

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

SCO # 191-192, Sector 34-A

Chandigarh - 160 022 INDIA

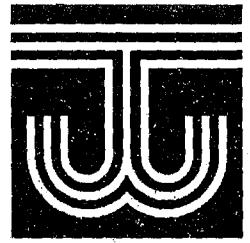
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E-mail : wtil@winsometextile.com

Website : www.winsometextile.com



Ref. No. WTIL/SECT/19

Date: 03<sup>rd</sup> September, 2019

BSE Limited  
Corporate Relationship Deptt.  
Dalal Street, P.J. Towers,  
Mumbai-400001.

**SCRIP CODE: 514470**

**Subject: Annual Report (Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Dear Sir,

Pursuant to the regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report of the Company for F.Y. 2018-19 to be approved and adopted in the 38<sup>th</sup> Annual General Meeting of the Company scheduled to be held on 28<sup>th</sup> September, 2019 at 10:00 A.M. at the registered office of the Company.

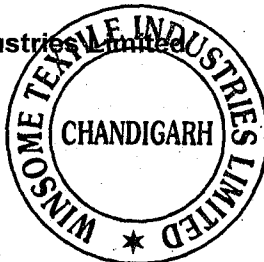
You are requested to take the same on your records.

Thanking you,

Sincerely Yours,

For Winsome Textile Industries Limited

(Videshwar Sharma)  
Company Secretary  
ACS-17201



Encls: as above



# 38<sup>TH</sup> ANNUAL REPORT 2018-19



Remembering Our past CMD & Advisor



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## Late Shri Satish Bagrodia

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*14th October 1938 - 05th March 2019*

*This year, the Winsome Textiles family lost its founding father and a leader in the form of Shri Satish Bagrodia. Even in his absence, we hope that his blessing will always shine upon us and his legacy will inspire us to reach newer heights. We will surely miss his guidance and support for years to come.*



*“What we have once enjoyed we can never lose...  
All that we love deeply becomes a part of us.”*



# Company Information

## Board of Directors

Shri Ashish Bagrodia	Chairman & Managing Director
Shri Chandra Mohan	Independent Director
Shri Satish Girotra	Independent Director
Shri Amrit Lal Batra	Independent Director (upto 03.11.18)
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 Private Limited, Noble Heights, 1st Floor, LCS  
Near Savitri Market, Janakpuri, New Delhi - 110058.

## CORPORATE IDENTIFICATION NO.(CIN)

L17115HP1980PLC005647

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## Knowing Winsome Textile

Winsome Textile has been a renowned leader in the sector of value added yarns among which is one of our core strengths i.e. Mélangé yarns. We have established a state of the art facility aligned with international operational standards. In 2018, we commemorated our year with a marketing footprint spanning across 54 countries. We are headquartered in Chandigarh, with our operations being carried out at Baddi, Himachal Pradesh.

Our constant attention to detail and eagerness to achieve new heights has helped us to reach far and wide in the industry. Our desire has led to new innovations and innovations have in turn led to greater determination for further enhancement of our products.

Our aspirations to never settle and keep on adding value to the existing products along with innovation to build new products, has helped us to deliver nothing but the best. We are determined to continuously inculcate new innovations within our products with the changing times. This is what makes our products outstanding as innovation is on course with our drive.

