame LF1400 in Speed frame in Shed 3 & 4 amounting to Rs.48,000/- saved 14400 KWH/per annum which resulted in power saving of Rs.79,200/-.
- (f) Replacement of Old rewinded Motors by new Motor on Card C1/3 in Shed-5 amounting Rs.17,800/- saved 465 kWh/ per annum which resulted in power saving of Rs.2,558 /- 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. Implementation of energy management system by use of KWH meters to reduce unnecessary usage of electricity by end users etc.

Apart from Grid power, DG sets as standby power, the Company has also purchased power from IEX through open access power system. Further, Company has also used another source of energy of Captive power from Manuni HEP 3.5MW through Open access system.

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

The capital investment on energy conservation equipment's was Rs. 19.70 Lacs.

### (B) TECHNOLOGY ABSORPTION :-

#### (i) Efforts made towards technology absorption :-

**New Trutetzschler TC-10 Card 04 nos**, state of art machines were purchased. With these

- (a) initiatives we will be able to enhance our value added yarn production and getting better yarn quality.

- (b) Company has installed 02 nos. of machines in Dye house for the FY 2017-18 **(i) RF Dryer 85 KW From Stalam** - This will help us in further increasing drying capacity of the dye house and **(ii) Tecnorama -Dyerama** - Installation of said machine will increase our recipe generation and will also increase our Right First Time Dying (RFT).
- (c) We have added ULTRA VIOLET COTS TREATMENT MACHINE due to which we will be able to reduce the breakage at different stages and also improve the yarn quality.
- (d) We have also added Carton stretch wrapping machine. Due to this installation we cover the packed carton with Poly Propylene to avoid the moisture and water inside the carton.
- (e) We have added new waste collection plant for increasing the card cleaning efficiency and separation of cotton and polyester waste.

**(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 :-**

| <b>Expenditure on R&amp;D</b> | <b>(Rs. In lacs)</b> |
|-------------------------------|----------------------|
| Capital                       | 166.84               |
| Revenue                       | 115.23               |
| <b>Total</b>                  | <b>282.07</b>        |

Total R&D Expenditure as a percentage of Total Turnover = 0.40%

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO :**

The Foreign Exchange earned in terms of actual inflows during F.Y. 2017-18: Rs. 23357.65 lacs.

The Foreign Exchange outgo in terms of actual outflows during F.Y. 2017-18: Rs. 2921.09 lacs

# Annexure - VII

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR F.Y. 2017-18

|           |  |
|-----------|--|
| <b>1.</b> | <b>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</b>  |
|           | <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 has been framed under provisions of Section 135 of Companies Act 2013 &amp; rules made there under which have following major objectives:-</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• To adopt an approach that aims at achieving a greater balance between social and economic development.</li> <li>• 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.</li> <li>• Contribution to the society at large by way of socio-economic activities and social awareness ensuring that benefits reach the targeted beneficiaries.</li> <li>• To comply with the requirements of Companies Act and all other applicable Acts, Rules, Regulations framed by the Government time to time.</li> </ul> <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 &amp; regulations made thereunder, (as amended from time to time), by the Company. 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 &amp; other prescribed activities/matters. CSR policy is available on Company's website at following weblink: <a href="http://www.winsometextile.com/files/pdf/68-59-file.pdf">http://www.winsometextile.com/files/pdf/68-59-file.pdf</a></p> |
| <b>2.</b> | <b>Composition of CSR Committee</b>  |
|           | <p>Shri Ashish Bagrodia - Chairman of Committee<br/> Shri Chandra Mohan - Member<br/> Shri Satish Girotra - Member</p>   |
| <b>3.</b> | <b>Average net profit of the Company for last three financial years</b>  |
|           | Rs. 2754.74 Lacs   |
| <b>4.</b> | <b>Prescribed CSR Expenditure (two percent of the amount as in item 3 above)</b>   |
|           | Rs. 55.09 Lacs   |
| <b>5.</b> | <b>Details of CSR spent during the financial year</b>  |

|     |   |  |
|-----|---|--|
| (a) | Total amount to be spent for the financial year;            | Rs. 55.09 Lacs   |
| (b) | Amount unspent, if any;                                     | Rs. 55.09 Lacs   |
| (c) | Manner in which the amount spent during the financial year. | No amount spent by the Company during the Financial Year 2017-18 under its CSR activities. |

|           |   |
|-----------|---|
| <b>6.</b> | <b>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.</b>   |
|           | <p>The Company understand its obligations under Corporate Social Responsibility and is committed to serve the society in every possible manner. As a Corporate citizen, the Company is contemplating broad based CSR opportunities towards serving society at large on perpetual basis.</p> <p>The concept for the broad based CSR activities are at advance stage of discussions and shall be undertaken by the Company in the near future. Till that time, obligatory amounts shall be accumulated and shall be spent as and when the prescribed CSR activities shall be undertaken.</p> <p>The unspent amount(s) shall be carried forward to next financial year(s) and would be spent/used along with eligible amount of concerned next financial year.</p> |
| <b>7.</b> | <b>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.</b>  |
|           | 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 & CSR Committee**  
**DIN-00047021**

**Place:** Chandigarh

**Date:** 25th May 2018



# Corporate Governance Report

## 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The company seeks to achieve the goal by ensuring that timely and accurate disclosures are made in an easily understood manner on all matters relating to the financial situation, performance, leadership, ownership and governance of the company. The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, professionalism and accountability in all facets of its operations so that Company's goal of creation and maximisation of wealth of the shareholders/stakeholders could be achieved.

## 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 2018, the Board of Directors consists of five Directors, out of which one is Promoter Director (Executive Chairman & Managing Director) and four are Independent Directors including one Woman Director. None of the Director 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 Independent Directors fulfill the conditions of independence as specified in Section 149 of Companies Act 2013 & rules made thereunder and Listing Regulations.

During the Financial Year 2017-18, Six Board Meetings were held. These meetings were held on 24th May, 2017, 26th July, 2017, 11th September, 2017, 06th December, 2017, 03rd February, 2018 and 15th February, 2018. As stipulated by Code of Independent Directors under Companies Act 2013 and Listing Regulations, a Separate Meeting of Independent Directors was held on 03rd February, 2018 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 | 6                      | Yes      | 5*                              | 1  | -             | 1     |
| Shri Satish Girotra  | Director | Independent | 3                      | No       | 9*                              | -  | -             | -     |
| Shri Amrit Lal Batra | Director | Independent | 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 | 6                      | Yes      | 2                               | -  | -             | -     |
| Smt. Neena Singh     | Director      | Independent        | 5                      | 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](http://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](http://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](http://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](http://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 notes thereon 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 a Financial Reporting System, Whistle Blower Mechanism, approval/review of related party transactions, 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 2017-18, Five Audit Committee meetings were held on 24th May 2017, 11th September, 2017, 06th December, 2017, 03rd February, 2018 and 15th February, 2018.

| S. No. | Name of members              | Category                  | No. of meetings attended during the year 2017-18 |
|--------|------------------------------|---------------------------|--|
| 1      | Shri Chandra Mohan, Chairman | Independent/Non-Executive | 5  |
| 2      | Shri Satish Girotra, Member  | Independent/Non-Executive | 3  |
| 3      | Shri Amrit Lal Batra, Member | Independent/Non-Executive | 4  |
| 4.     | Smt. Neena Singh*            | Independent/Non-Executive | 1  |

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.

\* Pursuant to the reconstitution of Audit Committee, Smt. Neena Singh was appointed as member of Committee w.e.f. 03.02.2018.

## **(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 recommending Managerial appointment /remuneration, 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 2017-18, two meetings of Nomination and Remuneration Committee were held on 26th July, 2017 and 03rd February, 2018. The details of Composition, category and attendance is as under:

| S. No. | Name of members               | Category                  | No. of meeting attended during the year 2017-18 |
|--------|-------------------------------|---------------------------|---|
| 1      | Shri Satish Girotra, Chairman | Independent/Non-Executive | -   |
| 2      | Shri Chandra Mohan, Member    | Independent/Non-Executive | 2   |
| 3      | Smt Neena Singh , Member      | Independent/Non-Executive | 2   |

The Company Secretary acts as Secretary to the Committee.

## **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](http://www.winsometextile.com).

### i) Remuneration of Non-Executive Director

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 there under. The details of remuneration paid during FY 2017-18 are as hereunder:

| Name of Directors    | Total (Amount in Rs.) |
|----------------------|-----------------------|
| Shri Chandra Mohan   | 87500                 |
| Shri Satish Girotra  | 45000                 |
| Shri Amrit Lal Batra | 72500                 |
| Smt. Neena Singh     | 75000                 |

### ii) Remuneration of Executive Director

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

| Name of Director     | Salary | Perquisites* | Commission | Total  |
|----------------------|--------|--------------|------------|--------|
| Shri Ashish Bagrodia | 96.60  | 11.31        | -          | 107.91 |

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

During the financial year 2017-18, the remuneration paid to Sh. Ashish Bagrodia has exceeded the limit prescribed in section 197 read with Schedule V of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 by Rs. 28.29 Lacs. The Company shall file an application with the Central Government, 'if required by the law for the time being in force' for the waiver of recovery of excess remuneration paid to Managing Director & CEO during the financial year 2017-18, after the approval by shareholders of the Company.

There is no Employee Stock Option Scheme (ESOP) in the Company as on 31st March 2018. 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) Stakeholder's Relationship Committee

The Stakeholder's 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 there under i.e. redressing of Shareholders/Investors complaints, regarding share transfers, non-receipt of balance sheet/dividend by the shareholders etc. During the financial year 2017-18, five Stakeholders Relationship Committee meetings were held on 24th May, 2017, 11th September, 2017, 06th December, 2017, 13th December, 2017 and 03rd February, 2018. The composition of Committee, Chairperson, category of members, number of the meetings and attendance thereat is as under:

| S.No. | Name of members                | Category                  | No. of meetings attended during the year 2017-18 |
|-------|--------------------------------|---------------------------|--|
| 1     | Shri Amrit Lal Batra, Chairman | Independent/Non-Executive | 5  |
| 2     | Shri Ashish Bagrodia, Member   | Executive Director        | 5  |
| 3     | Smt. Neena Singh, Member       | Independent/Non-Executive | 4  |

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 Videshwar Sharma, Company Secretary is the Compliance Officer of the Company for SEBI/ Stock Exchange/ROC related issues etc and also acts as Secretary to the Committee.

#### **(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](http://www.winsometextile.com).

During the financial year 2017-18, four Risk Management Committee meetings were held on 24th May, 2017, 11th September, 2017, 06th December, 2017 and 03rd February, 2018. 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 2017-18 |
|--------|--------------------------------|---------------------------|--|
| 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 | 3  |

\* As per SEBI (LODR) Regulations, 2015, the Company is not under obligation to have a separate Risk Management Committee. The Board of Directors of the Company have approved the merger of Risk Management Committee with Audit Committee at their meeting held on 03.02.2018.

#### **(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. The Company Secretary acts as Secretary to the Committee.

## 10. GENERAL BODY MEETINGS

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

| Year    | Venue  | Date     | Time       |
|---------|--|----------|------------|
| 2014-15 | 1, Industrial Area, Baddi, Distt- Solan (H.P.) | 28/09/15 | 10.00 A.M. |
| 2015-16 | 1, Industrial Area, Baddi, Distt- Solan (H.P.) | 28/09/16 | 10.00 A.M. |
| 2016-17 | 1, Industrial Area, Baddi, Distt- Solan (H.P.) | 04/09/17 | 10.00 A.M. |

### Extra Ordinary General Meeting

| Year    | Venue  | Date       | Time       |
|---------|--|------------|------------|
| 2017-18 | 1, Industrial Area, Baddi, Distt- Solan (H.P.) | 26/03/2018 | 10.00 A.M. |

During the last three years, one special resolution was passed at the Annual General Meeting held on 28.09.2015. 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 there under and as per Listing Regulations. All Related Party Transactions are placed before the Audit Committee and if required by law are also placed before the Board/shareholders for further approval by specifying the nature, value, terms and conditions of the transactions etc.. Omnibus approval have been obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions for which omnibus approval have been obtained are presented before the Audit Committee on quarterly basis for review, although all related party transactions are entered in ordinary course of business and at arm's length basis. There were no materially significant related party transactions during the year 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.

Suitable disclosures as required by the Accounting Standards are disclosed in Note 24 of Notes to Accounts in the Annual Report. The Related Party Transactions Policy of Company available on following weblink 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](http://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**

Your 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 Note 12.3 to the Accounts in the Annual Report.

**g) Subsidiary Company**

During the year ended 31st March, 2018, 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 disclosures 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 EVALUATION**

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](http://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 weblink 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](http://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, 17 |               | 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, 18 |               |
|---|---------------|---|---|--|---------------|
| 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 and/or ET/FE. The same can also be accessed on the website of Bombay Stock Exchange (BSE) [www.bseindia.com](http://www.bseindia.com), as uploaded by company through listing centre under Scrip Code '514470'. Furthermore, the same can also be accessed at Company's website i.e. [www.winsometextile.com](http://www.winsometextile.com). The Management Discussion and Analysis report forms a part of this Annual Report.

## 17. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting at 10:00 A.M. on 24th September, 2018 at Registered Office of Company: 1, Industrial Area, Baddi, Distt. Solan, Himachal Pradesh.

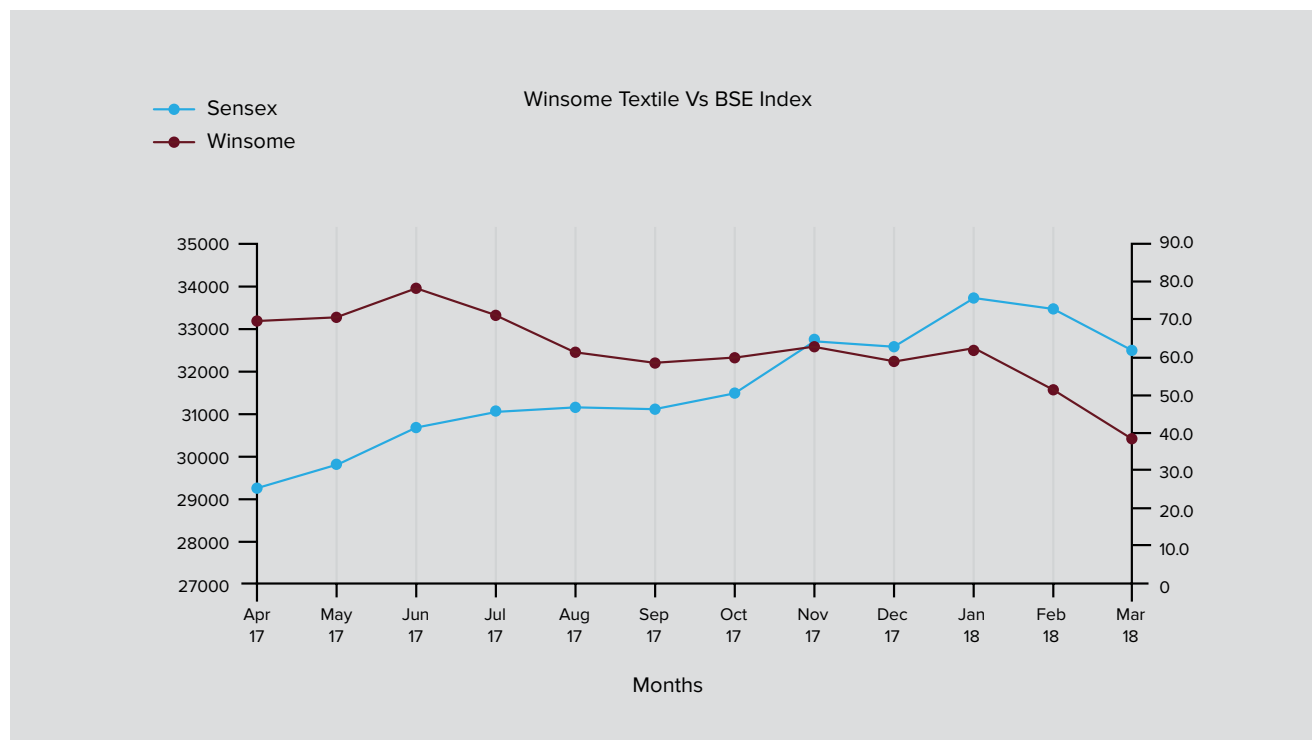
|   |   |   |
|---|---|---|
| <b>Financial Calendar</b>                   | : | 01st April to 31st March                          |
| <b>Date of Book Closure</b>                 | : | 17.09.2018 to 24.09.2018<br>(both days inclusive) |
| <b>Dividend Payment Date</b>                | : | N.A.  |
| <b>Listing on Stock Exchange</b>            | : | Bombay Stock Exchange Limited (BSE)               |
| <b>Scrip Code</b>                           | : | 514470  |
| <b>Demat ISIN Number in NSDL &amp; CDSL</b> | : | INE837B01031                                      |
| <b>Corporate Identity Number (CIN)</b>      | : | L17115HP1980PLC005647                             |

Annual listing fee for the year 2018-19 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 2018-19.

## 18. MARKET PRICE DATA – HIGH AND LOW DURING EACH MONTH ON BSE IN F.Y. 2017-18. STOCK CODE - 514470 (Source: [www.bseindia.com](http://www.bseindia.com))

| Months          | High   | Low   | Volume<br>(No. of Shares) |
|-----------------|--------|-------|---------------------------|
| April, 2017     | 91.00  | 69.25 | 310871                    |
| May, 2017       | 128.00 | 70.00 | 485100                    |
| June, 2017      | 99.00  | 78.00 | 400376                    |
| July, 2017      | 85.00  | 71.30 | 750390                    |
| August, 2017    | 79.40  | 61.00 | 594458                    |
| September, 2017 | 80.00  | 58.10 | 629568                    |
| October, 2017   | 79.95  | 59.55 | 1138908                   |
| November, 2017  | 73.85  | 62.05 | 865102                    |
| December, 2017  | 70.00  | 58.60 | 733809                    |
| January, 2018   | 76.65  | 62.35 | 1074124                   |
| February, 2018  | 67.70  | 51.00 | 125510                    |
| March, 2018     | 52.80  | 37.20 | 164471                    |

## 19. PERFORMANCE IN COMPARISON TO BROAD BASED INDICES



## 20. REGISTRAR AND SHARE TRANSFER AGENT

: Link Intime India Private Limited  
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 where there are deficiencies.

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 Videshwar Sharma

## E-MAIL ID'S

: cswtil@winsometextile.com  
secretarial@winsometextile.com

**21. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH,18:-**

| Range of Shares | No. of Shareholders | % of Shareholders | No. of Shares   | % of Shareholding |
|-----------------|---------------------|-------------------|-----------------|-------------------|
| 001 - 500       | 1918                | 78.45             | 294883          | 1.48              |
| 501 - 1000      | 224                 | 9.16              | 189867          | 0.96              |
| 1001 - 2000     | 122                 | 4.99              | 189864          | 0.96              |
| 2001 - 3000     | 40                  | 1.63              | 104038          | 0.52              |
| 3001 - 4000     | 19                  | 0.78              | 68639           | 0.35              |
| 4001 - 5000     | 24                  | 0.98              | 112457          | 0.57              |
| 5001 - 10000    | 46                  | 1.88              | 369041          | 1.86              |
| 10001 and above | 52                  | 2.13              | 18491211        | 93.30             |
| <b>Total</b>    | <b>2445</b>         | <b>100.00</b>     | <b>19820000</b> | <b>100.00</b>     |

**22. SHAREHOLDING PATTERN AS ON 31ST MARCH,18 :-**

| Category                 | No. of shares   | Percentage    |
|--------------------------|-----------------|---------------|
| Promoters/Promoter Group | 6717961         | 33.89         |
| FII's/ FIC's             | 6552654         | 33.06         |
| Bodies Corporates        | 4731972         | 23.88         |
| Indian Public            | 1797468         | 9.07          |
| Banks/ FI's/Mutual Funds | 200             | 0.00          |
| NRIs & Trust             | 19745           | 0.10          |
| <b>Total</b>             | <b>19820000</b> | <b>100.00</b> |

**23. DETAILS OF SHAREHOLDING OF DIRECTORS IN THE COMPANY AS ON 31ST MARCH, 18 :-**

| Name of Director     | No. of shares held |
|----------------------|--------------------|
| Shri Chandra Mohan   | -                  |
| Shri Satish Girotra  | -                  |
| 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, 2018. The Equity Shares of the Company are actively traded on Bombay Stock Exchange under scrip code 514470

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

**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

**For and on behalf of the Board**

**Sd/-**

**(ASHISH BAGRODIA)**

**CHAIRMAN & MANAGING DIRECTOR**

**DIN-00047021**

**Place:** Chandigarh

**Date:** 25th May 2018

#### **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 2018.

**Sd/-**

**(ANIL SHARMA)**

**CHIEF EXECUTIVE OFFICER)**

**Place:** Chandigarh

**Date:** 25th May 2018

## CEO AND CFO CERTIFICATION

To  
The Members  
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, 2018 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 KUMAR KEDIA)  
CHIEF FINANCIAL OFFICER)

Place: Chandigarh

Date: 25th May 2018

**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, 2018 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, 2018, no investor grievances are pending against the Company, as per the records maintained by the Company and presented to the Investors/ Stakeholders Relationship 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:** United State of America (USA)

**Date:** 25th May 2018

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





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

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## **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 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of 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 Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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.

## **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 2018 and its profit and its cash flows for the year ended on that date.

## **Emphasis of Matter**

Without qualifying our opinion, we draw attention to note 25 regarding remuneration paid/provided to Managing Director during the year ended 31st March, 2018 which has exceeded the limit prescribed under section 197 read with schedule V to the Companies Act, 2013, by Rs. 28.29 Lakhs. As informed to us, the Company is in the process of filing waiver application with the Central Government for the above excess remuneration and pending application and receipt of the approval, no adjustments to financial statements have been made to show this amount as recoverable.

## **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, we give in the Annexure A, a statement on the matters specified in the paragraph 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 subject to note no.31 in the notes to the accounts;
  - (d) in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
  - (e) on the basis of the written representations received from the directors as on 31st March 2018 taken

on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”; and
- (g) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company has, to the extent ascertainable, disclosed the impact of pending litigations on its financial position in its financial statements – Refer clause (i) of Note 14 and Note 17 to the financial statements;
  - ii. the Company does not have any material foreseeable losses on long term contracts including derivative contracts which would impact its financial position;
  - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For B. CHHAWCHARIA & CO.**

Chartered Accountants

Firm Registration No: 305123E

**Abhishek Gupta**

Partner

Membership No. 529082

**Place:** New Delhi

**Date:** 25th May, 2018

# ANNEXURE - A TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2018, we report that:

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, all the 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 assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) According to the information and explanations given to us, the management has conducted physical verification of inventory at reasonable intervals during the year which, in our opinion, is reasonable having regard to the size of the company and nature of its business. No material discrepancies were noticed on such verification.
- (iii) According to the information and explanations given to us, the Company has not granted secured/unsecured loans to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and securities made by the company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013 Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended).
- (vi) As certified by a Cost Accountant, the company has maintained cost records for the year under review, as prescribed under sub-section (1) of Section 148 to the extent applicable to the company. We have, however, not made a detailed examination of such records.
- (vii) (a) According to the records of the company, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, Goods and Service Tax, duty of customs, Cess and other material statutory dues, as applicable, and no such statutory dues were outstanding as at the last day of the financial year under review for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income-tax, Goods and Service Tax, duty of customs and cess, as applicable, which have not been deposited on account of any dispute, except the following:

| Name of Statute    | Nature of Dues | Period             | Amount uppaid<br>(In Lacs Rs.) | Forum                    |
|--------------------|----------------|--------------------|--------------------------------|--------------------------|
| Central Excise Act | Excise Duty    | 1996-97 to 1997-98 | 1.44                           | Assistant Commissioner   |
| Central Excise Act | Excise Duty    | 2008-09 to 2009-10 | 1.19                           | CESTAT                   |
| Customs            | Custom Duty    | 2015-16            | 1.20                           | Commissioner (Appeal)    |
| HP Sales Tax Act   | Entry Tax      | 2010-11 to 2017-18 | 452.02                         | The High Court of Shimla |

- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government. The company does not have any outstanding debentures during the year.
- (ix) In our opinion and according to the information and explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year under review. Further term loans have been applied for the purposes for which those were raised.
- (x) According to the information and explanations given to us, 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.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act subject to note no.25 in the notes to the accounts.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.
- (xvi) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For B. CHHAWCHARIA & CO.**

Chartered Accountants

Firm Registration No: 305123E

**Abhishek Gupta**

Partner

Membership No. 529082

**Place:** New Delhi

**Date:** 25th May, 2018



# ANNEXURE - B TO THE AUDITORS' REPORT

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## **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 2018 in conjunction with our audit of the 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.

### **AUDITORS' 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 and 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, 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.

#### **For B. CHHAWCHARIA & CO.**

Chartered Accountants

Firm Registration No: 305123E

#### **Abhishek Gupta**

Partner

Membership No. 529082

**Place:** New Delhi

**Date:** 25th May, 2018

# Balance Sheet as at 31st March, 2018

| Particulars   | Note No.         | As at 31.03.2018 (Rs. in Lacs) | As at 31.03.2017 (Rs. in Lacs) | As at 01.04.2016 (Rs. in Lacs) |
|---|------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>ASSETS</b>   |                  |                                |                                |                                |
| <b>Non-current assets</b>   |                  |                                |                                |                                |
| Property, plant and equipment   | 4.1              | 36,436.51                      | 37,342.40                      | 38,129.54                      |
| Capital work-in-progress  | 4.2              | 36.18                          | 472.92                         | 340.59                         |
| Intangible Assets   | 4.3              | 29.91                          | 18.97                          | 25.42                          |
| Financial assets  | 4.4              |                                |                                |                                |
| - Investments   | 4.4.1            | 5.66                           | 4.89                           | 4.89                           |
| Other non -Current Assets   | 4.5              | 66.22                          | 264.65                         | 110.05                         |
|   |                  | <b>36,574.48</b>               | <b>38,103.83</b>               | <b>38,610.49</b>               |
| <b>Current assets</b>   |                  |                                |                                |                                |
| Inventories   | 5.1              | 21,506.13                      | 21,984.83                      | 20,816.54                      |
| Financial assets  | 5.2              |                                |                                |                                |
| - Trade receivables   | 5.2.1            | 12,301.98                      | 13,055.49                      | 10,946.64                      |
| - Cash and cash equivalents   | 5.2.2            | 119.94                         | 118.81                         | 89.70                          |
| - Bank Balances other than Cash and Cash Equivalents  | 5.2.2.1          | 1,453.79                       | 1,490.25                       | 1,391.61                       |
| - Loans   | 5.2.3            | 38.71                          | 5.24                           | 16.45                          |
| - Other financial assets  | 5.2.4            | 8.60                           | 155.65                         | 27.43                          |
| Current tax assets (Net)  | 5.3              | 2,594.38                       | 2,126.84                       | 2,303.95                       |
| Other current assets  | 5.4              | 3,625.62                       | 2,466.51                       | 3,752.10                       |
|   |                  | <b>41,649.15</b>               | <b>41,403.62</b>               | <b>39,344.42</b>               |
| <b>TOTAL ASSETS</b>   |                  | <b>78,223.63</b>               | <b>79,507.45</b>               | <b>77,954.91</b>               |
| <b>EQUITY AND LIABILITIES</b>   |                  |                                |                                |                                |
| <b>Equity</b>   |                  |                                |                                |                                |
| Equity Share capital  | 6.1              | 1,982.00                       | 1,982.00                       | 1,982.00                       |
| Other Equity  | 6.2              | 15,669.40                      | 15,132.35                      | 12,931.82                      |
|   |                  | <b>17,651.40</b>               | <b>17,114.35</b>               | <b>14,913.82</b>               |
| <b>LIABILITIES</b>  |                  |                                |                                |                                |
| <b>Non-current liabilities</b>  |                  |                                |                                |                                |
| Financial liabilities   | 7.1              |                                |                                |                                |
| - Borrowings  | 7.1.1            | 8,415.13                       | 12,453.78                      | 15,190.89                      |
| Non - Current Provisions  | 7.2              | 508.31                         | 474.78                         | 420.61                         |
| Deferred tax liabilities (Net)  | 7.3              | 5,342.53                       | 4,898.24                       | 4,888.30                       |
| Other non-current liabilities   | 7.4              | 313.27                         | 197.59                         | 212.10                         |
|   |                  | <b>14,579.24</b>               | <b>18,024.39</b>               | <b>20,711.90</b>               |
| <b>Current liabilities</b>  |                  |                                |                                |                                |
| Financial liabilities   | 8.1              |                                |                                |                                |
| - Borrowings  | 8.1.1            | 19,884.53                      | 20,248.40                      | 19,825.30                      |
| - Trade payables  | 8.1.2            | 18,567.59                      | 17,148.39                      | 15,645.32                      |
| - Other financial liabilities   | 8.1.3            | 6,474.38                       | 6,094.70                       | 6,038.35                       |
| Other current liabilities   | 8.2              | 897.69                         | 797.91                         | 785.98                         |
| Current Provisions  | 8.3              | 168.80                         | 79.31                          | 34.24                          |
|   |                  | <b>45,992.99</b>               | <b>44,368.71</b>               | <b>42,329.19</b>               |
| <b>TOTAL EQUITY AND LIABILITIES</b>   |                  | <b>78,223.63</b>               | <b>79,507.45</b>               | <b>77,954.91</b>               |
| Corporate Information & Significant Accounting Policies<br>Accompanying notes to the financial statements | 1 & 2<br>3 to 36 |                                |                                |                                |

The Notes referred to above form an integral part of the accounts.  
In terms of our report of even date attached herewith.

**For B. CHHAWCHHARIA & CO.**  
Chartered Accountants  
Firm Registration No: 305123E

**Ashish Bagrodia**  
(Chairman Cum Managing Director)  
DIN-00047021

**Anil Sharma**  
(Chief Executive Officer)

**Sanjay Kumar Kedia**  
(Chief Financial Officer)

**Abhishek Gupta**  
Partner  
Membership No: 529082

**Videshwar Sharma**  
(Company Secretary)

**Chandra Mohan**  
(Director)  
DIN-00017621

**Place:** Chandigarh  
**Date:** 25th May 2018



# Statement of Profit & Loss for the year ended 31st March 2018

| Particulars  | Note No. | 2017-18<br>(Rs. in Lacs) | 2016-17<br>(Rs. in Lacs) |
|--|----------|--------------------------|--------------------------|
| Revenue from Operations                                  | 9.1      | 69,765.96                | 71,339.47                |
| Other Income   | 9.2      | 195.86                   | 154.92                   |
| <b>TOTAL INCOME</b>                                      |          | <b>69,961.82</b>         | <b>71,494.39</b>         |
| <b>Expenses</b>  |          |                          |                          |
| Cost of Material Consumed                                | 10.1     | 37,712.35                | 36,986.86                |
| Purchase of Stock in trade                               | 10.2     | 7,078.86                 | 7,982.54                 |
| Changes in Inventories                                   | 10.3     | 579.47                   | (994.10)                 |
| Employee Benefits Expense                                | 10.4     | 5,679.02                 | 5,214.28                 |
| Finance Costs  | 10.5     | 4,835.22                 | 5,434.06                 |
| Depreciation & Amortization Expenses                     | 10.6     | 2,470.75                 | 2,738.56                 |
| Other Expenses   | 10.7     | 10,917.89                | 10,933.02                |
| <b>TOTAL EXPENSES</b>                                    |          | <b>69,273.56</b>         | <b>68,295.22</b>         |
| <b>PROFIT BEFORE TAX</b>                                 |          | <b>688.26</b>            | <b>3,199.17</b>          |
| Tax Expense:   | 11       |                          |                          |
| Current Tax  |          | (230.67)                 | 1,011.79                 |
| Deferred Tax   |          | 422.69                   | 1.95                     |
|  |          | <b>192.02</b>            | <b>1,013.74</b>          |
| <b>PROFIT FOR THE YEAR</b>                               |          | <b>496.24</b>            | <b>2,185.43</b>          |
| <b>Other comprehensive income</b>                        |          |                          |                          |
| A) Items that will not be reclassified to profit or loss |          |                          |                          |
| - Changes in fair value of Equity Instruments            |          | 0.77                     | -                        |
| - Tax Expense relating to above                          |          | (0.27)                   | -                        |
| - Remeasurement of net defined benefit liabilities       |          | 61.64                    | 23.09                    |
| - Tax Expense relating to above items                    |          | (21.33)                  | (7.99)                   |
| B) Items that will be reclassified to profit or loss     |          | -                        | -                        |
| <b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>           |          | <b>40.81</b>             | <b>15.10</b>             |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>           |          | <b>537.05</b>            | <b>2,200.53</b>          |
| <b>Earnings per equity share</b>                         |          |                          |                          |
| Basic & Diluted  | 13       | 2.71                     | 11.10                    |

The Notes referred to above form an integral part of the accounts.  
In terms of our report of even date attached herewith.

**For B. CHHAWCHHARIA & CO.**  
Chartered Accountants  
Firm Registration No: 305123E

**Ashish Bagrodia**  
(Chairman Cum Managing Director)  
DIN-00047021

**Anil Sharma**  
(Chief Executive Officer)

**Sanjay Kumar Kedia**  
(Chief Financial Officer)

**Abhishek Gupta**  
Partner  
Membership No: 529082

**Videshwar Sharma**  
(Company Secretary)

**Chandra Mohan**  
(Director)  
DIN-00017621

**Place:** Chandigarh  
**Date:** 25th May 2018

# Cash flow statement for the year ended 31st March 2018

| Particulars  | 2017-18<br>(Rs. in lacs) | 2016-17<br>(Rs. in lacs) |
|--|--------------------------|--------------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES :</b>   |                          |                          |
| Net Profit before tax and extraordinary items  | 688.26                   | 3,199.17                 |
| <b>Adjusted for :</b>  |                          |                          |
| Depreciation   | 2,470.75                 | 2,738.56                 |
| Provision for Doubtful Debts   | 0.30                     | 0.75                     |
| Bad debt written off   | -                        | 17.20                    |
| Profit/(Loss) on sale of fixed assets ( Net)   | (19.13)                  | 13.09                    |
| Interest Paid  | 4,835.22                 | 5,434.06                 |
| Dividend Received  | (0.38)                   | (0.31)                   |
| Interest income  | (107.26)                 | (126.37)                 |
| <b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>   | <b>7,867.76</b>          | <b>11,276.15</b>         |
| <b>Adjusted for :</b>  |                          |                          |
| Trade and other receivables  | (255.47)                 | (1,022.84)               |
| Inventories  | 478.70                   | (1,168.29)               |
| Trade Payables and advances from customers   | 2,199.00                 | 1,679.17                 |
| <b>CASH GENERATED FROM OPERATIONS</b>  | <b>10,289.99</b>         | <b>10,764.19</b>         |
| Direct Taxes paid / adjusted   | (236.87)                 | (834.68)                 |
| Cash flow before extra ordinary items  | 10,053.12                | 9,929.51                 |
| Extra Ordinary items   | -                        | -                        |
| <b>NET CASH FROM OPERATING ACTIVITIES (A)</b>  | <b>10,053.12</b>         | <b>9,929.51</b>          |
| <b>CASH FLOW FROM INVESTING ACTIVITIES :</b>   |                          |                          |
| Net Changes in fixed assets  | (1,190.77)               | (2,157.45)               |
| Sale of fixed assets   | 70.84                    | 67.06                    |
| Capital Advances   | 198.04                   | (188.62)                 |
| Dividend Received  | 0.38                     | 0.31                     |
| Interest Received  | 107.26                   | 126.37                   |
| <b>NET CASH FROM INVESTING ACTIVITIES (B)</b>  | <b>(814.25)</b>          | <b>(2,152.33)</b>        |
| <b>CASH FLOW FROM FINANCING ACTIVITIES :</b>   |                          |                          |
| Interest paid  | (4,835.22)               | (5,434.06)               |
| Net Proceeds/(Repayment) of Long Term Borrowings   | (4,038.65)               | (2,737.11)               |
| Net Proceeds/(Repayment) from Short term Borrowings  | (363.87)                 | 423.10                   |
| <b>NET CASH FROM FINANCING ACTIVITIES (C)</b>  | <b>(9,237.74)</b>        | <b>(7,748.07)</b>        |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+ B+ C)</b>   | <b>1.13</b>              | <b>29.11</b>             |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>  | <b>118.81</b>            | <b>89.70</b>             |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>  | <b>119.94</b>            | <b>118.81</b>            |
| 01. Proceeds from long term and other borrowings are shown net of repayment.<br>02. Cash and Cash equivalents represent cash and bank balances only. |                          |                          |

The Notes referred to above form an integral part of the accounts.  
In terms of our report of even date attached herewith.

**For B. CHHAWCHHARIA & CO.**  
Chartered Accountants  
Firm Registration No: 305123E

**Ashish Bagrodia**  
(Chairman Cum Managing Director)  
DIN-00047021

**Anil Sharma**  
(Chief Executive Officer)

**Sanjay Kumar Kedia**  
(Chief Financial Officer)

**Abhishek Gupta**  
Partner  
Membership No: 529082

**Videshwar Sharma**  
(Company Secretary)

**Chandra Mohan**  
(Director)  
DIN-00017621

**Place:** Chandigarh  
**Date:** 25th May 2018

# Statement of changes in equity for the year ended 31st March, 2018

## EQUITY SHARE CAPITAL

| Particulars  | Notes | As at 1st April, 2016 | Changes during 2016-17 | As at 31st March, 2017 | Changes during 2017-18 | As at 31st March, 2018 |
|--|-------|-----------------------|------------------------|------------------------|------------------------|------------------------|
| 1,98,20,000 Equity shares of Rs. 10/- each fully paid up | 6.1   | 1982.00               | -                      | 1982.00                | -                      | 1982.00                |
|  |       | 1982.00               | -                      | 1982.00                | -                      | 1982.00                |

## Other Equity

| Particulars                             | Notes | Reserves and Surplus |                    |                   |   | Equity Investment Reserve (upon fair value through other comprehensive income) | Total     |
|---|-------|----------------------|--------------------|-------------------|---|--|-----------|
|   |       | Capital Reserve      | Securities Premium | Retained Earnings |   |  |           |
|   |       |                      |                    | General Reserve   | Surplus in the statement of Profit and Loss |  |           |
| Balance as at 01.04.2016                | 6.2   | 46.68                | 5,131.46           | 186.04            | 7,565.85                                    | 1.79   | 12,931.82 |
| Profit for the year                     |       | -                    | -                  | -                 | 2,185.43                                    | -  | 2,185.43  |
| Other comprehensive income for the year |       | -                    | -                  | -                 | 15.10                                       | -  | 15.10     |
| Total comprehensive income for the year |       | -                    | -                  | -                 | 2,200.53                                    | -  | 2,200.53  |
| Balance as at 31.03.2017                |       | 46.68                | 5,131.46           | 186.04            | 9,766.38                                    | 1.79   | 15,132.35 |
| Balance as at 01.04.2017                |       | 46.68                | 5,131.46           | 186.04            | 9,766.38                                    | 1.79   | 15,132.35 |
| Profit for the year                     |       | -                    | -                  | -                 | 496.24                                      | -  | 496.24    |
| Other comprehensive income for the year |       | -                    | -                  | -                 | 40.31                                       | 0.50   | 40.81     |
| Total comprehensive income for the year |       | -                    | -                  | -                 | 536.55                                      | 0.50   | 537.05    |
| Transfer to General Reserve             |       | -                    | -                  | -                 | 7,313.96                                    | (7,313.96)   | -         |
| Balance as at 31.03.2018                |       | 46.68                | 5,131.46           | 7,500.00          | 2,988.97                                    | 2.29   | 15,669.40 |

The Notes referred to above form an integral part of the accounts.

In terms of our report of even date attached herewith.

**For B. CHHAWCHHARIA & CO.**

Chartered Accountants  
Firm Registration No: 305123E

**Ashish Bagrodia**

(Chairman Cum Managing Director)  
DIN-00047021

**Anil Sharma**

(Chief Executive Officer)

**Sanjay Kumar Kedia**

(Chief Financial Officer)

**Abhishek Gupta**

Partner  
Membership No: 529082

**Videshwar Sharma**

(Company Secretary)

**Chandra Mohan**

(Director)  
DIN-00017621

**Place:** Chandigarh

**Date:** 25th May 2018



# Notes to the financial statements

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## 1: CORPORATE INFORMATION

**Winsome Textile Industries Limited** (“the Company”) is a public limited company domiciled and incorporated under the provisions of the Companies Act, 1956 on 18th September, 1980 in India and its shares are publicly traded on the Bombay Stock Exchange (“BSE”), India. The Registered Office of the company is situated at 1 Industrial Area, Baddi, Solan, Himachal Pradesh – 173205 India and the Corporate office is situated at SCO # 191 - 192, Sector # 34-A, Chandigarh, 160022.