## **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.

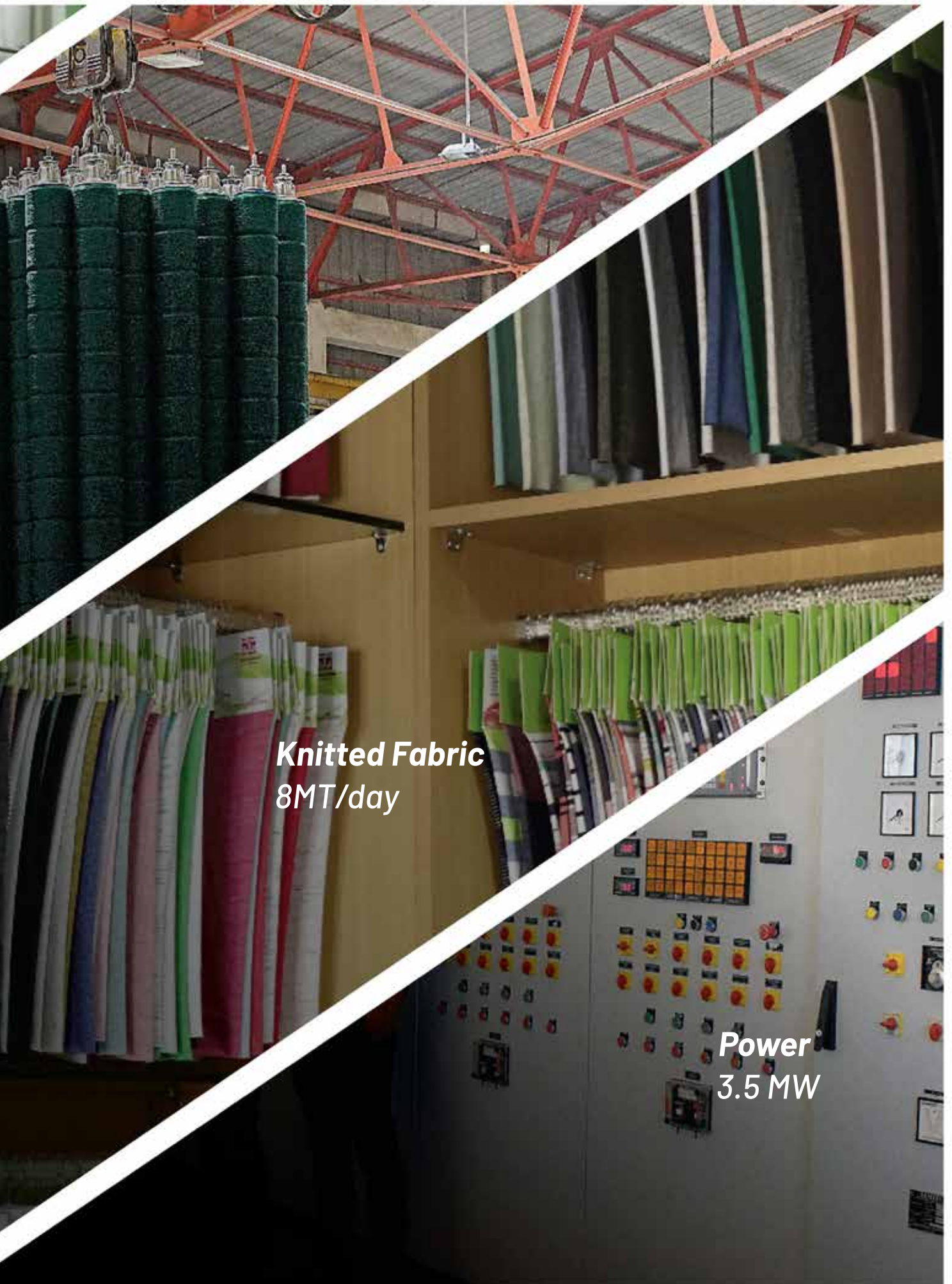
Innovation and value addition has been the core motto of Winsome Textile. We always strive to maximize the value of our product offerings. Our goal has been to understand the needs of our customer and deliver solutions through our products.





**Yarn Spinning**  
~110,000 spindles

**Dyed Yarn**  
30 MT/day



**Knitted Fabric**  
8MT/day

**Power**  
3.5 MW

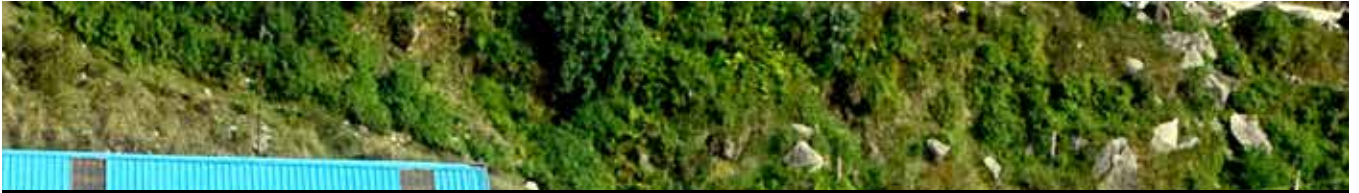


## Research & Development Unit

Our team has the desire to achieve futuristic innovation through meticulous research and development of more useful and value adding products for our customers. The team was able to acquire value added production from 58% to 100% within 3 years in the year FY 2018-19. They are persistent to maintain value added production at 100% through the next couple of years with the help of constant efforts.

Our lab has received several accolades and the most valued one includes the recognition by Ministry of Science and Industrial Technology, Government of India as a Research Institution. The lab thus is able to avail income tax exemption from Government of India with respect to materials and machines imported for R&D purposes.





## **Hydro Plant**

The company believes in a sustainable future and thus, has pledged to be responsible towards its actions in order to give the future generation as better place to live. We believe that if actions are not taken in the right direction the consequences will be borne by future generations.

Thus, to save the non-renewable fossil fuel reserves and harness the energy of the flowing river current of the Himalayan region we synchronized our hydro power plant with the state grid. This has allowed us to save 12% expenditure on electricity and given us capacity to produce 20 million units per year.

# Certifications

In order to maintain world class quality standards, we have been certified for maintaining global standards. Some of those certifications are as follows:

IS / 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.

IS / 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 organization 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.



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.



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).

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



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 labelling. Developed with the textile industry in mind, the GRS may also be applied to products from any industry.



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.



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.

Our presence,  
across the world.







# Participation in International & Domestic Fairs

## **Turkey**

April 2018 | Yarn Expo

## **Mumbai**

April 2018 | Fibres & Yarns

## **Delhi**

July 2018 | Yarnex

## **Paris**

Sep 2018 | Premier Vision

## **Tirupur**

Sep 2018 | Yarnex

## **China**

Oct 2018 | Yarn Expo- Shanghai

## **Colombia**

Jan 2019 | Colombiatex

## **Turkey**

Feb 2019 | Yarn Expo





## 2016-17

Texprocil award; Silver Trophy for the Second Highest Exports of "Processed Yarn"

.....