The principal business activity of the company is the manufacturing of Cotton Yarn, Cotton Melange, Cotton Blended Dyed Yarn/Fiber, Yarn made of natural and manmade fiber and other fibers, Knitted Fabric and Power generation in Textile Sector.

The financial statements were authorised for issue in accordance with a resolution passed by the Board of Directors on 25th May, 2018.

## 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation of financial Statements

The financial statements of the Company have been prepared on accrual basis in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and the provisions of the Companies Act, 2013.

For all periods up to and including the year ended 31st March 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (previous GAAP). These financial statements for the year ended 31st March 2018 are the first the Company has prepared in accordance with Ind AS. Refer to note 3 for an explanation on the manner in which the transition from previous GAAP to Ind AS has effected presentation of company’s financial position, financial performance and cash flows.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).

The financial statements are presented in Indian Rupees (“INR” or “Rs.”) and all amounts are rounded to the nearest lacs, except as stated otherwise.

### 2.2 Estimates and Judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions effect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical

accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 2.23. Accounting estimates could change from period to period. Actual results may differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

### **2.3 Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### **2.4 Property, Plant and Equipment**

The Company has applied for the one time transition exemption of considering the carrying cost on the transition date i.e. 1st April, 2016 as the deemed cost under IND AS and hence regarded thereafter as historical cost.

Leased hold Land is carried at cost less reduction in proportionate annual Lease Rental.

Freehold land and Capital Work in progress is carried at cost. All other items of Property, plant and equipment are stated at cost, less accumulated depreciation. The Cost of an item of Property, Plant and Equipment comprises:

- (a) its purchase price including freight, duties, and non-refundable purchase taxes after deducting trade discounts and rebates.
- (b) any attributable expenditure directly attributable for bringing an asset to the location and the working condition for its intended use and
- (c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the company incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. Depreciation on addition/sale is provided on Pro-rata basis with reference to the month of addition/sale. The useful lives estimated for the major classes of property, plant and equipment are as follows:

| Class of property, plant and equipment | Useful life (in years) |
|--|------------------------|
| Buildings                              | 3-60                   |
| Plant & Machinery                      | 3–25                   |
| Furniture & Fixtures                   | 5-10                   |
| Vehicles                               | 5-10                   |
| R&D Assets                             | 5-10                   |
| Equipments and facilities              | 3-5                    |
| Computer & Networks                    | 3                      |

The useful lives have been determined based on technical evaluation done by the management's experts, which in few cases are different than the lives as specified by Schedule II to the Companies Act, 2013. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

## 2.5 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment loss.

On transition to Ind AS, the company has elected to continue with the carrying value of all its intangible assets recognised as at 1st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised on a straight-line method over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period and adjusted, if appropriate. The useful economic lives estimated for various classes of intangible assets are as follows:

| Class of intangible assets | Useful life (in years) |
|----------------------------|------------------------|
| Software                   | 6                      |

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually.

## 2.6 Inventories

Inventories are valued at cost or net realizable value, whichever is lower except waste which is valued at net realisable value. The cost in respect of the various items of inventory is computed as under:

Raw Materials - At weighted average cost plus direct expenses. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Stores and Spares - At weighted average cost plus direct expenses. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Work-in-Progress - At raw material cost plus conversion costs depending upon the stage of completion and other related overhead costs.

Finished Goods - At raw material cost plus conversion costs, packing cost and other overheads incurred to bring the goods to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

## 2.7 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity period of twelve months or less from the balance sheet date, which are subject to an insignificant risk of changes in value and is freely available for the company. Bank overdrafts are shown under borrowings in the balance sheet.

Earmarked bank balances and/or short term deposits which are lien marked against borrowings are shown under the head "Bank balances other than Cash and Cash Equivalent".

## 2.8 Financial instruments

### A. *Financial Instruments - Initial recognition and measurement*

Financial assets and financial liabilities are recognised in the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument. The company determines the classification of its financial assets and liabilities at initial recognition. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets and liabilities carried at fair value through the Profit and Loss are immediately recognized in the Statement of Profit and Loss.

### B.1. *Financial assets – Subsequent measurement*

The Subsequent measurement of financial assets depends on their classification which is as follows:

#### a. Financial assets at fair value through profit or loss

Financial assets at fair value through profit and loss include financial assets held for sale in the near term and those designated upon initial recognition at fair value through profit or loss.

#### b. Financial assets measured at amortised cost

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowance for estimated irrecoverable amounts based on the ageing of the receivables balance and historical experience. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

#### c. Financial assets at fair value through OCI

All equity investments, except investments in subsidiaries, joint ventures and associates, falling within the scope of Ind AS 109, are measured at fair value through Other Comprehensive Income (OCI). The company makes an irrevocable election on an instrument by instrument basis to present in other comprehensive income subsequent changes in the fair value. The classification is made on initial recognition and is irrevocable.

If the company decides to designate an equity instrument at fair value through OCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI.

### B.2. *Financial assets – De-recognition*

The company derecognises a financial asset when the contractual rights to the cash flows from the assets expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

Upon de-recognition of equity instruments designated at fair value through OCI, the associated fair value changes of that equity instrument is transferred from OCI to Retained Earnings.



### *C.1. Financial liabilities – Subsequent measurement*

The Subsequent measurement of financial liabilities depends on their classification which is as follows:

#### *a. Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading, if any.

#### *b. Financial liabilities measured at amortised cost*

Interest bearing loans and borrowings of the company are subsequently measured at amortised cost using the effective interest rate method (EIR). Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are integral part of the EIR. The EIR amortised is included in finance costs in the statement of profit and loss.

### *C.2. Financial liabilities – De-recognition*

A financial liability is derecognised when the obligation under the liability is discharged or expires.

### *D. Offsetting financial instruments*

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position, if and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### *E. Derivative financial instruments*

The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss. Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in Exchange Rate Variation Gain. Assets/ liabilities in this category are presented as current assets/ current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

## *F. Fair value measurement*

The company measures certain financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the assets or liability or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the company.

The company uses valuation technique that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

## **2.9 Government Grants**

The government grants are recognized only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Government grants related to assets are treated as deferred income and are recognized in the statement of profit and loss on a systematic and rational basis over the useful life of the asset.

Government grants related to revenue are recognized on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

## **2.10 Non-current assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets classified as held for sale and their related liabilities are presented separately in the balance sheet. Non-current assets are not depreciated or amortised while they are classified as held for sale.

## **2.11 Provisions, Contingent Liabilities and Contingent Assets**

A provision shall be recognised when:

- (a) an entity has a present obligation as a result of a past event;
- (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- (c) a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A Contingent liability is not recognised but disclosed in the notes to the accounts, unless the probability of an outflow of resources is remote.

A contingent asset is generally neither recognised nor disclosed.

## **2.12 Revenue Recognition**

Revenue is recognised at the fair value of the consideration received or receivable. The amount disclosed as revenue is inclusive of excise duty and net of returns, trade discounts, volume rebates, Value Added Tax/Goods and Services Tax and amount collected on behalf of third parties. The company recognizes revenue when the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity.

### **(i) Sales of goods**

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer and the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

### **(ii) Services**

Revenue from sale of services is recognised on the basis of the stage of completion. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

### **(iii) Export Incentives**

Revenue in respect of the export incentives is recognized on accrual basis in the period in which the related exports have been made.

### **(iv) Power Generation**

Sale of power is recognised on the basis of meter reading confirmed by buyers in accordance with the respective agreement.

Renewable Energy Certificate are accounted for on certification of energy sale quantity by the buyer and is valued at minimum sale price fixed by Central Electricity Regulatory Authority after adjusting expected outgo.

### **(v) Interest**

Income from interest is recognized using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

(vi) Dividend

Dividend income is recognized when the right to receive the payment is established.

(vii) Insurance and other claims are recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

## **2.13 Employees Benefits**

### **(i) Short term Employee Benefits:**

Liabilities for wages, salaries and other employee benefits that are expected to be settled within twelve months of rendering the service by the employees are classified as short term employee benefits. Such short term employee benefits are measured at the amounts expected to be paid when the liabilities are settled. Short Term Employee Benefits are recognized as an expense on an undiscounted basis in the statement of profit and loss of the year in which the related service is rendered.

### **(ii) Post Employment Benefits**

(a) Defined Contribution Plans:  
Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

(b) Defined Benefit Plans  
Gratuity

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method.

The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognised in Other Comprehensive Income which are not reclassified to profit or loss in subsequent periods.

### **(iii) Long-term employee benefits**

The liability of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using Projected Unit Credit Method.

## **2.14 Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## **2.15 Foreign Currency Transactions**

The foreign currency transactions are recorded, on initial recognition in the functional currency (i.e. Indian Rupee), by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. The foreign currency monetary items are translated using the closing rate at the end of each reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognised in profit or loss in the period in which they arise.

Foreign exchange differences recorded as an adjustment to borrowing costs are presented in the statement of profit and loss, as a part of finance cost. All other foreign exchange gains and losses are presented in the statement of profit and loss on net basis.

In respect of foreign branch, which is in the nature of integral foreign operations, all transactions are translated using the exchange rate at the date of the transaction. The translation of monetary assets and liabilities is performed using the exchange rate in effect at the balance sheet date. Fixed assets are translated as at the date of transaction. Depreciation is translated at the rates applied for translation of fixed assets.

## **2.16 Leases**

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Lease under which the risks and rewards incidental to ownership are not transferred to lessee is classified as operating lease. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the statement of profit and loss over the lease term, unless the payments are structured to increase in line with expected general inflation.

## **2.17 Income Taxes**

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is also recognized in equity or other comprehensive income respectively.

### **Current Taxes:**

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

### **Deferred Taxes:**

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets and liabilities are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Minimum Alternate Tax credit is recognised as a tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

## **2.18 Impairment of assets**

### **a) Financial assets**

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those

are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

#### **b) Non-financial assets**

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

### **2.19 Earnings per Share**

The Basic earnings per share (EPS) is calculated by dividing the net profit or loss for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per equity share is calculated by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

### **2.20 Dividends**

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.

### **2.21 Cash flow statement**

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) - 7 "Statement of Cash flows" using the indirect method for operating activities.

## **2.22 Exceptional items**

Exceptional items refer to items of income or expense within statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the company.

## **2.23 Critical accounting estimates**

### **Property, plant and equipment**

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

### **Intangible assets**

The company tests whether intangible assets have suffered any impairment on an annual basis. The recoverable amount of a cash generating unit is determined based on value in use calculations which require the use of assumptions.

### **Trade Receivables**

As per Ind AS 109, the company is required to apply expected credit losses model for recognising the provision for doubtful debts. The expected credit losses are determined based on past trends and assumptions.

## **3: FIRST TIME ADOPTION OF IND AS**

This financial statements of "the company" for the year ended 31st March, 2018 is the first financial statement that has been prepared in accordance with Ind AS together with the comparative period data as at and for the year ended 31st March 2017, as described in the summary of significant accounting policies. The transition to Ind AS has been carried out in accordance with Ind AS 101-'First time adoption of Indian Accounting Standards' with 1st April, 2016 as the transition date.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes there to and accounting policies and principles. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31st March, 2018 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has effected the Company's Balance Sheet, Statement of Profit and Loss is explained in note 3.2. Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out in note 3.1.

### **3.1 Exemptions availed on first time adoption**

Ind-AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.



## Estimates

Ind AS 101 provides that an entity's estimates as per Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" at the date of transition shall be consistent with the estimates made for same date in accordance with previous GAAP, unless there is objective evidence that those estimates were in error.

Accordingly, the company has made Ind AS estimates as at the transition date i.e. 1st April 2016 which are consistent with estimates made by it under the previous GAAP for the same date. The company made estimates for following items in accordance with Ind AS at the date of transition since these were not required under previous GAAP :

- i) Investment in equity instruments designated at Fair Value through OCI ; and
- ii) Impairment of financial assets based on expected credit loss model.

### 3.2 Reconciliations between previous GAAP and Ind AS

The following reconciliations provide the effect of transition to Ind AS from previous GAAP in accordance with Ind AS 101

- a) Equity as at 1st April, 2016 and as at 31st March, 2017
- b) Net Profit for the year ended 31st March, 2017

#### a) Reconciliation of Equity as at 1st April, 2016 and as at 31st March, 2017

| Particulars                                       | Notes to first time adoption | As at 31 March, 2017 (Rs.) | As at 1 April, 2016 (Rs.) |
|---|------------------------------|----------------------------|---------------------------|
| Equity under previous GAAP                        |                              | 18,329.78                  | 15,787.80                 |
| <b>Adjustments:-</b>                              |                              |                            |                           |
| Change in Fair valuation of Financial Instruments | <b>1</b>                     | 1.79                       | 1.79                      |
| Capital Subsidy under Tuff                        | <b>2</b>                     | (197.59)                   | (212.10)                  |
| Provision for Doubtful Debts                      | <b>3</b>                     | (2.75)                     | (2.00)                    |
| Depreciation                                      | <b>4.1</b>                   | (599.44)                   | -                         |
| Profit on Sale of Fixed Assets                    | <b>4.2</b>                   | 4.14                       | -                         |
| Deferred Tax Adjustments                          | <b>5</b>                     | (421.58)                   | (661.67)                  |
| <b>Equity under Ind AS</b>                        |                              | <b>17,114.35</b>           | <b>14,913.82</b>          |

**b) Reconciliation of total comprehensive income for the year ended 31st March 2017**

| Particulars                                       | Notes to first time adoption | 2016-17 (Rs.)   |
|---|------------------------------|-----------------|
| Profit after tax as per previous GAAP             |                              | 2,556.49        |
| <b>Adjustments</b>                                |                              |                 |
| Change in Fair valuation of Financial Instruments | <b>1</b>                     | -               |
| Capital Subsidy under Tuff                        | <b>2</b>                     | 14.51           |
| Provision for Doubtful Debts                      | <b>3</b>                     | (0.75)          |
| Depreciation                                      | <b>4.1</b>                   | (613.95)        |
| Profit on Sale of Fixed Assets                    | <b>4.2</b>                   | 4.14            |
| Deferred Tax adjustments                          | <b>5</b>                     | 240.09          |
| Remeasurement of Employee Benefit                 | <b>6</b>                     | 23.09           |
| Profit for the Year                               |                              | 2,223.62        |
| Less: Remeasurement of Employee Benefit           |                              | 23.09           |
| <b>Total comprehensive income as per Ind AS</b>   |                              | <b>2,200.53</b> |

- c) There are no material adjustments to the statements of cash flows as reported under the previous GAAP.

### 3.3. Notes to first time adoption

#### 1 Fair Valuation of Investment

Under Indian GAAP, investments in equity instruments were classified as long term investments or current investments based on the intended holding period and realisability. Long term investments were carried at cost less provision for other than temporary diminution in the value of investments. Current investments were carried at lower of cost and fair value. Ind AS requires such investments to be measured at fair value.

Accordingly, the Company has designated such investments as investments measured at fair value through Other Comprehensive Income in accordance with Ind AS. The difference between the instrument's fair value and carrying amount as per Indian GAAP has been recognized in retained earnings. This has resulted in increase in retained earnings by Rs. 1.79 Lakhs as at 31st March 2017 and 1st April 2016 and no change in net profit for the year ended 31st March 2017.

#### 2 Capital Subsidy under TUFF

Under Indian GAAP, Government grant related to Property, plant and equipment was shown under Reserves and Surplus. Under Ind AS, Government grant related to Property, plant and equipment are treated as deferred income and are recognized in the statement of profit and loss on a systematic basis over the useful life of the asset.

This has resulted in decrease in Equity by Rs. 197.59 Lakhs and Rs. 212.10 Lakhs as at 31st March 2017 and 1st April 2016, respectively and the same has been disclosed as Deferred Income for Capital Subsidy under the head Other Non Current Non Financial Liabilities. However, the same has no impact on the total comprehensive income for the year ended 31st March, 2017.

### **3 Provision for Doubtful Debts**

Under Ind AS, the company is required to provide for doubtful debts based on a Expected Credit Loss (ECL) model whereas no such requirement was there under previous GAAP.

This has resulted in decrease of retained earnings and consequently equity by Rs. 2.75 Lakhs and Rs. 2 Lakhs as at 31st March 2017 and 1st April 2016, respectively. The total comprehensive income for the year ended 31st March 2017 has decreased by Rs. 0.75 Lakhs.

#### **4.1 Depreciation**

Under Ind AS, the company is required to reassess the life and salvage value of property, plant and equipment at each year end and provide depreciation accordingly. Due to such reassessment, the depreciation charge for the year ended has increased by Rs. 613.95 Lakhs resulting in decrease of total comprehensive income for the year ended 31st March 2017 and total equity as at 31st March 2017 by Rs. 613.95 Lakhs.

#### **4.2 Profit on sale of Fixed Assets**

Due to the change in depreciation for the year ended 31st March 2017, the corresponding profit on sale of fixed assets and consequently total comprehensive income for the year ended 31st March 2017 increased by Rs. 4.14 Lakhs. The total equity as at 31st March 2017 accordingly increased by Rs. 4.14 Lakhs.

### **5 Deferred Taxes**

Under Indian GAAP, deferred tax was recognized for the temporary timing differences which focus on differences between taxable profits and accounting profits for the period. Ind AS requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Further, the application of Ind AS has resulted in recognition of deferred tax on certain temporary differences which was not required under Indian GAAP.

Accordingly, deferred tax adjustments have been recognised in correlation to the underlying transactions in retained earnings/OCI in accordance with Ind AS. This has resulted in decrease in retained earnings by Rs. 421.58 Lakhs and Rs. 661.67 Lakhs as at 31st March, 2017 and 1st April 2016 respectively. The total comprehensive income for the year ended 31st March 2017 has increased by Rs. 240.09 Lakhs with a corresponding adjustment in 'Deferred tax liability'.

### **6 Defined benefit obligation**

Under Ind AS, remeasurements i.e. actuarial gains and losses are to be recognized in 'Other comprehensive income' and are not to be reclassified to profit and loss in a subsequent period. Under the Indian GAAP, these remeasurements were forming part of the profit or loss.

Therefore, actuarial gain/loss amounting to Rs. 23.09 Lakhs for the financial year 2016-17 has been recognized in OCI (net of tax Rs. 15.10 Lakhs) which was earlier recognised as Employee benefits expense. However, the same has no impact on the total equity as at 31st March, 2017.

## **7 Bill discounted against debtors**

Under Indian GAAP, bills discounted against debtors were shown as contingent liability. However, the same falls under the category of 'Financial instruments' under Ind AS. Therefore, the bills discounted amounting to Rs. 3,636.56 Lakhs and Rs. 3,143.21 Lakhs as on 31st March, 2017 and 1st April, 2016 respectively have been shown under 'Short term borrowings' with a corresponding adjustment in 'Trade receivables'. However, the same has no impact on the total equity as at 31st March, 2017 and 1st April, 2016.

#### 4.1 PROPERTY, PLANT & EQUIPMENT

| Particulars             | Gross Block         |                            |                     |                            |                     |          | Depreciation                   |                     |                                 |                     | Net Block           |                     |                     |
|-------------------------|---------------------|----------------------------|---------------------|----------------------------|---------------------|----------|--------------------------------|---------------------|---------------------------------|---------------------|---------------------|---------------------|---------------------|
|                         | As at<br>01.04.2016 | Additions/<br>(Deductions) | As at<br>31.03.2017 | Additions/<br>(Deductions) | As at<br>31.03.2018 |          | For 2016-17 /<br>(Adjustments) | Up to<br>31.03.2017 | For the year /<br>(Adjustments) | Up to<br>31.03.2018 | As at<br>31.03.2018 | As at<br>31.03.2017 | As at<br>01.04.2016 |
| Land                    |                     |                            |                     |                            |                     |          |                                |                     |                                 |                     |                     |                     |                     |
| - Freehold              | 1,808.44            | 2.30                       | 1,810.74            | -                          | 1,810.74            | -        | -                              | -                   | -                               | -                   | 1,810.74            | 1,810.74            | 1,808.44            |
| - Leasehold             | 5.59                | -                          | 5.51                | -                          | 5.43                | -        | -                              | -                   | -                               | -                   | 5.43                | 5.51                | 5.59                |
|                         |                     | (0.08)                     |                     | (0.08)                     |                     |          |                                |                     |                                 |                     |                     |                     |                     |
| Building                | 9,549.18            | 127.92                     | 9,677.10            | 547.01                     | 10,224.11           | 397.41   | 397.41                         | 397.41              | 407.31                          | 804.72              | 9,419.39            | 9,279.69            | 9,549.18            |
|                         |                     | -                          |                     |                            |                     |          |                                |                     |                                 |                     |                     |                     |                     |
| Plant & Machinery       | 25,986.82           | 1,740.88                   | 27,648.51           | 844.63                     | 28,477.17           | 2,171.54 | 2,160.01                       | 2,160.01            | 1,935.15                        | 4,091.50            | 24,385.67           | 25,488.50           | 25,986.82           |
|                         |                     | (79.19)                    |                     | (15.97)                    |                     | (11.53)  |                                |                     | (3.66)                          |                     |                     |                     |                     |
| Furniture & Fixtures    | 125.45              | 6.57                       | 132.02              | 18.04                      | 150.06              | 20.49    | 20.49                          | 20.49               | 19.51                           | 40.00               | 110.06              | 111.53              | 125.45              |
|                         |                     | -                          |                     |                            |                     |          |                                |                     |                                 |                     |                     |                     |                     |
| R & D Assets            | 436.14              | 61.80                      | 497.94              | 166.84                     | 664.78              | 80.19    | 80.19                          | 80.19               | 44.29                           | 124.48              | 540.30              | 417.75              | 436.14              |
|                         |                     |                            |                     |                            |                     |          |                                |                     |                                 |                     |                     |                     |                     |
| Vehicles                | 151.50              | 59.17                      | 195.34              | 16.25                      | 164.62              | 36.75    | 33.83                          | 33.83               | 32.39                           | 58.57               | 106.05              | 161.51              | 151.50              |
|                         |                     | (15.33)                    |                     | (46.97)                    |                     | (2.92)   |                                |                     | (7.65)                          |                     |                     |                     |                     |
| Equipments & Facilities | 26.21               | 16.29                      | 42.50               | 7.23                       | 49.73               | 9.40     | 9.40                           | 9.40                | 10.37                           | 19.77               | 29.96               | 33.10               | 26.21               |
|                         |                     | -                          |                     |                            |                     |          |                                |                     |                                 |                     |                     |                     |                     |
| Computers & Networks    | 40.21               | 10.19                      | 50.40               | 9.20                       | 59.60               | 16.33    | 16.33                          | 16.33               | 14.36                           | 30.69               | 28.91               | 34.07               | 40.21               |
|                         |                     | -                          |                     |                            |                     |          |                                |                     |                                 |                     |                     |                     |                     |
| Total                   | 38,129.54           | 2,025.12                   | 40,060.06           | 1,609.20                   | 41,606.24           | 2,732.11 | 2,717.66                       | 2,717.66            | 2,463.38                        | 5,169.73            | 36,436.51           | 37,342.40           | 38,129.54           |
|                         |                     | (94.60)                    |                     | (63.02)                    |                     | (14.45)  |                                |                     | (11.31)                         |                     |                     |                     |                     |

## 4.2 CAPITAL WORK IN PROGRESS

| Particulars              | Gross Block         |                            |                     |                            |                     | Depreciation                   |                     |                                 |                     | Net Block           |                     |                     |
|--------------------------|---------------------|----------------------------|---------------------|----------------------------|---------------------|--------------------------------|---------------------|---------------------------------|---------------------|---------------------|---------------------|---------------------|
|                          | As at<br>01.04.2016 | Additions/<br>(Deductions) | As at<br>31.03.2017 | Additions/<br>(Deductions) | As at<br>31.03.2018 | For 2016-17 /<br>(Adjustments) | Up to<br>31.03.2017 | For the year /<br>(Adjustments) | Up to<br>31.03.2018 | As at<br>31.03.2018 | As at<br>31.03.2017 | As at<br>01.04.2016 |
| Capital Work in Progress | 340.59              | 2,080.84<br>(1,948.51)     | 472.92              | 1,130.86<br>(1,567.60)     | 36.18               | -                              | -                   | -                               | -                   | 36.18               | 472.92              | 340.59              |
| TOTAL                    | 340.59              | 2,080.84<br>(1,948.51)     | 472.92              | 1,130.86<br>(1,567.60)     | 36.18               | 0.00                           | 0.00                | 0.00                            | 0.00                | 36.18               | 472.92              | 340.59              |
|                          |                     |                            |                     |                            |                     | 0.00                           |                     | 0.00                            |                     |                     |                     |                     |

## 4.3 INTANGIBLE ASSETS

| Particulars | Gross Block      |                         |                  |                         |                  | Depreciation                |                  |                              |                  | Net Block        |                  |                  |
|-------------|------------------|-------------------------|------------------|-------------------------|------------------|-----------------------------|------------------|------------------------------|------------------|------------------|------------------|------------------|
|             | As at 01.04.2016 | Additions/ (Deductions) | As at 31.03.2017 | Additions/ (Deductions) | As at 31.03.2018 | For 2016-17 / (Adjustments) | Up to 31.03.2017 | For the year / (Adjustments) | Up to 31.03.2018 | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
| Software    | 25.42            | -                       | 25.42            | 18.31                   | 43.73            | 6.45                        | 6.45             | 7.37                         | 13.82            | 29.91            | 18.97            | 25.42            |
| TOTAL       | 25.42            | 0.00                    | 25.42            | 18.31                   | 43.73            | 6.45                        | 6.45             | 7.37                         | 13.82            | 29.91            | 18.97            | 25.42            |

#### 4.4 FINANCIAL ASSETS - NON CURRENT

##### 4.4.1 INVESTMENT IN SHARES

| Particulars   | As at<br>31.03.2018 | As at<br>31.03.2017 | As at<br>01.04.2016 |
|---|---------------------|---------------------|---------------------|
| Unquoted<br>Other Investment  |                     |                     |                     |
| 31000 Equity Shares of Rs. 10/- each in Shivalik Solid Waste Management Ltd. (Previous year 31000 Equity Shares of Rs. 10/- each) | 5.66                | 4.89                | 4.89                |
|   | 5.66                | 4.89                | 4.89                |

#### 4.5 OTHER NON CURRENT ASSETS

| Particulars  | As at<br>31.03.2018 | As at<br>31.03.2017 | As at<br>01.04.2016 |
|--|---------------------|---------------------|---------------------|
| <b>Non Financial Assets at amortized cost<br/>(unsecured, considered good)</b> |                     |                     |                     |
| Security Deposits  | 52.91               | 53.30               | 87.32               |
| Capital Advances   | 13.31               | 211.35              | 22.73               |
|  | 66.22               | 264.65              | 110.05              |

#### 5.1 INVENTORIES

| Particulars   | As at<br>31.03.2018 | As at<br>31.03.2017 | As at<br>01.04.2016 |
|---|---------------------|---------------------|---------------------|
| <b>As taken, valued and certified by the management</b> |                     |                     |                     |
| Raw Materials   | 9,537.44            | 8,990.85            | 8,986.52            |
| Stock in Process  | 4,953.68            | 5,175.49            | 5,109.46            |
| Finished Goods #  | 6,234.91            | 6,592.57            | 5,664.50            |
| Stores, Spares & Consumables                            | 734.29              | 1,101.43            | 938.02              |
| Waste   | 45.81               | 124.49              | 118.04              |
|   | 21,506.13           | 21,984.83           | 20,816.54           |
| # Including Goods-in-Transit                            | 196.66              | 1,390.18            | 853.27              |

#### 5.2 FINANCIAL ASSETS - CURRENT

##### 5.2.1 TRADE RECEIVABLES

| Particulars  | As at<br>31.03.2018 | As at<br>31.03.2017 | As at<br>01.04.2016 |
|--|---------------------|---------------------|---------------------|
| <b>(unsecured, considered good,<br/>unless otherwise stated)</b> |                     |                     |                     |
| - Due for more than six months                                   | 71.72               | 50.11               | 79.29               |
| - Others   | 12,250.46           | 13,025.28           | 10,869.35           |
|  | 12,322.18           | 13,075.39           | 10,948.64           |
| Less : Provision for Doubtful debts                              | 20.20               | 19.90               | 2.00                |
|  | 12,301.98           | 13,055.49           | 10,946.64           |

## 5.2.2 CASH AND CASH EQUIVALENTS

| Particulars           | As at<br>31.03.2018 | As at<br>31.03.2017 | As at<br>01.04.2016 |
|-----------------------|---------------------|---------------------|---------------------|
| Balances with Banks : |                     |                     |                     |
| In Current Account    | 119.94              | 118.81              | 89.70               |
| Cash-in-hand          | -                   | -                   | -                   |
|                       | 119.94              | 118.81              | 89.70               |

## 5.2.2.1 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

| Particulars                     | As at<br>31.03.2018 | As at<br>31.03.2017 | As at<br>01.04.2016 |
|---------------------------------|---------------------|---------------------|---------------------|
| Other bank balances             |                     |                     |                     |
| - Fixed Deposits - Marked Lien  | 1,453.34            | 1,489.80            | 1,391.16            |
| - In Unclaimed Dividend Account | 0.45                | 0.45                | 0.45                |
|                                 | 1,453.79            | 1,490.25            | 1,391.61            |

## 5.2.3 LOANS

| Particulars                          | As at<br>31.03.2018 | As at<br>31.03.2017 | As at<br>01.04.2016 |
|--------------------------------------|---------------------|---------------------|---------------------|
| (Unsecured, unless otherwise stated) |                     |                     |                     |
| Loans and advances to employees      | 38.71               | 5.24                | 16.45               |
|                                      | 38.71               | 5.24                | 16.45               |

## 5.2.4 OTHER FINANCIAL ASSETS

| Particulars                      | As at<br>31.03.2018 | As at<br>31.03.2017 | As at<br>01.04.2016 |
|----------------------------------|---------------------|---------------------|---------------------|
| Interest Receivable              | 8.60                | 10.41               | 10.72               |
| Derivative Financial Instruments | -                   | 145.24              | 16.71               |
|                                  | 8.60                | 155.65              | 27.43               |

## 5.3 CURRENT TAX ASSETS (NET)

| Particulars  | As at<br>31.03.2018 | As at<br>31.03.2017 | As at<br>01.04.2016 |
|--|---------------------|---------------------|---------------------|
| Taxation Advances and Refundable (Net of Provisions) | 59.51               | 25.90               | 13.28               |
| MAT Credit Entitlement                               | 2,534.87            | 2,100.94            | 2,290.67            |
|  | 2,594.38            | 2,126.84            | 2,303.95            |

## 5.4 OTHER CURRENT ASSETS

| Particulars                          | As at<br>31.03.2018 | As at<br>31.03.2017 | As at<br>01.04.2016 |
|--------------------------------------|---------------------|---------------------|---------------------|
| (Unsecured, unless otherwise stated) |                     |                     |                     |
| Advances to suppliers                | 867.85              | 824.31              | 1,543.45            |
| Export Incentive Receivable          | 215.32              | 268.62              | 379.14              |
| Interest Subsidy on Term Loans       | 402.12              | 461.34              | 1,012.20            |
| Refund/ Claim Receivable             | 441.00              | 116.56              | 140.97              |
| Balance with Government Authorities  | 1,156.56            | 360.39              | 266.34              |
| Advances recoverable in kind         | 542.77              | 435.29              | 410.00              |
|                                      | 3,625.62            | 2,466.51            | 3,752.10            |



## 6.1 EQUITY SHARE CAPITAL

| Particulars  | As at<br>31.03.2018 | As at<br>31.03.2017 | As at<br>01.04.2016 |
|--|---------------------|---------------------|---------------------|
| <u>Authorised :</u>                                      |                     |                     |                     |
| 2,49,50,000 Equity shares of Rs. 10/- each               | <b>2,495.00</b>     | 2,495.00            | 2,495.00            |
| 5,000 Preference Share of Rs. 100/- each                 | <b>5.00</b>         | 5.00                | 5.00                |
|  | <b>2,500.00</b>     | 2,500.00            | 2,500.00            |
| <u>Issued, Subscribed and Paid up :</u>                  |                     |                     |                     |
| 1,98,20,000 Equity shares of Rs. 10/- each fully paid up | <b>1,982.00</b>     | 1,982.00            | 1,982.00            |
|  | <b>1,982.00</b>     | 1,982.00            | 1,982.00            |

| Particulars  | As at<br>31.03.2018<br>Nos. | As at<br>31.03.2017<br>Nos. |
|--|-----------------------------|-----------------------------|
| (i) <b>Reconciliation of the number of equity shares outstanding is as follows :</b> |                             |                             |
| At the beginning of the year   | <b>1,98,20,000</b>          | 1,98,20,000                 |
| Changes during the year  | -                           | -                           |
| At the end of the year   | <b>1,98,20,000</b>          | 1,98,20,000                 |

### (ii) Details of shareholders holding more than 5% of the Equity Shares in the company:

| Particulars                         | As at 31.03.2018 |              | As at 31.03.2017 |           | As at 01.04.2016 |           |
|-------------------------------------|------------------|--------------|------------------|-----------|------------------|-----------|
| Name of Shareholder                 | Nos.             | % holding    | Nos.             | % holding | Nos.             | % holding |
| Roselab Commodities Private Limited | <b>35,01,923</b> | <b>17.67</b> | 35,01,923        | 17.67     | 35,01,923        | 17.67     |
| Kailashpati Vinimay Private Limited | <b>30,68,378</b> | <b>15.48</b> | 30,51,878        | 15.40     | 30,05,031        | 15.16     |
| Aspire Emerging Fund                | <b>20,81,244</b> | <b>10.50</b> | 20,81,244        | 10.50     | 19,78,590        | 9.98      |
| Landscape Traders Private Limited   | <b>13,65,917</b> | <b>6.89</b>  | 13,65,917        | 6.89      | 13,66,092        | 6.89      |
| Arpit Agencies Private Limited      | <b>12,90,799</b> | <b>6.51</b>  | 12,90,799        | 6.51      | 12,90,799        | 6.51      |

### (iii) Term /Rights attached to Equity Shares

The company has one class of equity shares having a par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting. During the year ended March 31, 2018 the amount of dividend recognised as distributions to equity shareholders is Nil (Previous Year Nil). 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.

## 6.2 OTHER EQUITY

| Particulars  |  | As at<br>31.03.2018 | As at<br>31.03.2017 |
|--|--|---------------------|---------------------|
| <b>Reserves &amp; Surplus</b>                                      |  |                     |                     |
| a) <b>Capital Reserve</b>  |  |                     |                     |
| As per last Account  |  | 46.68               | 46.68               |
|  |  | 46.68               | 46.68               |
| b) <b>Securities Premium</b>                                       |  |                     |                     |
| As per last Account  |  | 5,131.46            | 5,131.46            |
|  |  | 5,131.46            | 5,131.46            |
| c) <b>Retained Earnings</b>  |  |                     |                     |
| <b>General Reserve</b>   |  |                     |                     |
| As per last Account  |  | 186.04              | 186.04              |
| Add: Amount transferred from surplus in Statement of Profit & Loss |  | 7,313.96            | -                   |
|  |  | 7,500.00            | 186.04              |
| <b>Surplus in the Statement of Profit &amp; Loss</b>               |  |                     |                     |
| As per last Account  |  | 9,766.38            | 7,565.85            |
| Profit for the year  |  | 496.24              | 2,185.43            |
| Remeasurement of net defined benefit liabilities                   |  | 40.31               | 15.10               |
| Transfer to General Reserve  |  | (7,313.96)          | -                   |
|  |  | 2,988.97            | 9,766.38            |
| <b>Total Retained Earnings</b>                                     |  | <b>10,488.97</b>    | <b>9,952.42</b>     |
| d) <b>Equity Investment Reserve</b>                                |  |                     |                     |
| As per last Account  |  | 1.79                | 1.79                |
| Add: Addition during the year                                      |  | 0.50                | -                   |
|  |  | 2.29                | 1.79                |
| <b>TOTAL</b>   |  | <b>15,669.40</b>    | <b>15,132.35</b>    |

### Nature of Reserves

#### a) Capital Reserve

Capital Reserve represents capital receipts, being capital subsidy, received in earlier years.

#### b) Securities Premium

Security Premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

#### c) General Reserve

The General reserve is used from time to time for transfer of profits from surplus in statement of Profit and Loss for appropriation purposes.

#### d) Equity Investment Reserve

This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net off amounts reclassified to retained earnings when those assets have been disposed off.

## 7.1 FINANCIAL LIABILITIES - NON CURRENT

### 7.1.1 BORROWINGS

| Particulars   | As at<br>31.03.2018 | As at<br>31.03.2017 | As at<br>01.04.2016 |
|---|---------------------|---------------------|---------------------|
| <b>Secured Loans</b>  |                     |                     |                     |
| Term Loan   |                     |                     |                     |
| - From Banks  | <b>12,078.26</b>    | 15,775.40           | 18,506.71           |
| Vehicle Loans   |                     |                     |                     |
| - From Banks  | <b>50.86</b>        | 80.89               | 70.87               |
|   | <b>12,129.12</b>    | 15,856.29           | 18,577.58           |
| Less : Current maturities of long term borrowings (Disclosed under Other Current Liabilities under Note No. 8.1.3 ) | <b>3,713.99</b>     | 3,402.51            | 3,386.69            |
|   | <b>8,415.13</b>     | <b>12,453.78</b>    | <b>15,190.89</b>    |

#### i) Details of security for term loans

Term Loans from Banks are secured by Joint Equitable Mortgage by deposit of title deeds on company's immovable properties (present and future) on pari-passu first charge basis and a charge by way of hypothecation of all movable fixed assets subject to prior charge on specified equipments. Term loans are further secured by pari-passu second charge on entire current assets (present and future) and personal guarantee of Managing Director of the company. The loan is repayable in quarterly installments as follows:

##### Repayment Terms

| S.No. | Amount Outstanding | No of remaining Installments | Nature of Installment | Last date of Repayment |
|-------|--------------------|------------------------------|-----------------------|------------------------|
| (a)   | 4.65               | 1                            | Ballooning            | 01.01.2019             |
| (b)   | 157.13             | 3                            | Ballooning            | 01.01.2019             |
| (c)   | 565.84             | 4                            | Ballooning            | 01.01.2019             |
| (d)   | 231.92             | 4                            | Ballooning            | 31.01.2019             |
| (e)   | 481.41             | 4                            | Ballooning            | 31.03.2019             |
| (f)   | 285.07             | 4                            | Ballooning            | 01.04.2019             |
| (g)   | 466.16             | 15                           | Equal                 | 31.10.2021             |
| (h)   | 8101.69            | 15                           | Equal                 | 01.01.2022             |
| (i)   | 1784.39            | 25                           | Equal                 | 01.06.2024             |

#### ii) Details of security for vehicle loans

Vehicle loans from banks are secured by hypothecation of specific assets purchased under such arrangements and is repayable in equated monthly installments as follows:

##### Repayment Terms

| S.No. | Amount Outstanding | No of remaining Installments | Last date of Repayment |
|-------|--------------------|------------------------------|------------------------|
| (a)   | 0.40               | 2                            | 31.05.2018             |
| (b)   | 1.49               | 7                            | 15.10.2018             |
| (c)   | 1.66               | 9                            | 01.12.2018             |
| (d)   | 2.62               | 12                           | 07.12.2019             |
| (e)   | 3.32               | 14                           | 15.05.2019             |
| (f)   | 4.27               | 27                           | 07.07.2020             |
| (g)   | 16.07              | 29                           | 07.08.2020             |
| (h)   | 8.53               | 33                           | 07.12.2020             |
| (i)   | 12.50              | 42                           | 05.09.2021             |

## 7.2 NON-CURRENT PROVISIONS

| Particulars                      | As at<br>31.03.2018 | As at<br>31.03.2017 | As at<br>01.04.2016 |
|----------------------------------|---------------------|---------------------|---------------------|
| Provision for Employee Benefits: |                     |                     |                     |
| - Gratuity                       | 424.53              | 387.90              | 341.79              |
| - Leave Encashment               | 83.78               | 86.88               | 78.82               |
|                                  | <b>508.31</b>       | <b>474.78</b>       | <b>420.61</b>       |

## 7.3 DEFERRED TAX LIABILITIES (NET)

| Particulars   | As at<br>31.03.2018 | As at<br>31.03.2017 | As at<br>01.04.2016 |
|---|---------------------|---------------------|---------------------|
| <b>Deferred Tax Liability / (Asset) relating to:</b>  |                     |                     |                     |
| - Property, plant and equipment and Intangible Assets | 5,737.39            | 5,296.20            | 5,174.65            |
| - Employee Benefits                                   | (282.26)            | (235.59)            | (195.98)            |
| - Unabsorbed Losses                                   | (103.74)            | -                   | -                   |
| - Others  | (8.86)              | (162.37)            | (90.37)             |
|   | <b>5,342.53</b>     | <b>4,898.24</b>     | <b>4,888.30</b>     |

## 7.4 OTHER NON-CURRENT LIABILITIES

| Particulars                         | As at<br>31.03.2018 | As at<br>31.03.2017 | As at<br>01.04.2016 |
|-------------------------------------|---------------------|---------------------|---------------------|
| Deferred Income for Capital subsidy | 313.27              | 197.59              | 212.10              |
|                                     | <b>313.27</b>       | <b>197.59</b>       | <b>212.10</b>       |

## 8.1 FINANCIAL LIABILITIES-CURRENT

### 8.1.1 BORROWINGS

| Particulars                                | As at<br>31.03.2018 | As at<br>31.03.2017 | As at<br>01.04.2016 |
|--|---------------------|---------------------|---------------------|
| <b>Working Capital Limits - Secured</b>    |                     |                     |                     |
| From Banks:                                |                     |                     |                     |
| Working Capital Demand loan                |                     |                     |                     |
| - Foreign Currency Loan                    | 3,280.47            | 3,267.82            | 3,846.23            |
| - Rupee Loan                               | 564.00              | 564.00              | -                   |
| Cash Credit Facilities                     | 4,620.20            | 4,272.93            | 4,455.21            |
| Packing Credit Facilities                  |                     |                     |                     |
| - Foreign Currency Packing Credit          | 1,120.01            | -                   | -                   |
| - Rupee Loan Packing Credit                | 7,378.51            | 8,507.09            | 8,380.65            |
| Bills Discounting Facilities               | 2,800.34            | 3,636.56            | 3,143.21            |
|  | <b>19,763.53</b>    | 20,248.40           | 19,825.30           |
| <b>Unsecured Loan</b>                      |                     |                     |                     |
| From Related parties - Repayable on demand | 121.00              | -                   | -                   |
|  | <b>121.00</b>       | -                   | -                   |
|  | <b>19,884.53</b>    | <b>20,248.40</b>    | <b>19,825.30</b>    |

Working Capital limits are secured by First Charge by Hypothecation of inventories and Book Debts, Second Charge on entire Fixed Assets of the Company on Pari-passu basis with Working Capital lenders and personal guarantee of the Managing Director and a relative of CMD (for certain facilities).