## 2016

Excellent Trophy for the LQC (Lean Quality Circle) in the Allied Concept category at the 30th National Convention on Quality Concepts atSSIPMT, RaipurGold Trophy in the LQC (Lean Quality Circle) / Allied Concept category (at the First Baddi Center Convention on Quality Concepts)

.....

## 2016 & 2015

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

.....

## 2014

2nd highest exporter Award for Processed yarns from India from TEXPROCIL Business Segments: Yarn

.....

## 2013

Runner up of Trident Quality Pioneer Award for Total Quality Management in Northwest Qualtech

.....

## 2013 / 2012 / 2011

Highest exporter Award for Processed yarns from India from TEXPROCIL

.....

## 2010

Winner of Trident Quality Pioneer Award for Total Quality Management in Northwest Qualtech

.....

## 2010 & 2009

3rd highest exporter Award for Processed yarns from India from TEXPROCIL

## Chairman's Letter



Dear Shareholders,

It is with gratitude that I look forward to sharing my thoughts on Winsome Textile with you every year. I would like to thank all our shareholders and staff for resting their continued support and faith in us and our vision. This not only gives me an opportunity to introspect on what we were able to achieve in the year gone by, but also share my vision for the company's future. We started our journey in 1980 with just 16,000 spindles and now have expanded to a capacity of 110,000 spindles and can produce 30,000 kg of dyed fibre/yarn per day, by incorporating latest machinery in our business. We also hold a capacity of manufacturing 8 MT knitted fabric in-house which gives us vertical integration. Not only have we been able to manage planning to meet the customer requirement in small extent of time but also increase the various products that we have through advanced research and development.

***We have already become a trend setter for the mélange yarn manufacturing in India.***

This year was a challenging year for textile industry, with majority of the businesses, investors and clients still recovering from the losses incurred due to confusion on implementation of GST and uncertainty revolving around the US China trade war. Despite the challenges, thanks to our adaptive approach, our company has managed to perform fairly well this year. We remained focused throughout this period of time and strategically retraced our direction of growth through innovations, sustainability and brand marketing of our key idea of quick response time. Improving and maintaining quality of our products was also given paramount importance to create a consistent base of customers over the year.

Our vision has been to produce more Value Added textile through the process of continuous improvement by dedicated innovation and development. Our passion has led us to maximise our drive for research and make products that are innovative and functional. Our desire for excellence doesn't end there, we go ahead and beyond with our commitment to research and try to find ways to make these innovations economically viable. We believe that we should follow a strategy of pushing new products into the market every few years, in order to boost growth and disrupt the market. Thus, our research and development division which has been gaining accolades including recognition from Government of India has been hard at work. This

will help us along our journey of becoming a global player in innovative and value added yarn and knitted fabric. We have already become a trend setter for the mélange yarn manufacturing in India and believe that further growth can be achieved in this segment through an incessant urge for betterment. Our aim is to strengthen our capabilities in this special product which will soon become a regular commodity. If we achieve this in due course of time, we will be able to gain competitive edge over others and dominate the market for both Indian and International market.

Our commitment to maintain standards and certifications over the past many years has helped us to establish a better relationship with our clients and gain their trust. This has enabled us to expand to over 250 customers across 54 countries in addition to more than 300 customers within India. One of our USPs is our ability to improvise as per customer requirement. The wide range of colour and type of yarn combinations that we can provide with the help of our state of the art labs and passion to deliver is hard to match for our competitors and gives us a strong edge.

While our products reach distant parts of the world, our roots are firmly grounded in the foothills of Himalayas. In a move to enhance our sustainable practices, we successfully developed a 3.5 MW capacity hydro plant. This plant decreases our reliance on non-renewable energy sources by more than 20% and decreases our power costs in excess of 12%. We are proud of this small step we have taken towards being completely sustainable.

Our operating and financial position is strong while our strategic roadmap is clear. We are confident in excelling over the next years with the positive growth we observed in this year. **Our revenue for this year grew at 8%** when compounded annually for the last 5 years. Our EBITDA margins have grown to 13% as compared to 12% in the last financial year. Company's manufacturing EBITDA that dropped 31% last year, has now recovered and grew 9% in the current financial year. This year, we were also able to increase our earnings per share from previous

**Our new hydro plant decreases  
reliance on non-renewable  
energy sources by more than  
20% and decreases our power  
costs in excess of 12%.**

financial year by 125%. With our increasing profits, our debt to equity ratio is stable at 1.8x, which we feel is optimum for a business like ours in the current business environment.

I would like to express my regards to all our partners across countries for their dedication, commitment and contribution in strengthening Winsome Textile. Our mission is to transform Winsome Textile Industries Limited into a renowned global company and constantly staying at the forefront to set industry benchmarks. We have already laid the foundation for this through our initiatives and are ready for the next leap. I firmly believe we are on the right path in creating a value for our product and emerging in the market as one of the biggest contender in our area of expertise.

I would like to pay my earnest appreciation to the Board of Directors for their constant guidance. I would like to express my gratitude to all our stakeholders for their continuing faith in us.