### 8.1.2 TRADE PAYABLES DUE TO OTHERS

| Particulars                           | As at<br>31.03.2018 | As at<br>31.03.2017 | As at<br>01.04.2016 |
|---------------------------------------|---------------------|---------------------|---------------------|
| - Acceptances                         | 11742.73            | 11718.28            | 11868.40            |
| - Dues of Micro and Small Enterprises |                     |                     |                     |
| - Others                              | 6824.86             | 5430.11             | 3776.92             |
|                                       | 18567.59            | 17148.39            | 15645.32            |

### 8.1.3 OTHER FINANCIAL LIABILITIES

| Particulars                                | As at<br>31.03.2018 | As at<br>31.03.2017 | As at<br>01.04.2016 |
|--|---------------------|---------------------|---------------------|
| Current maturities of long-term borrowings | 3,713.99            | 3,402.51            | 3,386.69            |
| Interest accrued but not due on borrowings | 4.14                | 6.32                | 3.87                |
| Interest accrued but due on borrowings     | 9.96                | 3.22                | 16.30               |
| Unclaimed Dividends                        | 0.45                | 0.45                | 0.45                |
| Security deposits                          | 46.70               | 50.84               | 55.39               |
| Creditors for Capital Goods                | 65.51               | 30.22               | 82.15               |
| Other Liabilities                          | 2,521.35            | 2,601.14            | 2,493.50            |
| Derivative Financial Instruments           | 112.28              | -                   | -                   |
|  | 6,474.38            | 6,094.70            | 6,038.35            |

### 8.2 OTHER CURRENT LIABILITIES

| Particulars           | As at<br>31.03.2018 | As at<br>31.03.2017 | As at<br>01.04.2016 |
|-----------------------|---------------------|---------------------|---------------------|
| Statutory Dues        | 599.69              | 570.08              | 581.62              |
| Advance from customer | 298.00              | 227.83              | 204.36              |
|                       | 897.69              | 797.91              | 785.98              |

### 8.3 CURRENT PROVISIONS

| Particulars                             | As at<br>31.03.2018 | As at<br>31.03.2017 | As at<br>01.04.2016 |
|---|---------------------|---------------------|---------------------|
| <b>Provision for Employee Benefits:</b> |                     |                     |                     |
| - Gratuity                              | 124.02              | 61.70               | 19.86               |
| - Leave Encashment                      | 44.78               | 17.61               | 14.38               |
|   | 168.80              | 79.31               | 34.24               |

## 9.1 REVENUE FROM OPERATIONS

| Particulars                      | 2017-18   | 2016-17   |
|----------------------------------|-----------|-----------|
| <b>Sale of Products</b>          |           |           |
| - Yarn                           | 52,254.18 | 52,543.97 |
| - Others                         | 7,029.36  | 6,901.89  |
| - Trading Sale                   | 7,190.20  | 8,182.32  |
|                                  | 66,473.74 | 67,628.18 |
| <b>Sale of Services</b>          |           |           |
| - Processing Income              | 12.42     | -         |
| <b>Other operating revenues:</b> |           |           |
| - Waste & Scrap Sales            | 1,785.95  | 1,576.79  |
| - Sales of Electricity           | 236.04    | 0.30      |
| - Export Incentives              | 973.68    | 1,576.88  |
| - Exchange Rate Variation Gain   | 285.38    | 562.46    |
|                                  | 3,281.05  | 3,716.43  |
|                                  | 69,767.21 | 71,344.61 |
| Less: Excise Duty                | 1.25*     | 5.14      |
|                                  | 69,765.96 | 71,339.47 |

\* For the period upto 30.06.2017

## 9.2 OTHER INCOME

| Particulars              | 2017-18 | 2016-17 |
|--------------------------|---------|---------|
| Interest                 | 107.26  | 126.37  |
| Pro-rata Capital Subsidy | 21.83   | 14.51   |
| Rent                     | 2.44    | 3.66    |
| Dividend                 | 0.38    | 0.31    |
| Insurance Claim          | 12.01   | 0.06    |
| Miscellaneous Income     | 9.55    | 10.01   |
| Liabilities Written Back | 42.39   | -       |
|                          | 195.86  | 154.92  |

## 10.1 COST OF MATERIAL CONSUMED

| Particulars                 | 2017-18   | 2016-17   |
|-----------------------------|-----------|-----------|
| Raw Material                | 34,006.95 | 33,178.66 |
| Dyed and Chemicals Consumed | 2,871.35  | 2,940.36  |
| Packing Material            | 834.05    | 867.84    |
|                             | 37,712.35 | 36,986.86 |

## 10.2 PURCHASE OF STOCK-IN-TRADE

| Particulars       | 2017-18  | 2016-17  |
|-------------------|----------|----------|
| Trading Purchases | 7,078.86 | 7,982.54 |
|                   | 7,078.86 | 7,982.54 |

### 10.3 CHANGE IN INVENTORIES

| Particulars                         | 2017-18          | 2016-17         |
|-------------------------------------|------------------|-----------------|
| <b>Closing Stock</b>                |                  |                 |
| Finished Goods                      | <b>6,234.91</b>  | 6,592.57        |
| Work in progress                    | <b>4,953.68</b>  | 5,175.49        |
| (A)                                 | <b>11,188.59</b> | 11,768.06       |
| <b>Opening Stock</b>                |                  |                 |
| Finished Goods                      | <b>6,592.57</b>  | 5,664.50        |
| Work in progress                    | <b>5,175.49</b>  | 5,109.46        |
| (B)                                 | <b>11,768.06</b> | 10,773.96       |
| (Increase)/Decrease in Stocks (A-B) | <b>579.47</b>    | <b>(994.10)</b> |

### 10.4 EMPLOYEE BENEFIT EXPENSES

| Particulars                             | 2017-18         | 2016-17         |
|---|-----------------|-----------------|
| Salary and allowances                   | <b>5,190.74</b> | 4,828.89        |
| Contribution to Provident & Other Funds | <b>460.99</b>   | 356.24          |
| Staff welfare expenses                  | <b>27.29</b>    | 29.15           |
|   | <b>5,679.02</b> | <b>5,214.28</b> |

### 10.5 FINANCE COSTS

| Particulars   | 2017-18         | 2016-17         |
|---|-----------------|-----------------|
| Interest Expenses   | <b>2,717.97</b> | 3,007.37        |
| (Net of reimbursement under TUFF Rs. 410.96 Lacs; P.Y. 647.63 Lacs) |                 |                 |
| Other Borrowing Cost  | <b>1,879.09</b> | 2,272.74        |
| Loan Processing and other financial charges                         | <b>200.53</b>   | 169.77          |
| Exchange Fluctuation relating to borrowing costs                    | <b>37.63</b>    | (15.82)         |
|   | <b>4,835.22</b> | <b>5,434.06</b> |

### 10.6 DEPRECIATION & AMORTIZATION EXPENSES

| Particulars                   | 2017-18         | 2016-17         |
|-------------------------------|-----------------|-----------------|
| Relating to :                 |                 |                 |
| - Property, plant & equipment | <b>2,463.38</b> | 2,732.11        |
| - Intangible Assests          | <b>7.37</b>     | 6.45            |
|                               | <b>2,470.75</b> | <b>2,738.56</b> |

## 10.7 OTHER EXPENSES

| Particulars                                 | 2017-18          | 2016-17          |
|---|------------------|------------------|
| Conversion Charges                          | 93.95            | 197.09           |
| Consumption of Stores, Spares & Consumables | 1,212.66         | 1,366.93         |
| Power and Fuel                              | 5,566.96         | 5,235.62         |
| Repairs and Maintenance :                   |                  |                  |
| Buildings                                   | 3.72             | 5.09             |
| Machinery                                   | 87.73            | 55.44            |
| Rent  | 56.66            | 46.86            |
| Rates & Taxes                               | 67.71            | 77.90            |
| Insurance                                   | 103.37           | 95.87            |
| Freight & Handling Charges                  | 1,524.67         | 1,107.10         |
| Commission                                  | 735.63           | 1,017.02         |
| Travelling Expenses                         | 305.81           | 315.24           |
| Bad Debts                                   | -                | 17.20            |
| Provision for Doubtful Debts                | 0.30             | 0.75             |
| Expenses of CSR Activities                  | -                | 52.63            |
| (Profit)/Loss on sale of Fixed Assets (Net) | (19.13)          | 13.09            |
| Miscellaneous Expenses                      | 1,177.85         | 1,329.19         |
|   | <b>10,917.89</b> | <b>10,933.02</b> |

## 11 TAX EXPENSES

| Particulars                               | 2017-18         | 2016-17         |
|---|-----------------|-----------------|
| <b>Current tax</b>                        |                 |                 |
| Income Tax                                | 153.47          | 1,011.79        |
| Less : MAT Credit availed during the year | (153.47)        | -               |
| Mat Credit for earlier years              | (280.46)        | -               |
| Tax Adjustments for earlier year          | 49.79           | -               |
|   | <b>(230.67)</b> | <b>1,011.79</b> |
| <b>Deferred Tax</b>                       |                 |                 |
| Deferred Tax                              | 422.69          | 1.95            |
|   | <b>192.02</b>   | <b>1,013.74</b> |

(i) The major components of tax expense for the years ended 31st March 2018 and 31st March 2017 are:

| Particulars  | 2017-18         | 2016-17         |
|--|-----------------|-----------------|
| <b>Current Tax:</b>  |                 |                 |
| Current tax expenses for current year                                | 153.47          | 1,011.79        |
| MAT Tax Credit pertaining to current year                            | (153.47)        | -               |
| MAT Tax Credit pertaining to prior periods                           | (280.46)        | -               |
| Tax expenses pertaining to prior periods                             | 49.79           | -               |
|  | <b>(230.67)</b> | <b>1,011.79</b> |
| Deferred tax obligations   | 422.69          | 1.95            |
| <b>Total tax expense reported in the statement of profit or loss</b> | <b>192.02</b>   | <b>1,013.74</b> |



- (ii) The reconciliation of estimated income tax expense at statutory income tax rate to income tax expenses reported in statement of profit and loss is as follows:

| Particulars                     | 2017-18        | 2016-17  |
|---------------------------------|----------------|----------|
| <b>Profit before income tax</b> | <b>688.26</b>  | 3,199.17 |
| At statutory income tax rate    | <b>34.608%</b> | 34.608%  |
| Expected Income Tax expenses    | <b>238.19</b>  | 1,107.17 |

Tax effects of adjustments to reconcile expected income tax expense to reported income tax expense

| Particulars  | 2017-18         | 2016-17         |
|--|-----------------|-----------------|
| Depreciation Difference  | <b>94.90</b>    | (87.95)         |
| Non deductible expenses for tax purposes                       | <b>223.19</b>   | 275.90          |
| Weighted deduction for R & D Expenses u/s 35 of Income Tax Act | <b>(58.67)</b>  | -               |
| Tax pertaing to prior periods                                  | <b>(230.67)</b> | -               |
| Others (Net)   | <b>(74.93)</b>  | (281.39)        |
| <b>Total Income Tax expenses</b>                               | <b>192.02</b>   | <b>1,013.74</b> |

- (iii) Significant components of net deferred tax assets and liabilities for the year ended on 31st March, 2018 is as follows:

|   | Opening Balance | Recognised/<br>reversed through<br>Profit and Loss | Recognised/<br>reversed in other<br>comprehensive<br>income | Closing Balance |
|---|-----------------|--|---|-----------------|
| <b>Deferred Tax (Assets)/Liabilites in relation to:</b> |                 |  |   |                 |
| Property, plant and equipment and Intangible Assets     | 5,296.20        | 441.19   | -   | 5,737.39        |
| Employee Benefits                                       | (235.59)        | (68.00)  | 21.33   | (282.26)        |
| Unabsorbed Losses                                       | -               | (103.74)   | -   | (103.74)        |
| Others  | (162.37)        | 153.24   | 0.27  | (8.86)          |
| <b>Net Deferred Tax (Assets)/Liabilities</b>            | <b>4,898.24</b> | <b>422.69</b>                                      | <b>21.60</b>  | <b>5,342.53</b> |

Significant components of net deferred tax assets and liabilities for the year ended on 31st March, 2017 is as follows:

|   | Opening Balance | Recognised/<br>reversed through<br>Profit and Loss | Recognised/<br>reversed in other<br>comprehensive<br>income | Closing Balance |
|---|-----------------|--|---|-----------------|
| <b>Deferred Tax (Assets)/Liabilites in relation to:</b> |                 |  |   |                 |
| Property, plant and equipment and Intangible Assets     | 5,174.65        | 121.55   | -   | 5,296.20        |
| Employee Benefits                                       | (195.98)        | (47.60)  | 7.99  | (235.59)        |
| Unabsorbed Losses                                       | -               | -  | -   | -               |
| Others  | (90.37)         | (72.00)  | -   | (162.37)        |
| <b>Net Deferred Tax (Assets)/Liabilities</b>            | <b>4,888.30</b> | <b>1.95</b>  | <b>7.99</b>   | <b>4,898.24</b> |

## 12 FINANCIAL INSTRUMENTS

### 12.1 Financial Instruments by category

The carrying value of financial instruments by categories as on 31st March, 2018 were as follows:

| Particulars  | Note Reference | Fair Value through Profit & Loss | Fair Value through OCI | Amortised Cost   | Total Carrying Value | Total Fair Value |
|--|----------------|----------------------------------|------------------------|------------------|----------------------|------------------|
| <b><u>Financial Assets</u></b>                               |                |                                  |                        |                  |                      |                  |
| Investments  |                |                                  |                        |                  |                      |                  |
| - Equity Instruments (other than subsidiary, Joint ventures) | 4.4.1          | -                                | 5.66                   | -                | 5.66                 | 5.66             |
| - Trade receivables  | 5.2.1          | -                                | -                      | 12,301.98        | 12,301.98            | 12,301.98        |
| - Cash and cash equivalents                                  | 5.2.2          | -                                | -                      | 119.94           | 119.94               | 119.94           |
| - Bank Balances other than Cash and Cash Equivalents         | 5.2.2.1        | -                                | -                      | 1,453.79         | 1,453.79             | 1,453.79         |
| - Loans  | 5.2.3          | -                                | -                      | 38.71            | 38.71                | 38.71            |
| - Other financial assets                                     | 5.2.4          | -                                | -                      | 8.60             | 8.60                 | 8.60             |
| <b>Total Financial Assets</b>                                |                | -                                | <b>5.66</b>            | <b>13,923.02</b> | <b>13,928.68</b>     | <b>13,928.68</b> |
| <b><u>Financial Liabilities</u></b>                          |                |                                  |                        |                  |                      |                  |
| - Long Term Borrowings                                       | 7.1.1          | -                                | -                      | 8,415.13         | 8,415.13             | 8,415.13         |
| - Short Term Borrowings                                      | 8.1.1          | -                                | -                      | 19,884.53        | 19,884.53            | 19,884.53        |
| - Trade Payables   | 8.1.2          | -                                | -                      | 18,567.59        | 18,567.59            | 18,567.59        |
| - Other Financial Liabilities                                | 8.1.3          | 112.28                           | -                      | 6,362.10         | 6,474.38             | 6,474.38         |
| <b>Total Financial Liabilities</b>                           |                | <b>112.28</b>                    | -                      | <b>53,229.35</b> | <b>53,341.63</b>     | <b>53,341.63</b> |

The carrying value of financial instruments by categories as on 31st March, 2017 were as follows:

| Particulars  | Note Reference | Fair Value through Profit & Loss | Fair Value through OCI | Amortised Cost   | Total Carrying Value | Total Fair Value |
|--|----------------|----------------------------------|------------------------|------------------|----------------------|------------------|
| <b><u>Financial Assets</u></b>                               |                |                                  |                        |                  |                      |                  |
| Investments  |                |                                  |                        |                  |                      |                  |
| - Equity Instruments (other than subsidiary, Joint ventures) | 4.4.1          | -                                | 4.89                   | -                | 4.89                 | 4.89             |
| - Trade receivables  | 5.2.1          | -                                | -                      | 13,055.49        | 13,055.49            | 13,055.49        |
| - Cash and cash equivalents                                  | 5.2.2          | -                                | -                      | 118.81           | 118.81               | 118.81           |
| - Bank Balances other than Cash and Cash Equivalents         | 5.2.2.1        | -                                | -                      | 1,490.25         | 1,490.25             | 1,490.25         |
| - Loans  | 5.2.3          | -                                | -                      | 5.24             | 5.24                 | 5.24             |
| - Other financial assets                                     | 5.2.4          | 145.24                           | -                      | 10.41            | 155.65               | 155.65           |
| <b>Total Financial Assets</b>                                |                | <b>145.24</b>                    | <b>4.89</b>            | <b>14,680.20</b> | <b>14,830.33</b>     | <b>14,830.33</b> |

| Particulars                        | Note Reference | Fair Value through Profit & Loss | Fair Value through OCI | Amortised Cost   | Total Carrying Value | Total Fair Value |
|------------------------------------|----------------|----------------------------------|------------------------|------------------|----------------------|------------------|
| <b>Financial Liabilities</b>       |                |                                  |                        |                  |                      |                  |
| - Long Term Borrowings             | 7.1.1          | -                                | -                      | 12,453.78        | 12,453.78            | 12,453.78        |
| - Short Term Borrowings            | 8.1.1          | -                                | -                      | 20,248.40        | 20,248.40            | 20,248.40        |
| - Trade Payables                   | 8.1.2          | -                                | -                      | 17,148.39        | 17,148.39            | 17,148.39        |
| - Other Financial Liabilities      | 8.1.3          | -                                | -                      | 6,094.70         | 6,094.70             | 6,094.70         |
| <b>Total Financial Liabilities</b> |                | -                                | -                      | <b>55,945.27</b> | <b>55,945.27</b>     | <b>55,945.27</b> |

The carrying value of financial instruments by categories as on 1st April, 2016 were as follows:

| Particulars  | Note Reference | Fair Value through Profit & Loss | Fair Value through OCI | Amortised Cost   | Total Carrying Value | Total Fair Value |
|--|----------------|----------------------------------|------------------------|------------------|----------------------|------------------|
| <b>Financial Assets</b>                                      |                |                                  |                        |                  |                      |                  |
| Investments  |                |                                  |                        |                  |                      |                  |
| - Equity Instruments (other than subsidiary, Joint ventures) | 4.4.1          | -                                | 4.89                   | -                | 4.89                 | 4.89             |
| - Trade receivables  | 5.2.1          | -                                | -                      | 10,946.64        | 10,946.64            | 10,946.64        |
| - Cash and cash equivalents                                  | 5.2.2          | -                                | -                      | 89.70            | 89.70                | 89.70            |
| - Bank Balances other than Cash and Cash Equivalents         | 5.2.2.1        | -                                | -                      | 1,391.61         | 1,391.61             | 1,391.61         |
| - Loans  | 5.2.3          | -                                | -                      | 16.45            | 16.45                | 16.45            |
| - Other financial assets                                     | 5.2.4          | 16.71                            | -                      | 10.72            | 27.43                | 27.43            |
| <b>Total Financial Assets</b>                                |                | <b>16.71</b>                     | <b>4.89</b>            | <b>12,455.12</b> | <b>12,476.72</b>     | <b>12,476.72</b> |
| <b>Financial Liabilities</b>                                 |                |                                  |                        |                  |                      |                  |
| - Long Term Borrowings                                       | 7.1.1          | -                                | -                      | 15,190.89        | 15,190.89            | 15,190.89        |
| - Short Term Borrowings                                      | 8.1.1          | -                                | -                      | 19,825.30        | 19,825.30            | 19,825.30        |
| - Trade Payables   | 8.1.2          | -                                | -                      | 15,645.32        | 15,645.32            | 15,645.32        |
| - Other Financial Liabilities                                | 8.1.3          | -                                | -                      | 6,038.35         | 6,038.35             | 6,038.35         |
| <b>Total Financial Liabilities</b>                           |                | -                                | -                      | <b>56,699.86</b> | <b>56,699.86</b>     | <b>56,699.86</b> |

### **Management estimations and assumptions**

- a) The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- b) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:
  - (i) The fair values of the unquoted equity shares have been determined based on certifications from valuers who have used Net Asset Value approach for determining the fair values.
  - (ii) The fair values of the derivative financial instruments have been determined based on the exchange rates prevailing as at year end.