Yours Sincerely,

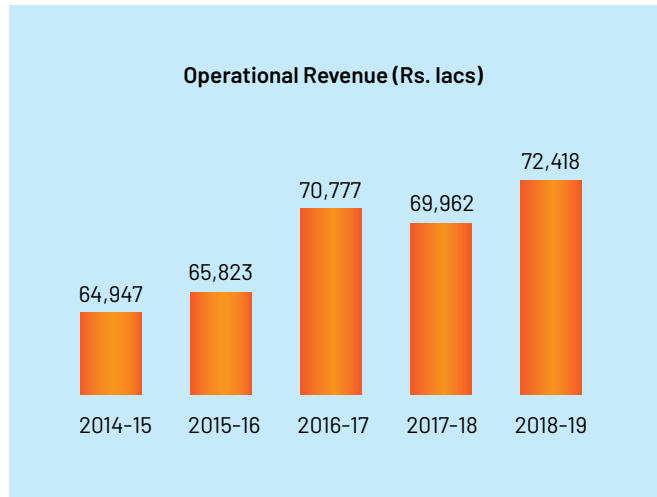
**Ashish Bagrodia**  
**Chairman and Managing Director**  
**Winsome Textile Industries Limited**



# Performance Highlights

## Revenue

The global economy has been consistent over the past few years and that has reflected in the overall industry growth and our company's growth as well. Our revenue has been increasing over last 5 years with CAGR of 8%.

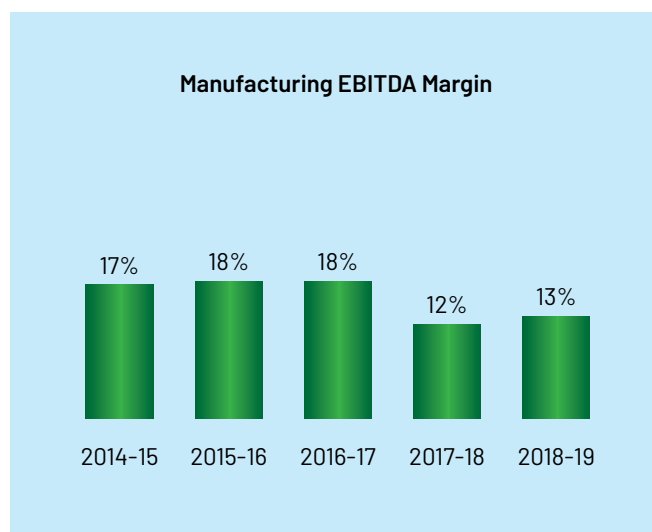
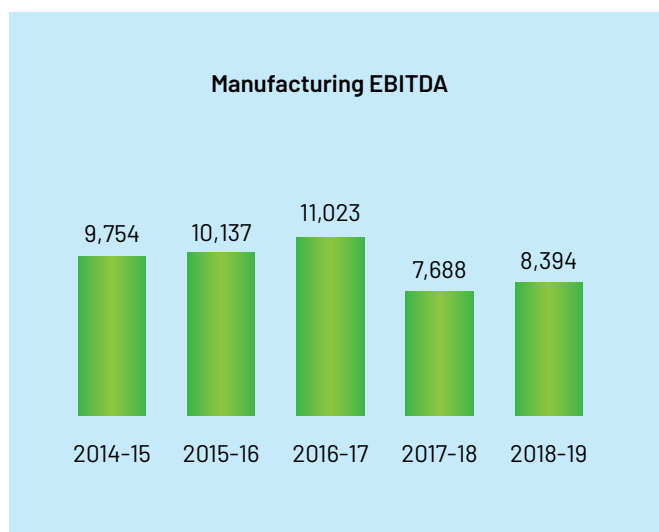


*Our revenue has been increasing over last 5 years with CAGR of 8%*



## EBITDA and EBITDA Margin

With continuous focus of improving operational performance and reducing costs, we have been able to derive our revenue growth into EBITDA growth as our manufacturing EBITDA has grown to 13% from 12% in the previous year. With this growth in EBITDA margins, we are well set on recovery path.



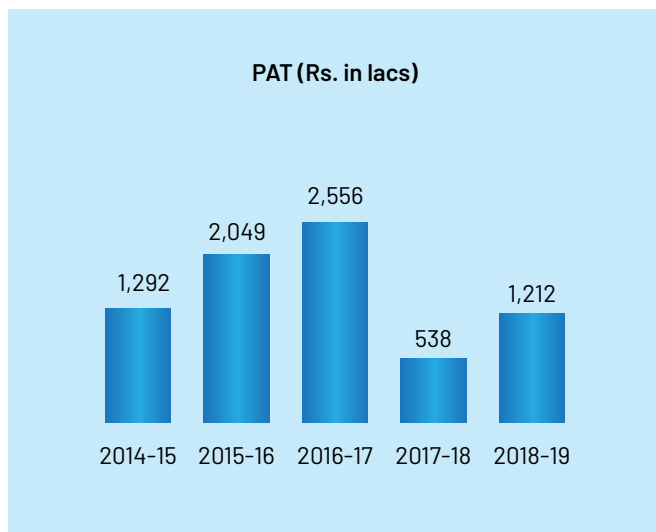
*We have been able to derive our revenue growth into EBITDA growth as our manufacturing EBITDA has grown to 13% from 12% in the previous year*





## Profit after Tax

Our profit after tax has grown by 125% after the fall in last financial year. The fall was due to an overall sluggish growth in the Textile industry after changes in several taxation policies and reduced cash flow in the country.



*Our profit after tax has grown by 125% after the fall in last financial year*



## Return on Equity

Our return on equity was also hit by the impact of inconsistent industry performance last year and is now on the path of recovery. We were able to reach 6% return on equity and hope that our stable performance will grow in the future and help us to maintain our growth trajectory.



*We are on a recovery path.*

## Debt to Equity Ratio

Our debt to equity ratio has been decreasing over the past five years and has been recorded as 1.8x in FY 2018-19.



*Our debt to equity ratio has been decreasing over the past five years*

## **Winsome Textile Capabilities & Product Portfolio**

The company engages beyond manufacturing. It has grown into an organization that thrives on innovation and product delivery while continuously working towards becoming the best in the business. As a result, the blends and products developed by the company stand out of the crowd and not only excite the customer but also inspires us to go a step further.

The company has emerged as one of the largest companies within the country and the world in mélange yarns. In a move to create a vertical integration in the industry, we extended our manufacturing prowess to knitted fabric. To ensure consistent excellence in our yarn and fabric, we undertake various quality control measures and quality management systems.

“

*“Winsome Textiles has emerged as one of  
the largest companies within the country  
and the world in mélange yarns.”*

”

## Capabilities

### Yarn

Our flagship product, our melange yarn has made a special place for itself in the industry and is always sought after by prominent manufacturers, both in the domestic as well as international market for its unmatched quality and reliable customer service. Our portfolio consists of wide range of specialised products with different blends available for the customers. Continuing our commitment to the sustainable manufacturing practices, we are also part of Better Cotton Initiative (BCI), which is dedicated to bringing together cotton's complex supply chain, from farmers to the retailer for Supima, Egyptian and Indian cotton of all counts. We are well supported by our manufacturing capabilities with an installed capacity of 110,000 spindles.

### Yarn/Fibre Dyed Capacity

In our recent history, we have been committed to develop 100% value added products, for which we have been efficiently supported by our in-house fibre and yarn dyeing unit which has a capacity of dying over 30 tons of yarn/fibre per day. Our installed dying capacity has grown at a CAGR of 8% in the past 10 years. Our vertical integration is strengthened by the capacity of the fibre dyeing unit in line with the spinning division.







## Product Portfolio

### Mélange Yarn

Being our premier product, Winsome Textile is one of the largest producer of mélange yarn in India. With our manufacturing facility, we are capable of producing finest quality 100% cotton mélange yarn as well as blends with other fibres like viscose, polyester, bamboo, modal, wool, nylon etc. of count ranging from NE 12s to NE 40s both carded and combed which can be used in both weaving and knitting.

To fulfil our commitment of unparalleled customer service, we maintain ready stock of certain products at strategic locations for the purpose of quick dispatch. Moreover, we have an in-house mélange library which gives us the unique capability of manufacturing thousands of shades. Our innovative Research & Development team is capable of developing any shade as per customer requirement, thus providing us a competitive advantage over our competition.

### Dyed Yarn

Our manufacturing unit is well-equipped with state-of-the-art machinery from Cubotex, Dettin and Stalam & Precision winder from SSM to produce finest quality yarn. Our portfolio of dyed yarn includes over 20,000 shades and variations.

To further strengthen our resolute for environment protection, we have moved away from harmful dyes and chemicals and none of our products use azo-dyes. Incorporating lean concepts in our manufacturing unit, we undertake the use of pantone cards for shade development, which helps us to ensure that we manufacture our products with Right First Time (RFT).





### Possible 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/polyester
- Cotton/Sparkle
- Viscose/Sparkle
- Modal/sparkle
- Polyester/Linen

...and many more



## Specialty Products

- Jaspe Yarn
- Jaspe slub yarn
- Neps Yarn
- Chill Yarn
- Flake Yarn
- Snow Yarn
- Slub 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 Yarn
- 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.

These types of mélange Yarns include:

- Pima/Cashmere
- Pima/Modal/Nylon Cashmere
- Coolmax
- Thermolite
- Recron
- Shimmer
- Polyester/Cotton Vintage
- Two Tone Snow
- Cashmere Touch
- Pattern
- Three Tone Jaspe