## 12.2 Fair Value Measurement

### (i) Fair Value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The company's policy is to recognize transfers into and the transfers out of fair value hierarchy levels as at the end of the reporting period. There are no transfers between level 1 and level 2 during the end of the reported periods.

### (ii) The following table presents fair value hierarchy of assets and liabilities measured at fair value:

As at 31st March 2018

| Particulars   | Note Reference | Fair value measurement at end of the reporting period/year using |         |         |
|---|----------------|--|---------|---------|
|   |                | Level 1  | Level 2 | Level 3 |
| <b>Long term Investments</b>  |                |  |         |         |
| Fair Value through OCI (Equity instruments designated upon initial recognition) | 4.4.1          | -  | -       | 5.66    |
| <b>Other financial current Liabilities</b>                                      |                |  |         |         |
| - Derivative financial instruments  | 8.1.3          | -  | 112.28  | -       |

As at 31st March 2017

| Particulars   | Note Reference | Fair value measurement at end of the reporting period/year using |         |         |
|---|----------------|--|---------|---------|
|   |                | Level 1  | Level 2 | Level 3 |
| <b>Long term Investments</b>  |                |  |         |         |
| Fair Value through OCI (Equity instruments designated upon initial recognition) | 4.4.1          | -  | -       | 4.89    |
| <b>Other financial current assets</b>   |                |  |         |         |
| - Derivative financial instruments  | 5.2.4          | -  | 145.24  | -       |

As at 31st March 2016

| Particulars   | Note Reference | Fair value measurement at end of the reporting period/year using |         |         |
|---|----------------|--|---------|---------|
|   |                | Level 1  | Level 2 | Level 3 |
| <b>Long term Investments</b>  |                |  |         |         |
| Fair Value through OCI (Equity instruments designated upon initial recognition) | 4.4.1          | -  | -       | 4.89    |
| <b>Other financial current assets</b>   |                |  |         |         |
| - Derivative financial instruments  | 5.2.4          | -  | 16.71   | -       |

## 12.3 Financial Risk Management

The principal financial assets of the Company include loans, trade and other receivables, and cash and bank balances that derive directly from its operations. The principal financial liabilities of the company, include loans and borrowings, trade and other payables and the main purpose of these financial liabilities is to finance the day to day operations of the company.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and that advises on financial risks and the appropriate financial risk governance framework for the Company.

This note explains the risks which the company is exposed to and policies and framework adopted by the company to manage these risks:

### Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk: foreign currency risk, interest rate risk, investment risk.

#### (i) Foreign currency risk

The company operates internationally and business is transacted in several currencies.

The export sales of company included in the total sales of the company, Further the company also imports certain assets and material from outside India. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently the company is exposed to foreign currency risk and the results of the company may be affected as the rupee appreciates/ depreciates against foreign currencies. Foreign exchange risk arises from the future probable transactions and recognized assets and liabilities denominated in a currency other than company's functional currency.

The company measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency risk by appropriately hedging the transactions. The Company uses a combination of derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

- (a) The following table summarizes the company's exposure to foreign currency risk from financial instruments at the end of each reporting period:

| Particulars                                  | Amount in Document Currency |               | Amount in INR Currency |               |
|--|-----------------------------|---------------|------------------------|---------------|
|  | Current Year                | Previous Year | Current Year           | Previous Year |
| Exposure on account of Financial Assets      |                             |               |                        |               |
| Trade receivables (net of bill discounted)   |                             |               |                        |               |
| - In USD                                     | <b>35,22,315.22</b>         | 36,97,227.96  | <b>2,295.49</b>        | 2,396.96      |
| - In Euro                                    | <b>71,311.71</b>            | 19,268.70     | <b>57.18</b>           | 13.35         |
| - In AED                                     | -                           | 1,35,046.09   | -                      | 23.85         |
| Exposure on account of Financial Liabilities |                             |               |                        |               |
| Trade Payables                               |                             |               |                        |               |
| - In USD                                     | <b>3,43,033.00</b>          | 2,90,884.58   | <b>223.59</b>          | 188.65        |
| - In Euro                                    | <b>38,073.89</b>            | 72,998.85     | <b>30.53</b>           | 50.57         |
| - In CHF                                     | <b>27,171.31</b>            | 17,966.16     | <b>18.51</b>           | 11.64         |
| - In NZL Dollar                              | <b>2,484.00</b>             | -             | <b>1.17</b>            | -             |

| Particulars                     | Amount in Document Currency |               | Amount in INR Currency |               |
|---------------------------------|-----------------------------|---------------|------------------------|---------------|
|                                 | Current Year                | Previous Year | Current Year           | Previous Year |
| Advance From Customer           |                             |               |                        |               |
| - In USD                        | <b>4,48,685.37</b>          | 3,50,074.09   | <b>293.38</b>          | 239.68        |
| - In Euro                       | <b>986.45</b>               | -             | <b>0.78</b>            | -             |
| - In AED                        | <b>938.85</b>               | 34,889.15     | <b>0.17</b>            | 6.41          |
| Foreign Currency Loan           |                             |               |                        |               |
| - In USD                        | <b>50,32,947.16</b>         | 49,94,808.88  | <b>3,280.47</b>        | 3,271.04      |
| Packing Credit Foreign Currency |                             |               |                        |               |
| - In USD                        | <b>17,18,600.00</b>         | -             | <b>1,120.01</b>        | -             |
| Foreign Commission Payable      |                             |               |                        |               |
| - In USD                        | <b>1,20,478.19</b>          | 1,83,245.40   | <b>78.53</b>           | 118.84        |
| - In Euro                       | <b>8,745.47</b>             | 317.59        | <b>7.01</b>            | 0.22          |

- (b) Forward Contracts of Rs. 6378.52 Lacs-US \$ 99.05 Lacs (Previous Year Rs 4472.16 Lacs -US\$ 65.95 Lacs and Rs 36.78 Lacs–Euro 0.51 Lacs ) taken for the purpose of hedging against outstanding of future orders as on 31.03.18.

**(ii) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements. The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

At the reporting date the interest rate profile of the Company's interest bearing financial instrument is at its fair value:

| Particulars                          | As at 31st March, 2018 | As at 31st March, 2017 |
|--------------------------------------|------------------------|------------------------|
| <b>Variable rate instruments</b>     |                        |                        |
| Long term borrowings                 | <b>12,129.12</b>       | 15,856.29              |
| Current maturities of long term debt | <b>3,713.99</b>        | 3,402.51               |
| Short term borrowings                | <b>19,763.53</b>       | 20,248.40              |

### (iii) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured. Credit risk on cash and bank balances is limited as the company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. The Company's credit risk in case of all other financial instruments is negligible.

The company assesses the credit risk based on external credit ratings assigned by credit rating agencies. The company also assesses the creditworthiness of the customers internally to whom goods are sold on credit terms in the normal course of business. The credit limit of each customer is defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to overseas customers are generally covered by letters of credit.

The impairment analysis is performed on client to client basis for the debtors that are past due at the end of each reporting date. The company has not considered an allowance for doubtful debts in case of trade receivables that are past due but there has not been a significant change in the credit quality and the amounts are still considered recoverable.

### Write off policy

The financials assets are written off incase there is no reasonable expectation of recovering from the financial asset.

## 13 EARNINGS PER SHARE

- (a) The calculation of Earning Per Share (EPS) as disclosed in the statement of profit and loss has been made in accordance with Indian Accounting Standard (Ind AS)-33 on "Earning Per Share"
- (i) A statement on calculation of basic & Diluted EPS is as under:

| Particulars  | Year ended<br>31.03.2018 | Year ended<br>31.03.2017 |
|--|--------------------------|--------------------------|
| Net Profit after tax attributable to equity shareholders | 537.05                   | 2,200.53                 |
| <b>Total (A)</b>   | <b>537.05</b>            | 2,200.53                 |
| Weighted average number of equity shares (No in lac)     | 1,982.00                 | 1,982.00                 |
| <b>Total (B)</b>   | <b>1,982.00</b>          | 1,982.00                 |
| Basic earning per Share (Rs.) (A)/(B)                    | 2.71                     | 11.10                    |
| Diluted earning per Share (Rs.)* (A)/(B)                 | 2.71                     | 11.10                    |
| Face value per equity share (Rs.)                        | 10                       | 10                       |

## 14 CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR):-

| S. No. | Particulars                         | As at<br>31st March,<br>2018 | As at<br>31st March,<br>2017 | As at<br>1st April,<br>2016 |
|--------|-------------------------------------|------------------------------|------------------------------|-----------------------------|
|        | <b>Contingent Liabilities</b>       |                              |                              |                             |
| (i)    | Excise / Service Tax Matters        | 4.06                         | 6.11                         | 31.23                       |
| (ii)   | Outstanding Bank Guarantees         | 941.31                       | 766.51                       | 689.81                      |
| (iii)  | Claims against company not accepted | 8.65                         | 8.65                         | 8.65                        |

- (iv) Custom duty saved of Rs. 1006.87 Lacs (Previous year Rs. 685.37 Lacs ) for import of capital good made under EPCG scheme against which export obligations amounting to Rs. 6041.22 Lacs (Previous year Rs. 4112.20 Lacs) pending.
- (v) Interest on contested demand of entry tax, amount whereof is not ascertainable.
- (vi) 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.

- 15** Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 62.18 Lacs (Previous year Rs. 379.43 Lacs) {(net of advances of Rs. 13.31 Lacs)(Previous year Rs. 211.35 Lacs)}.
- 16** In view of the management, no provision is required in respect of receivable of Rs. 1089.44 lacs from a body corporate whose net worth has been fully eroded, in view of future prospects of revival and also as the company is in the process of rehabilitation. Under these circumstances, the due date of payment will be mutually decided.
- 17** 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 supplied electricity H.P.S.E.B.L till 31st January, 2018 and is being captively consumed thereafter. 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 11<sup>th</sup> 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.
- 18** 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. 18.29 Lacs). In the opinion of the management, these outstanding are good and fully recoverable, hence no provision there against is considered necessary.
- 19** Balances of loans and advances sundry creditors and other liabilities are in the process of confirmation / reconciliation.
- 20** In accordance with the Accounting Standards (IndAS-36) 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.
- 21** 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 :

| Particulars  | 2017-18      | 2016-17      |
|--|--------------|--------------|
| Opening Balance  | 14.77        | 29.75        |
| Interest   | -            | 20.11        |
| Other Borrowing Costs (Include Loan processing fees, etc.) | -            | 12.10        |
| <b>Total</b>   | <b>14.77</b> | <b>61.96</b> |
| Less: Allocated/Appropriated                               | 14.77        | 47.19        |
| Closing balance  | -            | 14.77        |



- 22** The Company has not received full information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures 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 schedule III of companies Act, of the above said Act the following information is disclosed:-

| Sr. No. | Particulars   | 2017-18 | 2016-17 |
|---------|---|---------|---------|
| 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.   | -       | -       |

## 23 SEGMENT INFORMATION

- (i) Business segments have been identified based on the nature and class of products and services, assessment of differential risks and returns. Accordingly, company is a single segment company operating in textile business (Yarn, Fabric and allied activities) and disclosure requirements as contained in Ind AS- 108 'Operating Segments' are not required in the financial statements.
- (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) :

|       | Particulars   | 2017-18          | 2016-17   |
|-------|---|------------------|-----------|
| (i)   | Revenue-Sales (Net)                                     |                  |           |
|       | - Within india  | <b>44,195.12</b> | 43,442.88 |
|       | - Outside india   | <b>25,570.84</b> | 27,896.59 |
|       | <b>Total</b>  | <b>69,765.96</b> | 71,339.47 |
| (ii)  | Carrying amount of segment assets by location of assets |                  |           |
|       | - Within india  | <b>75,870.96</b> | 77,073.29 |
|       | - Outside india   | <b>2,352.67</b>  | 2,434.16  |
|       | <b>Total</b>  | <b>78,223.63</b> | 79,507.45 |
| (iii) | Capital Expenditure                                     |                  |           |
|       | - Within india  | <b>829.76</b>    | 1,252.57  |
|       | - Outside india   | <b>361.01</b>    | 922.81    |
|       | <b>Total</b>  | <b>1,190.77</b>  | 2,175.38  |

## 24 RELATED PARTY DISCLOSURE

Related parties and transactions with them as specified in the Ind-AS 24 on “Related Parties Disclosures” prescribed under Companies (Accounting Standards) Rules, 2015 has been identified and given below on the basis of information available with the company and the same has been relied upon by the auditors.

### Significant influenced entities

| Particulars   | Country                        | Holding as at |            |            |
|---|--------------------------------|---------------|------------|------------|
|   |                                | 31.03.2018    | 31.03.2017 | 01.04.2016 |
| a) <b>Name of Subsidiary</b>                            |                                | -             | -          | -          |
| b) <b>List of Joint Ventures</b>                        |                                | -             | -          | -          |
| c) <b>Other related parties</b>                         |                                |               |            |            |
| (i) <b>Key management personnel and their relatives</b> | <b>Relationship</b>            |               |            |            |
| Shri Ashish Bagrodia                                    | Chairman cum Managing Director |               |            |            |
| Shri Anil Sharma  | Chief Executive Officer^       |               |            |            |
| Shri Sanjay Kedia                                       | Chief Financial Officer^       |               |            |            |
| Shri Videshwar Sharma                                   | Company Secretary^             |               |            |            |
| Shri Satish Bagrodia                                    | Advisor (Relative of CMD)      |               |            |            |

^ Pursuant to the Companies Act, 2013

### (ii) Enterprise where Key Management Personnel & their relative have significant influence

|  |       |
|--|-------|
| Star point Financial Services (P) Ltd. | India |
| Winsome Yarns Limited                  | India |
| Roselab Commodities Pvt. Ltd           | India |
| Kailashpati Vinimay Pvt. Ltd.          | India |

Transactions with the Related Parties :-

| Nature of Transactons           | 2017-18<br>Other related parties | 2016-17<br>Other related parties |
|---------------------------------|----------------------------------|----------------------------------|
| <b>Income</b>                   | -                                | -                                |
| <b>Expenses</b>                 |                                  |                                  |
| Rent                            | 16.20                            | 16.20                            |
| Interest                        | 1.11                             | -                                |
| Reimbursement of Expenses (Net) | (1.05)                           | (0.68)                           |
| <b>Year End Receivable</b>      |                                  |                                  |
| Trade Receivable                | 1,090.66                         | 1,090.76                         |
| Loans and advances to employees | 129.05                           | 22.10                            |
| <b>Year End Payable</b>         |                                  |                                  |
| Unsecured Loan                  | 121.00                           | -                                |
| Other Financial Liabilities     | 11.75                            | 13.73                            |

The table below describes the compensation to key managerial personnel:

| Particulars                  | Year Ended 31 March, 2018 | Year Ended 31 March, 2017 |
|------------------------------|---------------------------|---------------------------|
| Short term employee benefits | 290.23                    | 300.10                    |
| Post employment benefits     |                           |                           |
| Defined contribution plan    | -                         | -                         |
| Defined benefit plan         | 63.45                     | 42.26                     |
| Other long term benefit      | -                         | -                         |
| <b>Total</b>                 | <b>353.68</b>             | <b>342.36</b>             |

- 25** Managerial remuneration paid/provided to Managing Director during the year ended 31st March, 2018 which has exceeded the limit prescribed under section 197 read with schedule V to the Companies Act, 2013, by Rs. 28.29 Lakhs. The Company is in the process of filing waiver application with the Central Government for the above excess remuneration and pending application and receipt of the approval, no adjustments to financial statements have been made to show this amount as recoverable.
- 26** The disclosures required under Ind-AS -19, Employee Benefits, notified in the Companies (Accounting Standard) Rules, 2015 are given below, based on the Actuarial Report certified by a Practicing Actuary.

|   | 2017-18 | 2016-17 |
|---|---------|---------|
| <b>Defined Contribution Plan</b>  |         |         |
| Contribution to Defined Contribution Plan, charged off for the year are as under: |         |         |
| Employer's Contribution to Provident & Pension Fund                               | 375.97  | 282.40  |
| Employer's Contribution to ESIC Scheme  | 85.02   | 73.84   |

#### Defined Benefit Plan

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises 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.

| Particulars   | Leave Encashment (Unfunded) |          | Gratuity (Unfunded) |         |
|---|-----------------------------|----------|---------------------|---------|
|   | 2017-18                     | 2016-17  | 2017-18             | 2016-17 |
| a. Movement in present value of defined benefit obligations |                             |          |                     |         |
| Present value of obligation at the beginning of the year    | 104.49                      | 93.20    | 483.45              | 436.64  |
| Current Service Cost  | 24.25                       | 59.52    | 105.58              | 84.17   |
| Interest Cost   | 7.55                        | 6.52     | 34.19               | 30.56   |
| Remeasurements - Actuarial (gains)/losses                   | 40.42                       | 50.42    | (61.51)             | (22.65) |
| Benefits paid   | (48.15)                     | (105.17) | (47.31)             | (45.27) |
| Past Service Cost   | -                           | -        | 38.26               | -       |
| Present value of obligation at the end of the year          | 128.56                      | 104.49   | 552.66              | 483.45  |

| Particulars  | Leave Encashment (Unfunded) |         | Gratuity (Unfunded) |         |
|--|-----------------------------|---------|---------------------|---------|
|  | 2017-18                     | 2016-17 | 2017-18             | 2016-17 |
| b. Reconciliation of fair value of assets and obligations                                |                             |         |                     |         |
| Present value of obligation at the end of the year                                       | <b>128.56</b>               | 104.49  | <b>552.66</b>       | 483.45  |
| Fair Value of Plan assets as at the end of the year                                      | -                           | -       | <b>4.11</b>         | 33.85   |
| Net liability recognised in Balance Sheet  | <b>128.56</b>               | 104.49  | <b>548.55</b>       | 449.60  |
| c. Amount recognised in the Statement of Profit and Loss under Employee Benefit Expenses |                             |         |                     |         |
| Current Service Cost   | <b>24.25</b>                | 59.52   | <b>105.58</b>       | 84.17   |
| Interest Cost  | <b>7.55</b>                 | 6.52    | <b>34.19</b>        | 30.56   |
| Past Service Cost  | -                           | -       | <b>38.26</b>        | -       |
| Remeasurements - Actuarial (gains)/losses  | <b>40.42</b>                | 50.42   | -                   | -       |
| Expected return on plan assets   | -                           | -       | <b>(1.28)</b>       | (3.69)  |
| Net expenses recognised in the statement of Profit and Loss                              | <b>72.22</b>                | 116.46  | <b>176.75</b>       | 111.04  |
| d. Amount recognised in the other comprehensive income                                   |                             |         |                     |         |
| Return on plan assets  | -                           | -       | <b>(0.13)</b>       | (0.44)  |
| Effect of change in demographic assumptions  | -                           | -       | -                   | -       |
| Effect of change in financial assumptions  | -                           | -       | <b>(19.54)</b>      | 39.81   |
| Effect of experience adjustments   | -                           | -       | <b>(41.97)</b>      | (62.46) |
| Net expenses recognised in the other comprehensive income                                | -                           | -       | <b>(61.64)</b>      | (23.09) |

e. The weighted-average assumptions used to determine net periodic benefit cost are set out below:

|  |                 |          |                 |          |
|--|-----------------|----------|-----------------|----------|
| Mortality Table (IALM Ultimate)          | <b>2006-08</b>  | 2006-08  | <b>2006-08</b>  | 2006-08  |
| Interest rate for discounting            | <b>7.83%</b>    | 7.00%    | <b>7.83%</b>    | 7.00%    |
| Rate of escalation in salary (per annum) | <b>5.00%</b>    | 5.00%    | <b>5.00%</b>    | 5.00%    |
| Expected Return on Plan Assets           | <b>N.A.</b>     | N.A.     | <b>7.83%</b>    | 7.00%    |
| Withdrawal Rate                          | <b>10.00%</b>   | 10.00%   | <b>10.00%</b>   | 10.00%   |
| Retirement Age                           | <b>58 Years</b> | 58 Years | <b>58 Years</b> | 58 Years |

f. The quantitative sensitivity analysis on net liability recognized on account of change in significant assumptions:

| Particulars                                      |               |  |                |  |
|--|---------------|--|----------------|--|
| Discount Rate 100 basis points Increase          | <b>(9.82)</b> |  | <b>(41.57)</b> |  |
| Discount Rate 100 basis points Decrease          | <b>10.61</b>  |  | <b>45.63</b>   |  |
| Salary Escalation Rate 100 basis points Increase | <b>9.57</b>   |  | <b>37.89</b>   |  |
| Salary Escalation Rate 100 basis points Decrease | <b>(8.31)</b> |  | <b>(34.01)</b> |  |
| Withdrawal Rate 25% Increase                     | <b>(1.96)</b> |  | <b>(10.59)</b> |  |
| Withdrawal Rate 25% Decrease                     | <b>1.47</b>   |  | <b>9.15</b>    |  |