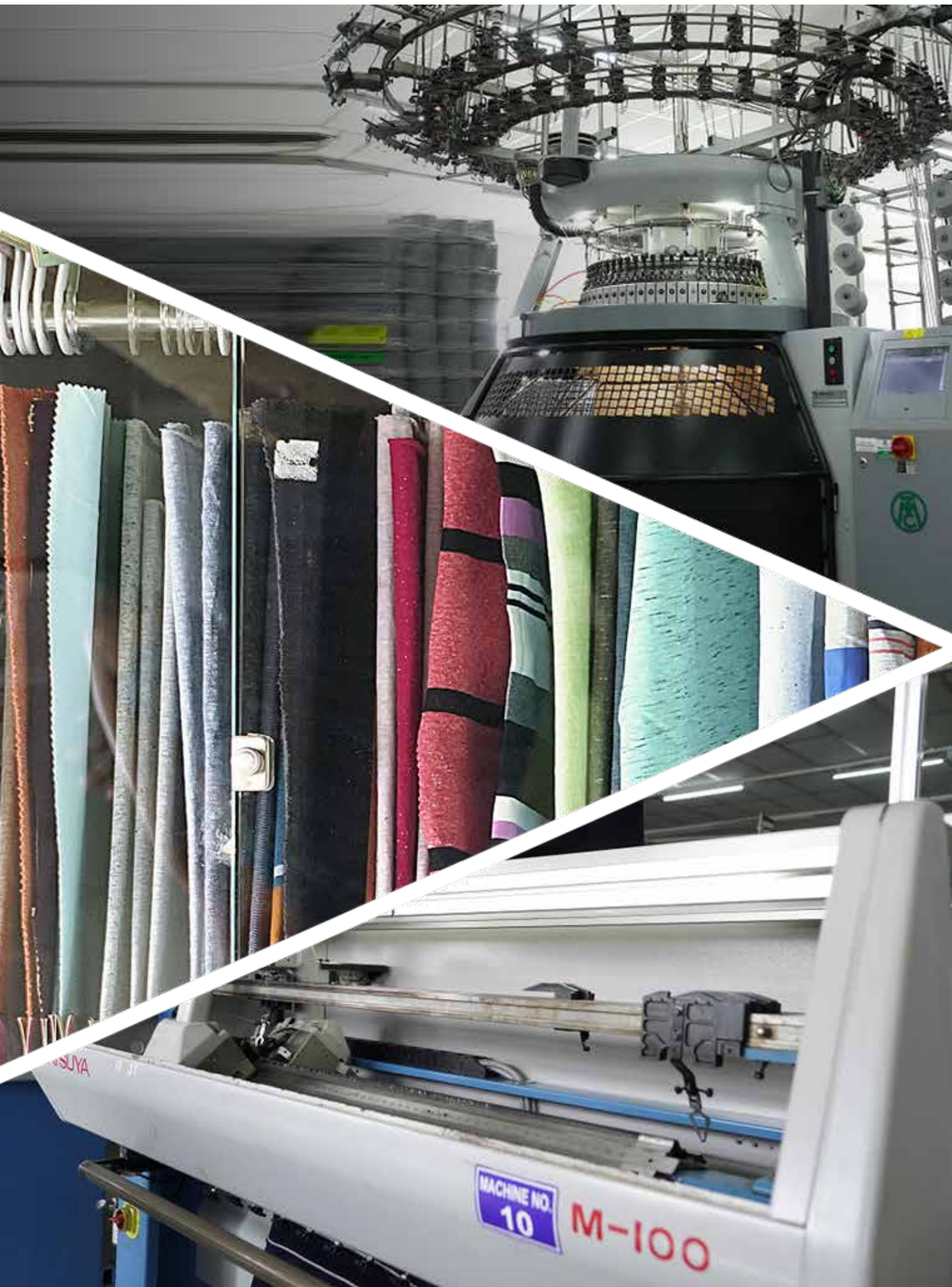
## **Fabric**

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 8 tonnes of fabric per day. These include special knitted products which are made using latest technology.

We have further established production of specialized knitted products with the latest technology of auto striper which is niche segment in Indian textile industry. It facilitates us in bringing together the various processes of spinning, dyeing, designing and knitting under one integrated unit and produce specialized products.







# Management Discussion and Analysis

## Global Economic Overview

The year 2018 experienced a decline in the global economy, with growth rate falling to 3.6 per cent, which is a decrease from the 2017 growth rate i.e. 3.8 per cent. The decline was attributed to a fiscally induced growth acceleration in the United States of America which offset a slower expansion in a few large economies, including Argentina, Canada, China, and Turkey. In many developed countries, growth rates had risen close to their potential, while unemployment rates had dropped. Among the developing economies, the East and South Asia regions remained on a relatively strong growth trajectory, amid robust domestic demand conditions.

Growth in global industrial production and merchandise trade volumes had been tapering since early 2018, particularly in the trade-intensive capital and intermediate goods sectors. In several countries, leading indicators point to some softening in economic momentum, amid escalating trade disputes, risks of financial stress and volatility, and an undercurrent of geopolitical tensions. At the same time, a few developed economies were facing capacity constraints, which may have weighed on growth in the short term.

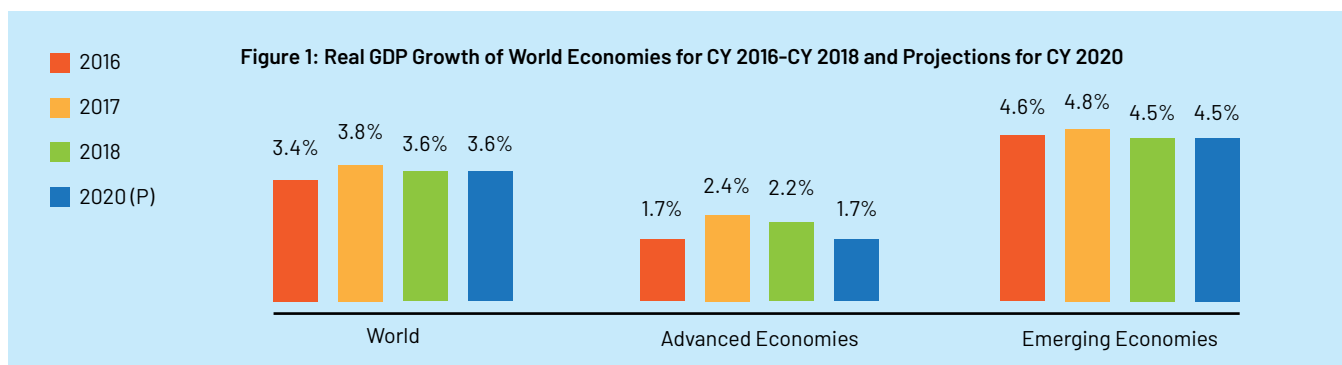
Despite an improvement in growth prospects at the global level, several large developing countries

saw a decline in per capita income in 2018. While a modest recovery was projected in 2019, per capita incomes were still likely to remain stagnant or grow only marginally in Central, Southern and West Africa, Western Asia, and Latin America and the Caribbean.

The global economy was facing a confluence of risks, which could severely disrupt economic activity and inflict significant damage on long term development prospects. These risks included an escalation of trade disputes, an abrupt tightening of global financial conditions, and intensifying climate risks.

In 2018, the United States' decisions to increase import tariffs had sparked retaliations and counter-retaliations. A prolonged episode of heightened trade tensions and a spiral of additional tariffs posed a significant risk to the global growth outlook. Global economic activity was impacted through several channels, including slowdown in investment, higher consumer prices and a decline in business confidence.

A period of subdued trade growth would also weigh on productivity growth in the medium term and long term growth prospects. Trade supports productivity growth via economies of scale, access to inputs, and the acquisition of knowledge and technology. These channels are strongly intertwined with investment decisions, productivity gains, economic growth and even sustainable development.

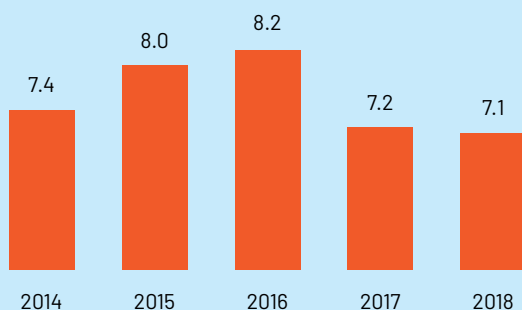


Source: World Economic Outlook 2019, International Monetary Fund

## Indian Economic Overview

India was and will be in a period of unprecedented opportunity, challenge and ambition in its development. It is already the world's third largest economy in purchasing parity terms. Long term GDP growth has become more stable and resilient in 2018. Over the next few years, India is expected to grow at well over 7 % per year, with progress being supported by dynamic reforms in the macroeconomic, fiscal, tax and business environments.

Figure 2: GDP Growth rate in India (%)



Source: World Economic Outlook 2019, International Monetary Fund

The GDP was 7.1 which is expected to reach 7.5% by the end of the year 2019. The slow growth caused by GST and demonetisation ended this year. There was a huge increase in trade within the country, making India a much more attractive place to invest.

Amid the 3.5% inflation experienced in the year 2018, GDP at current prices reached 2.97 thousand US dollars and briefly took India to become the 6<sup>th</sup> largest economy in the world. France in the later part of the year regained its 6<sup>th</sup> spot, pushing India back to 7<sup>th</sup>. However, going by the growth forecasts, India is expected to overtake France again with a year owing to its phenomenal industrial growth. With a labour force of 521.9 million, India is moving at an industrial growth rate of 5.5% since 2017.

However, there are a few speed bumps in this growth story. The population below poverty line is still 21.9% and unemployment rate is at the highest in over 4 decades at 6.1 %. In order to grow India

will have to make more use of the young population. The country's youth not only has a low dependency ratio and healthy savings but it is also increasing integration into the global economy. Thus, the long term challenges remain significant, including inefficient power generation and distribution system, ineffective enforcement of intellectual property rights, decades-long civil litigation dockets, inadequate transport and agricultural infrastructure, limited non-agricultural employment opportunities, high spending and poorly targeted subsidies, inadequate availability of quality basic higher education and accommodation rural-to-urban migration.

In the year 2018-19, merchandise exports increased significantly by 8.85% to reach a value of US\$ 298.47 billion In December 2018, Foreign Direct Investment reached US\$ 409.15 bn. with major contributions coming in from services, computer software and hardware, telecommunications, construction, trading and automobiles.