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant.

g. Maturity profile of defined benefit obligation:

|               | Leave Pay | Gratuity |
|---------------|-----------|----------|
| Within 1 year | -         | 124.02   |
| 1-2 Year      | -         | 50.45    |
| 2-3 Year      | -         | 61.92    |
| 3-4 Year      | -         | 59.75    |
| 4-5 Year      | -         | 54.48    |
| Above 5 years | -         | 197.93   |
|               | -         | 548.55   |

**27** During the year Research and Development expenditure (net) amounting to Rs. 115.23 Lacs (Previous year Rs. 340.93 Lacs) have been charged to Statement of Profit and Loss in respective heads of the accounts & Capital Expenditure of Rs. 166.84 Lacs (previous year Rs. 61.80 Lacs), has been capitalized under the R & D Assets.

| Particulars   | 2017-18       | 2016-17       |
|---|---------------|---------------|
| Raw Material  | 340.70        | 63.59         |
| Employee Cost   | 80.81         | 261.63        |
| Store & Spares  | 70.14         | 15.71         |
| Power & Fuel  | 77.28         | -             |
| Total Recurring Expenses                                  | 568.93        | 340.93        |
| Less: Sale Consideration                                  | 453.70        | -             |
| Net Recurring Expenses                                    | 115.23        | 340.93        |
| <b>Total Capital Expenditure</b>                          | <b>166.84</b> | <b>61.80</b>  |
| <b>Total R&amp;D Expenses (Incl. Capital Expenditure)</b> | <b>282.07</b> | <b>402.73</b> |

**28** Auditors Remuneration (Excluding Service Tax/GST)

(a) Statutory Audit

| Particulars               | 2017-18 | 2016-17 |
|---------------------------|---------|---------|
| Audit Fee                 | 15.00   | 4.10    |
| Tax Audit Fee             | 2.10    | 0.35    |
| Other Services            | 7.50    | 0.10    |
| Certification Fees        | 0.95    | 0.88    |
| Reimbursement of expenses | 1.34    | 2.35    |

(b) Cost Audit

| Particulars    | 2017-18 | 2016-17 |
|----------------|---------|---------|
| Cost Audit Fee | 0.70    | 0.70    |
| Other Service  | -       | 0.10    |

(c) Other

| Particulars           | 2017-18 | 2016-17 |
|-----------------------|---------|---------|
| Secretarial audit fee | 0.55    | 0.55    |

**29** In view of the management, the company should be able to utilise the MAT credit entitlement of Rs. 2534.87 Lacs (PY 2100.94) based upon future prospects and hence, the same has been recognised as an assets under the head "Current Tax Assets-Net"

### 30 Corporate Social Responsibility Expenditure

| Particulars   | 2017-18      | 2016-17 |
|---|--------------|---------|
| Amount required to be spent as per Section 135 of the Act | <b>55.09</b> | 52.63   |
| Amount spent during the year                              |              |         |
| - Actual Expenditure (Including Administrative Overheads) | -            | 52.63   |
| - Qualifying Expenditure                                  | -            | 52.63   |

**31** During the year, the company has migrated to a new accounting system and in view of the frequent changes in the new GST regime, certain balances are in the process of reconciliation. The net amount of such unreconciled balances amounting to Rs. 56.36 lacs has been shown under Advances Recoverable in kind under the head "Other Current Assets".

**32** 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.

### 33 (a) Raw Material Consumed

| Particulars                        | 2017-18          | 2016-17          |
|------------------------------------|------------------|------------------|
| Cotton                             | <b>26,038.24</b> | 22,422.64        |
| Manmade/other fibres and filaments | <b>7,968.71</b>  | 10,756.02        |
| <b>Total</b>                       | <b>34,006.95</b> | <b>33,178.66</b> |

(b) Total Value of Raw Materials and Stores & Spares consumed (includes packing material & dyed & chemicals):

| Particulars   | 2017-18          | %             | 2016-17         | %             |
|---|------------------|---------------|-----------------|---------------|
| Raw Material:   |                  |               |                 |               |
| Imported  | <b>1,839.84</b>  | <b>5.41</b>   | 326.84          | 0.99          |
| Indigenous  | <b>32,167.11</b> | <b>94.59</b>  | 32,851.82       | 99.01         |
| <b>Total</b>  | <b>34,006.95</b> | <b>100.00</b> | 33,178.66       | 100.00        |
| Stores & Spares (includes packing material & dyed & chemicals): |                  |               |                 |               |
| Imported  | <b>174.75</b>    | <b>3.55</b>   | 205.68          | 3.97          |
| Indigenous  | <b>4,743.31</b>  | <b>96.45</b>  | 4,969.45        | 96.03         |
| <b>Total</b>  | <b>4,918.06</b>  | <b>100.00</b> | <b>5,175.13</b> | <b>100.00</b> |

Detail of Traded Goods \*

| Particulars  | 2017-18         |                 | 2016-17         |                 |
|--------------|-----------------|-----------------|-----------------|-----------------|
|              | Purchases       | Sales           | Purchases       | Sales           |
| Yarn         | <b>542.66</b>   | <b>574.04</b>   | 1,513.44        | 1,588.34        |
| Fabric       | <b>6,536.20</b> | <b>6,616.16</b> | 6,469.10        | 6,593.98        |
| <b>Total</b> | <b>7,078.86</b> | <b>7,190.20</b> | <b>7,982.54</b> | <b>8,182.32</b> |

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

(c) CIF Value of Imports:

| Particulars              | 2017-18         | 2016-17         |
|--------------------------|-----------------|-----------------|
| Raw Material             | 1,777.78        | 357.38          |
| Capital goods            | 361.01          | 922.81          |
| Spare Parts & Components | 149.27          | 246.44          |
| <b>Total</b>             | <b>2,288.06</b> | <b>1,526.63</b> |

(d) Earnings in Foreign Exchange

| Particulars  | 2017-18   | 2016-17   |
|--|-----------|-----------|
| Exports of goods on FOB basis (excluding export through export houses & EOU) | 23,357.65 | 25,318.78 |

(e) Expenditure in Foreign Currency

| Particulars                   | 2017-18 | 2016-17 |
|-------------------------------|---------|---------|
| Travelling                    | 126.71  | 143.54  |
| Commission and Other Expenses | 243.28  | 345.29  |
| Interest                      | 263.04  | 282.71  |

### 34 CAPITAL MANAGEMENT

The capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants which otherwise would permit the banks to immediately call loans and borrowings. In order to maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's gearing ratio was as follows:

| Particulars                     | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
|---------------------------------|---------------------------|---------------------------|
| Borrowings                      | 32,013.65                 | 36,104.69                 |
| Less: Cash and cash equivalents | 1,573.73                  | 1,609.06                  |
| Net debt                        | 30,439.92                 | 34,495.63                 |
| <b>Total equity</b>             | <b>17,651.40</b>          | <b>17,114.35</b>          |
| Capital and Net debt            | 48,091.32                 | 51,609.98                 |
| Gearing ratio                   | 63.30%                    | 66.84%                    |

Further, there have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year ended 31st March 2018.

There were no changes in the objectives, policies or processes for managing capital during the year ended 31st March 2018 and 31st March 2017.

### 35 ASSETS SECURED FOR BORROWINGS

The carrying amounts of assets secured for current and non current borrowings is given in the following table:

| Particulars  | Notes   | 31st March, 2018 | 31st March, 2017 | 1st April, 2016  |
|--|---------|------------------|------------------|------------------|
| <b>Non Current Assets</b>                          |         |                  |                  |                  |
| Property, Plant and Equipments                     | 4.1     | <b>36,436.51</b> | 37,342.40        | 38,129.54        |
| Capital work-in-progress                           | 4.2     | <b>36.18</b>     | 472.92           | 340.59           |
| Intangible Assets                                  | 4.3     | <b>29.91</b>     | 18.97            | 25.42            |
| <b>Total</b>                                       |         | <b>36,502.60</b> | 37,834.29        | 38,495.55        |
| <b>Current Assets</b>                              |         |                  |                  |                  |
| Inventories  | 5.1     | <b>21,506.13</b> | 21,984.83        | 20,816.54        |
| Trade receivables                                  | 5.2.1   | <b>12,301.98</b> | 13,055.49        | 10,946.64        |
| Cash and cash equivalents                          | 5.2.2   | <b>119.94</b>    | 118.81           | 89.70            |
| Bank Balances other than Cash and Cash Equivalents | 5.2.2.1 | <b>1,453.79</b>  | 1,490.25         | 1,391.61         |
| <b>Total</b>                                       |         | <b>35,381.84</b> | <b>36,649.38</b> | <b>33,244.49</b> |

### 36 Figures for the previous year have been re-group/rearranged where ever necessary to make them comparable with current year

The Notes referred to above form an integral part of the accounts.  
In terms of our report of even date attached herewith.

**For B. CHHAWCHHARIA & CO.**  
Chartered Accountants  
Firm Registration No: 305123E

**Ashish Bagrodia**  
(Chairman Cum Managing Director)  
DIN -00047021

**Anil Sharma**  
(Chief Executive Officer)

**Sanjay Kumar Kedia**  
(Chief Financial Officer)

**Abhishek Gupta**  
Partner  
Membership No: 529082

**Videshwar Sharma**  
(Company Secretary)

**Chandra Mohan**  
(Director)  
DIN-00017621

**Place:** Chandigarh  
**Date:** 25th May 2018



# Notice

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## **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](http://www.winsometextile.com), email: [cswtil@winsometextile.com](mailto:cswtil@winsometextile.com)

**NOTICE** is hereby given that the **37<sup>th</sup> Annual General Meeting of the Members of Winsome Textile Industries Limited**, will be held on Monday, the 24<sup>th</sup> day of September, 2018 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 for the year ended 31st March 2018, 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 the following Resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Audit and Auditors) Rules, 2014 as amended, the Company hereby ratifies the appointment of M/s B. Chhawchharia & Co., Chartered Accountants, (Firm Registration No.305123E) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the thirty eighth AGM to be held in 2019 at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

**“RESOLVED FURTHER THAT** pursuant to the provisions of Section 139 and all other applicable provisions, if any, of Companies Act 2013, as amended, the company hereby approves the variation in the existing terms of appointment of above said auditors of the Company to the extent that their appointment as approved at the 36<sup>th</sup> Annual General Meeting, up to 41<sup>st</sup> Annual General Meeting of the Company shall not be further subject to ratification at every subsequent Annual General Meeting(s) of the Company for the remaining tenure of appointment.”

### **SPECIAL BUSINESS:**

4. **To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act 2013, read with the 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.75,000/- (Rupees Seventy Five 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 2018-19, 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.”

**5 To consider and, if thought fit, to pass the following resolution as a Special Resolution :**

**“RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation Rules, 2014, including any statutory modification(s) or re-enactments thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.”

**RESOLVED FURTHER THAT** that the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**6. To consider and, if thought fit, to pass the following resolution as a Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of section 197 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and subject to the approval of the Central Government, if required by the law for the time being in force and also subject to such other consents and approvals as may be necessary, the consent of the shareholders of the Company be and is hereby accorded for waiver of recovery of excess remuneration amounting to Rs. 28.29 Lacs paid to Sh. Ashish Bagrodia, Chairman & Managing Director (DIN 00047021) of the Company, over and above the limits approved / prescribed under the provisions of section 197 read together with Schedule V of the Act, during the financial year 2017-18.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to sign & verify letters & documents, clarify, reply and submit necessary documents, clarifications, to appear & represent the Company before the appropriate authority, to apply and obtain approval from Central Government (Ministry of Corporate Affairs), if required by the law for the time being in force and / or any other authority for waiver of recovery of excess remuneration paid to Sh. Ashish Bagrodia Chairman & Managing Director of the Company.”

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to alter /vary the terms and conditions of the said remuneration as may be required to comply with the above said approval of the Shareholders and/or Central Government without referring the same to the General meeting again, subject to other consents/approvals required, if any.”

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all acts (including delegation of power to any director or officer of the Company) and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**7. To consider and, if thought fit, to pass the following resolution as a Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of sections 196, 197 and other applicable provisions if any, of the Companies Act, 2013 (“the Act”), read with Schedule V to the Act and the Rules made there under (including any statutory modification or re-enactment thereof for the time being in force) the approval of the company be and is hereby accorded for variation in the terms of appointment & remuneration of Sh. Ashish Bagrodia, Chairman & Managing Director of the Company which shall include the remuneration already approved by members to be paid as minimum remuneration even in the event of loss or inadequacy of profit in any financial year, for remaining tenure of appointment upto 31st January, 2021 as set out in the Explanatory Statement annexed to the Notice.”

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to alter /vary the terms and conditions of the above said remuneration as may be required to comply with the above said approval of the Shareholders without referring the same to the General meeting again, subject to other consents/approvals required, if any.”

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all such steps as may be necessary for obtaining necessary approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute agreements, applications, documents and writings that may be necessary, proper, expedient or incidental for giving effect to this resolution.”

**8. To consider and if thought fit, to pass, the following resolution as Special Resolution:**

**“RESOLVED THAT** in variation to the earlier resolution passed in the Annual General Meeting of the Company held on 29th September, 2014, the approval of the Company be and is hereby given through this special resolution, pursuant to the provisions of regulation 17(1A) and other applicable regulations of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Sections 149, 152, Schedule IV and other applicable provisions, if any, of Companies Act 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), for continuation of Shri Satish Girotra (DIN01112511), as an Independent Director of the Company even after attaining the age of seventy five years, for remaining tenure of appointment upto 28th September, 2019 and he shall not be liable to retire by rotation.”

**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.”

**9. To consider and if thought fit, to pass, the following resolution as Special Resolution:**

**“RESOLVED THAT** in variation to the earlier resolution passed in the Annual General Meeting of the Company held on 29th September, 2014, the approval of the Company be and is hereby given pursuant to the provisions of regulation 17(1A) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Sections 149, 152, Schedule IV and other applicable provisions, if any, of Companies Act 2013, read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), for continuation of Shri Chandra Mohan (DIN00017621), as an Independent Director of the Company even after attaining the age of seventy five years, for remaining tenure of appointment upto 28th September, 2019 and he shall not be liable to retire by rotation.”

**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.”

**10. To consider and if thought fit, to pass, the following resolution as Special Resolution:**

**“RESOLVED THAT** in variation to the earlier resolution passed in the Annual General Meeting of the Company held on 29th September, 2014, the approval of the Company be and is hereby given pursuant to the provisions of regulation 17(1A) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Sections 149, 152, Schedule IV and other applicable provisions, if any, of Companies Act 2013, read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), for continuation of Shri Amrit Lal Batra (DIN00399728), as an Independent Director of the Company even after attaining the age of seventy five years, for remaining tenure of appointment upto 28th September, 2019 and he shall not be liable to retire by rotation.”

**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.”

**For and on behalf of the Board**

**Place:** Chandigarh  
**Date:** 25th May 2018

**Sd/-**  
**(ASHISH BAGRODIA)**  
**CHAIRMAN & MANAGING DIRECTOR**  
**DIN-00047021**

## **NOTES :**

- 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 17.09.2018 to 24.09.2018 (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 year are requested to claim the same from the Company immediately. Further the necessary compliances are underway to comply with the 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.
- 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 2017-18 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](http://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 37<sup>th</sup> 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, 2<sup>nd</sup> 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 dematerialisation 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 37<sup>th</sup> 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 Link Intime India Private Limited (LIPL).
- 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 19th September, 2018 at 9:00 A.M. (IST) and will end on 23rd September, 2018 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 17th September 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by Link Intime India Private Limited (LIPL) 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 :-

In case a Members receives an e-mail from Link Intime India Private Limited (LIPL) [for Members whose e-mail addresses are registered with the Company/Depository Participant(s)] :-

- (i) Visit the e-voting system of LIPL. Open web browser by typing the following URL:  
<https://instavote.linkintime.co.in>.
- (ii) Click on "Login" tab, available under 'Shareholders' section
- (iii) Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".

- (iv) Your User ID details are given below:
- Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID
  - Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID
  - Shareholders holding shares in Physical Form (i.e. Share Certificate):** Your User ID is Event No + Folio Number registered with the Company
- (v) Your Password details are given below:

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on “Sign Up” tab available under ‘Shareholders’ section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

#### **For Shareholders holding shares in Demat Form or Physical Form**

|                       |  |
|-----------------------|--|
| PAN                   | <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders).</p> <p>Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.</p>  |
| DOB/ DOI              | <p>Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.</p>  |
| Dividend Bank Details | <p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio number.</p> <p>Please enter the DOB/ DOI or Dividend Bank Details in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction (iv).</p> |

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.



**If Shareholders holding shares in Demat Form or Physical Form have forgotten password:**

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

Incase shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

**NOTE:** The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

**Cast your vote electronically**

- (vi) After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View “Event No” of the company, you choose to vote.
- (vii) On the voting page, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.

Cast your vote by selecting appropriate option i.e. Favour/Against as desired

Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’. You may also choose the option ‘Abstain’ and the shares held will not be counted under ‘Favour/Against’.

- (viii) If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
- (ix) After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “YES”, else to change your vote, click on “NO” and accordingly modify your vote.
- (x) Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- (xi) You can also take the printout of the votes cast by you by clicking on “Print” option on the Voting page.

### **General Guidelines for shareholders:**

- V Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'.

They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

- VI During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- VII Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- VIII In case the shareholders have any queries or issues regarding e-voting, please [click here](#) or you may refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to [insta.vote@linkintime.co.in](mailto:insta.vote@linkintime.co.in) or Call us :- Tel : 022 - 49186000.
- IX 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. 17th September 2018, may obtain the login ID and password by sending a request at [insta.vote@linkintime.co.in](mailto:insta.vote@linkintime.co.in). However, if you are already registered with LIPL 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 <https://instavote.linkintime.co.in> or contact LIPL at the following toll free no.: 022 - 49186000.
- X 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. 17th September 2018.
- XI 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.
- XII 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.
- XIII The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company i.e. [www.winsometextile.com](http://www.winsometextile.com) and on website of LIPL i.e. <https://instavote.linkintime.co.in> 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.

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

### **ITEM NO. 3**

The shareholders in their 36<sup>th</sup> Annual General meeting held on 04<sup>th</sup> September, 2017 have appointed M/s B. Chhawchharia & Co., Chartered Accountants, as Statutory Auditors of Company, for a period of five years i.e. from the conclusion of 36<sup>th</sup> Annual General Meeting of the Company till the conclusion of 41<sup>st</sup> Annual General Meeting of the Company, subject to the ratification of their appointment by the members in every subsequent Annual General Meeting in accordance with the provisions of Section 139 of the Companies Act 2013 read with Companies (Audit & Auditors) Rules 2014.

The Board of Directors of the Company on the recommendations of Audit Committee have approved the ratification of appointment of M/s B. Chhawchharia & Co., Chartered Accountants, as Statutory Auditors of the Company subject to the approval by shareholders of the Company.

The shareholders may further note that the ratification of appointment of auditors by shareholders at every AGM has been dispensed with after relevant provisions of the Companies Amendment Act, 2017 have come into force. Therefore, the approval of shareholders is being sought for variation in the existing terms of appointment of above named Statutory Auditors of the Company to the extent that such appointment shall not be subject to ratification at every subsequent Annual General Meeting for their remaining tenure of the appointment.

The Directors of your company recommend the above resolution for your consideration and approval.

### **NOTICE OF INTEREST**

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested in this resolution.

### **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 2018-2019 to conduct the Cost Audit of Cost Accounts of the Company on a total remuneration of Rs.75,000/- (Rupees Seventy Five 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 by members of Company.

The Directors of your company recommend the above resolution for your consideration and approval.

### **NOTICE OF INTEREST**

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested in this resolution.

### **ITEM NO. 5**

Upon enactment of the Companies Act, 2013, various provisions of the Companies Act, 1956 have been repealed/modified. In view of the same the Articles of Association of the Company needs to be realigned as per the provisions of the new Act.

So, the Board of Directors of the company in their meeting held on 25<sup>th</sup> May 2018 have approved the adoption of new set of Articles of Association in place of and to the exclusion of existing Articles of Association of the Company subject to the approval by shareholders of the company.

A draft of said Articles of Association has been uploaded on the website of the company and also available for inspection by members at the registered office of the Company during the working hours and copies thereof shall also be made available for inspection at the Corporate Office of the Company. Furthermore, the said copies shall also be available for inspection at the ensuing Annual General Meeting of the Company.

In terms of Section 14 of the Companies Act, 2013, the consent of the Members by way of special resolution is required for adoption of new set of Articles of Association of the Company. Necessary resolutions are proposed at Item No. 5 of the aforesaid agenda as a special resolution.

The Directors of your company recommend the above resolutions for your consideration and approval.

### **NOTICE OF INTEREST**

None of the Directors / Key Managerial Personnel of the Company / their relatives are in any way concerned or interested in the said resolution.

### **ITEM NO. 6 & 7**

The Members at their Annual General Meeting held on 28th September, 2015, re-appointed Sh. Ashish Bagrodia, as Chairman & Managing Director of the Company for a period of 5 years w.e.f. 01st February, 2016. At the time when the said appointment was made, the Company had adequate profits and the approval of shareholders for payment of remuneration in the situation of loss or inadequacy of profits had not been taken. As of now during the financial year ended 31st March, 2018, the Company have profits as per section 198 of the Companies Act, 2013 but are inadequate to absorb the remuneration paid / to be paid to Sh. Ashish Bagrodia, Chairman & Managing Director within approved / prescribed limits.

So the waiver of recovery of excess remuneration for FY 2017-18 and variation in terms of appointment for remaining tenure of appointment which includes 'payment of remuneration in case of loss or inadequate profits' requires shareholder's approval. The waiver of recovery of excess remuneration shall also be subject to the approval of Central Government, if required by the law for the time being in force. The said matters have been proposed as Item No. 6 & 7 of the Notice and required to be passed as through special resolution(s). The details of the matter and related documents have been uploaded on the website of the company and also available for inspection by members at the registered office of the Company during the working hours and copies thereof shall also be made available for inspection at the Corporate Office of the Company. Furthermore, the said matter/documents shall also be available for inspection at the ensuing Annual General Meeting of the Company.

The Board on the recommendation of Nomination and Remuneration Committee recommends the same for the approval of shareholders of the Company through special resolution.

**The information as required by second proviso of Paragraph B of Section-II of Part-II of Schedule V of the Companies Act, 2013, is given below :-**

#### **(I) General Information**

**(1) Nature of Industry**

The Company is engaged in the manufacturing of Textile products.

**(2) Date of Commencement of Commercial Production:**

Company started its Commercial Production in September 1980

(3) Financial Performance: Financial Performance of the Company for the year ended 31.03.2018 and 31.03.2017 are as under: **(Rs. In lacs)**

| Particulars                             | Year ended<br>31 March 2018 | Year ended<br>31 March 2017 |
|---|-----------------------------|-----------------------------|
| Total Revenues                          | <b>69961.82</b>             | 71494.39                    |
| Profit Before Interest and Depreciation | <b>7994.23</b>              | 11371.79                    |
| Less: Interest                          | <b>4835.22</b>              | 5434.06                     |
| - Depreciation                          | <b>2470.75</b>              | 2738.56                     |
| Net Profit before Tax                   | <b>688.26</b>               | 3199.17                     |
| Less : Tax Expenses                     | <b>192.02</b>               | 1013.74                     |
| Net Profit after Tax                    | <b>496.24</b>               | 2185.43                     |
| Total Comprehensive Income (Ind AS)     | <b>537.05</b>               | 2200.53                     |

(4) Export Performance and Net Foreign Exchange **(Rs. In lacs)**

| Particulars                  | Year ended<br>31 March 2018 | Year ended<br>31 March 2017 |
|------------------------------|-----------------------------|-----------------------------|
| Foreign Exchange Earning     | <b>23357.65</b>             | 25318.78                    |
| Less. Foreign Exchange Outgo | <b>2921.09</b>              | 2298.17                     |
| Net Foreign Exchange Earning | <b>20436.56</b>             | 23020.61                    |

(5) Foreign Investments or Collaboration: The Company has not made any investments in foreign funds /securities and has no foreign collaborations.

## (II). INFORMATION ABOUT THE DIRECTOR

**NAME: Sh. Ashish Bagrodia**

### 1) Back Ground Details, Job Profile and suitability:

Sh. Ashish Bagrodia aged about 48 years is the Chairman & Managing Director of the Company. He has joined the Board in October, 1996 and has 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. He is B. E. (Mech.) Hons. He looks after the overall management of the Company under the superintendence of Board of Directors of the Company. His Current appointment was approved by shareholders at their Annual General Meeting held on 28th September, 2015 for a period of five years upto 31st January, 2021.

Sh. Ashish Bagrodia is holding office of Director in the following Companies:

1. Confederation of Indian Textile Industry (CITI)
2. PHD Chamber of Commerce & Industry

## **2) Past Remuneration**

Sh. Ashish Bagrodia is presently working as Chairman & Managing Director of the Company and his present remuneration was approved at 34<sup>th</sup> Annual General Meeting held on 28th September, 2015. The remuneration drawn by Sh. Ashish Bagrodia during the last three years is as under:

| <b>Financial Year ended</b> | <b>(Rs. in lacs )</b>         |
|-----------------------------|-------------------------------|
| 31.03.2018                  | 107.91                        |
| 31.03.2017                  | 132.59 (Including Commission) |
| 31.03.2016                  | 86.63                         |

## **3) Remuneration proposed:**

Not Applicable

## **4) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)**

The remuneration is comparable considering the industry, size of the Company, the managerial position, the credentials and responsibilities of the Chairman & Managing Director.

## **5) Pecuniary relationship**

Sh. Ashish Bagrodia, Chairman & Managing Director is one of the promoter of the Company, hence a related party to the Company. He is related to Sh. Satish Bagrodia, an Advisor to the Company. Apart this, he has no other pecuniary interest in the Company.

## **(III) Other Information**

During the year, demand was under severe pressure due to challenges like slowdown in overall market scenario leading to severe pressure on prices. The Company has still done well and remained in green despite slowdown in overall market scenario. It is expected that textile industry will catch up in the coming period. The Company did not incur losses during 2017-18 but the profits are inadequate to absorb the allowable remuneration to Sh. Ashish Bagrodia, Chairman & Managing Director.

## **(IV) Disclosures**

The remuneration details of Sh. Ashish Bagrodia, Chairman & Managing Director has been included in the Board's report on Corporate Governance, which forms an integral part of this Annual Report. The tenure of appointment and remuneration of Sh. Ashish Bagrodia, Chairman & Managing Director shall be governed by resolution passed in the 34<sup>th</sup> Annual General Meeting of the Company held on 28th September, 2015 and is being modified thereafter as per the proposed resolution in this Notice of Annual General Meeting.

The aforesaid statements form part of this notice calling the Annual General Meeting.

## **NOTICE OF INTEREST**

Sh. Ashish Bagrodia, Chairman & Managing Director and his relatives shall be deemed to be interested in the both resolutions (item no. 6&7). Other than him none of the Directors/Key Managerial Personnel of the Company / their relatives are in any way concerned or interested in the said resolution.

## **ITEM NO. 8, 9 & 10**

Shareholders of the Company at their Annual General Meeting held on 29th September, 2014, had appointed Sh. Satish Girotra, Sh. Chandra Mohan and Sh. Amrit Lal Batra Independent directors of the Company for a period of five consecutive years with effect from 29th September 2014 up to 28th September 2019 and not liable to retire by rotation.

Now, as per the Notification No. SEBI/LAD-NRO/GN/2018/10, dated 09th May, 2018 no listed entity shall appoint or continue the directorship of any person as a non –executive director who has attained the age of seventy five years unless such appointment/continuation have been approved through a special resolution by the shareholders of the Company.

In the view of aforesaid amendment, members be informed that Sh. Satish Girotra, Sh. Chandra Mohan and Sh. Amrit Lal Batra Independent directors of the Company have already attained the age of seventy five years and shall not be able to continue as an independent Directors of the Company beyond 01st April, 2019 unless their appointment is confirmed/approved through special resolution.

Furthermore, Shri Satish Girotra, Shri Chandra Mohan and Shri Amrit Lal Batra, Independent Directors of the Company, have also given declaration to the Board that they meet the criteria of independence as provided under section 149(6) of Companies Act 2013. In the opinion of the Board, each of these Independent Directors fulfill the conditions specified in Sections 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and such Independent Directors are independent of the management.

The Shareholder may note that the Board is of the view that their continued association would be of immense benefit to the Company. Due to their insurmountable experience, the company has benefited a lot in the past and shall continue to take full advantage of their vast knowledge of industry and economy.

The Directors of your company recommend the above resolutions for your consideration and approval.

## **NOTICE OF INTEREST**

Other than Shri Satish Girotra, Shri Chandra Mohan, Shri Amrit Lal Batra and their respective relatives, none of the other Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested in these resolutions as set out in Item Nos. 8, 9 & 10 of this Notice respectively.

**Details pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) and Secretarial Standard 2 on General Meetings**

|  |   |  |  |  |
|--|---|--|--|--|
| <b>Name of Director</b>  | Ashish Bagrodia   | Satish Girotra   | Chandra Mohan  | Amrit Lal Batra  |
| <b>Date of Birth</b>   | 19.06.1970  | 08.01.1940   | 30.12.1932   | 08.02.1942   |
| <b>Nationality</b>   | Indian  | Indian   | Indian   | Indian   |
| <b>Date of appointment on the Board</b>                        | 01.10.1996  | 23.06.1998   | 31.01.2007   | 12.01.2013   |
| <b>Director Identification Number</b>                          | '00047021   | '01112511  | '00017621  | '00399728  |
| <b>Qualifications</b>  | B. E. (Mech.) Hons.   | Post Graduate in Education and Management  | B.A. (Hons.) & B.Sc. Mech. Engg. (Hons.)   | Chartered Accountant   |
| <b>Experience &amp; Expertise in specific Functional Areas</b> | 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. | Having overall experience of about 52 years in the field of banking, finance, management etc..   | Has served Punjab Tractors Limited & Swaraj Mazda Limited as Vice Chairman and Managing Director for about 28 years.   | Has 49 years of rich experience in the areas of Banking, Finance, Audit, and Operations & Strategic Management. He has served various prestigious organizations, companies, financial institutions as Chairman, Director, President & Member etc.. |
| <b>No. of shares held in the Company as on 31.03.18</b>        | 49220 Equity Shares of Rs.10/- each.  | NIL  | NIL  | NIL  |
| <b>No. of Board Meetings attended during the year</b>          | All Six Board Meetings were attended.   | Three Meetings were attended out of Six  | All Six Board Meetings were attended.  | Four Meetings were attended out of Six.  |
| <b>Directorship held in Other Companies</b>                    | Confederation of Indian Textile Industry (CITI)<br><br>PHD Chamber of Commerce & Industry   | S. Girotra Consultants (P) Ltd.<br><br>Puru Sepricon Pvt. Ltd.<br><br>Newby Teas Overseas Pvt. Ltd.<br><br>Anamika Sugar Mills Pvt. Ltd.<br><br>Delhi Golf Club Ltd.<br><br>OVD Kinegram India Pvt. Ltd.<br><br>MM Auto Industries Ltd.<br><br>SICPA India Pvt. Ltd.<br><br>PHD Chamber of Commerce and Industry | DCM Limited<br><br>IOL Chemicals & Pharmaceuticals Ltd.<br><br>Inde Dutch Engineering & Aeronautics Pvt. Ltd.<br><br>Mobipay Securiservices Pvt. Ltd.<br><br>Nextgen Telesolutions Pvt. Ltd. | NIL  |



|  |  |  |  |  |
|--|--|--|--|--|
| <b>Membership/<br/>Chairmanship of<br/>Committees held<br/>in Other Public<br/>Ltd. Companies<br/>(includes only<br/>Audit Committee<br/>&amp; Stakeholder's<br/>Relationship<br/>Committee)</b> | Chairmanship: NIL<br><br>Membership: NIL | Chairmanship: NIL<br><br>Membership: NIL | Chairmanship: NIL<br><br>Membership: Audit<br>Committee of DCM<br>Limited. | Chairmanship: NIL<br><br>Membership: NIL |
| <b>Relationships<br/>between Directors<br/>inter-se</b>  | NIL                                      | NIL                                      | NIL  | NIL                                      |
| <b>Remuneration details</b>  | Refer Corporate<br>Governance Report     | Refer Corporate<br>Governance Report     | Refer Corporate<br>Governance Report                                       | Refer Corporate<br>Governance Report     |

**For and on behalf of the Board**

**Place:** Chandigarh  
**Date:** 25th May 2018

**Sd/-**  
**(ASHISH BAGRODIA)**  
**CHAIRMAN & MANAGING DIRECTOR**  
**DIN-00047021**

# 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 37<sup>th</sup> Annual General Meeting of the Company, to be held on **Monday, the 24th day of September, 2018 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

| S. No.                   | Resolutions   | For | Against |
|--------------------------|---|-----|---------|
| <b>Ordinary Business</b> |   |     |         |
| 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, 2018. |     |         |
| 2.                       | Re-appointment of Shri Ashish Bagrodia (DIN-00047021) as Director who retires by rotation.  |     |         |
| 3.                       | Ratification of appointment of M/s B. Chhawchharia & Co., as Statutory Auditors of Company & to fix their remuneration.   |     |         |
| <b>Special Business</b>  |   |     |         |
| 4.                       | Ratification of remuneration of Cost Auditors.  |     |         |
| 5.                       | Alteration of Articles of Association of the Company  |     |         |
| 6.                       | Wavier of recovery of excess remuneration paid to Sh. Ashish Bagrodia (DIN00047021), Chairman & Managing Director of the Company                                    |     |         |
| 7.                       | Variation in terms of appointment & remuneration of Sh. Ashish Bagrodia, Chairman & Managing Director of the Company.   |     |         |
| 8.                       | Variation in terms of appointment of Sh. Satish Girotra (DIN0112511), an Independent Directors of the Company.  |     |         |
| 9.                       | Variation in terms of appointment of Sh. Chandra Mohan (DIN00017621), an Independent Directors of the Company.  |     |         |
| 10.                      | Variation in terms of appointment of Sh. Amrit Lal Batra (DIN00399728), an Independent Directors of the Company.  |     |         |

below :

Signed this ..... day of ..... 2018.

**AFFIX  
REVENUE  
STAMP**

.....

Signature of Shareholder

.....

Signature of proxy holder(s)

### 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)

**37th ANNUAL GENERAL MEETING ON MONDAY, 24TH SEPTEMBER, 2018 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.

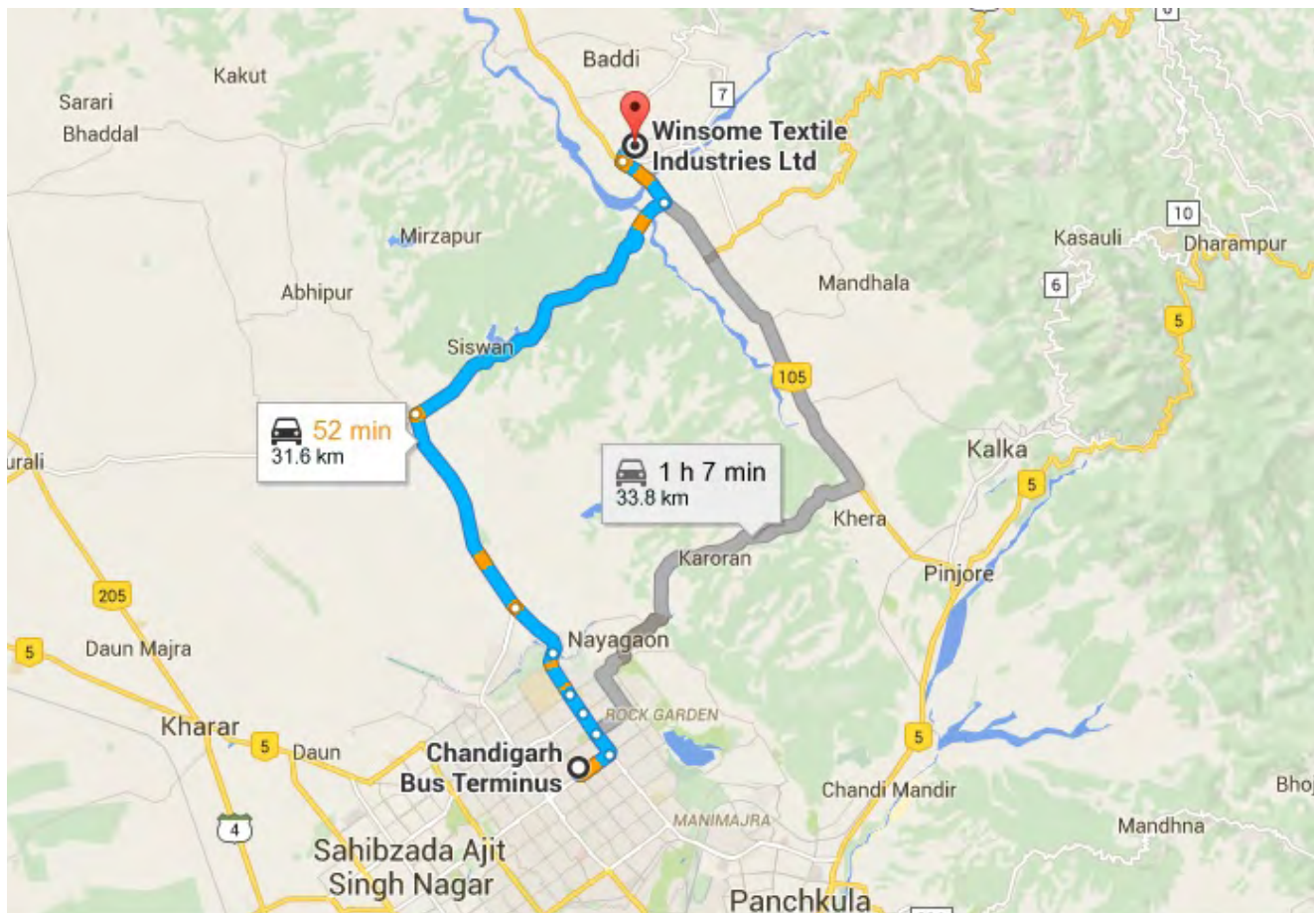
## WINSOME TEXTILE INDUSTRIES LIMITED

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](http://www.winsometextile.com), email: [cswtil@winsometextile.com](mailto:cswtil@winsometextile.com)

### Route Map



Source: [www.google.co.in/maps](http://www.google.co.in/maps)

## NOTES

[illegible]

## NOTES

[illegible]



**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)