# Textile and Apparel Industry Overview

## Global Textile Industry

### Consumption

Global apparel consumption is projected to be approximately US\$ 1.9 trillion in 2018. The global apparel demand is expected to grow at a CAGR of 5% from the current US\$ 1.9 trillion to reach US\$ 2.6 trillion by the year 2025. Among the top eight markets of apparel, India and China are expected to grow at steady CAGR of 12% and 10%, respectively as compared to world total of 5%. Higher economic growth and rise in per capita income will lead to the growth in the apparel market in these developing countries.

### Trade

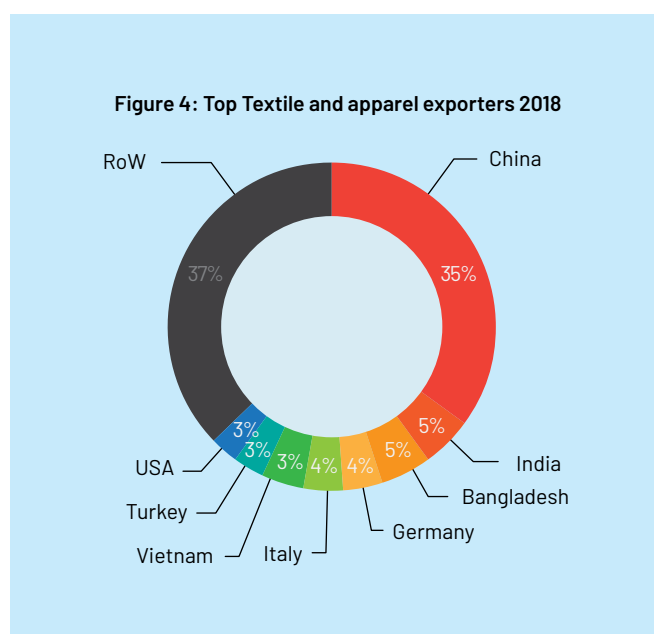
In 2018, global textile and apparel trade was estimated at US\$ 790 billion and has grown at a CAGR of 4.3% since 1995. Apparel is the largest category with a share of 58%, followed by fabric with a share of 19%.

The global textile and apparel trade is expected to grow at a rate of about 4% from the present worth of US\$ 790 billion to US\$ 1,200 billion by 2030. 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.

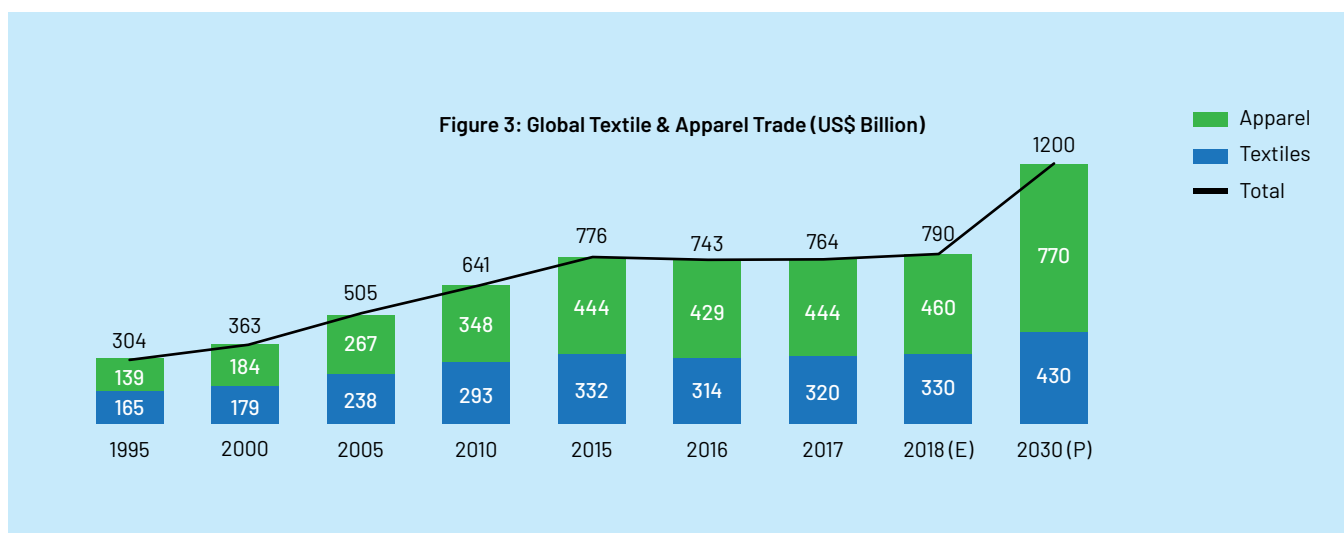
There was a 4% decline in trade in 2016 compared to 2015 owing to stifled global economic scenario. However, the trade is showing a positive growth after the downfall in 2016.

### Share of Major Suppliers

China is the largest exporter with 35% share in global textile & apparel exports in 2018, followed by India with 5% share. Other major exporters include Bangladesh, Germany, Italy and Vietnam. Over the years, manufacturing has shifted towards low cost countries, with the share of US and Europe decreasing continuously and Asian countries growing, led by China, Bangladesh, India and Vietnam.



Source: UN Comtrade



Source: UN Comtrade

## Indian Textile and Apparel Industry

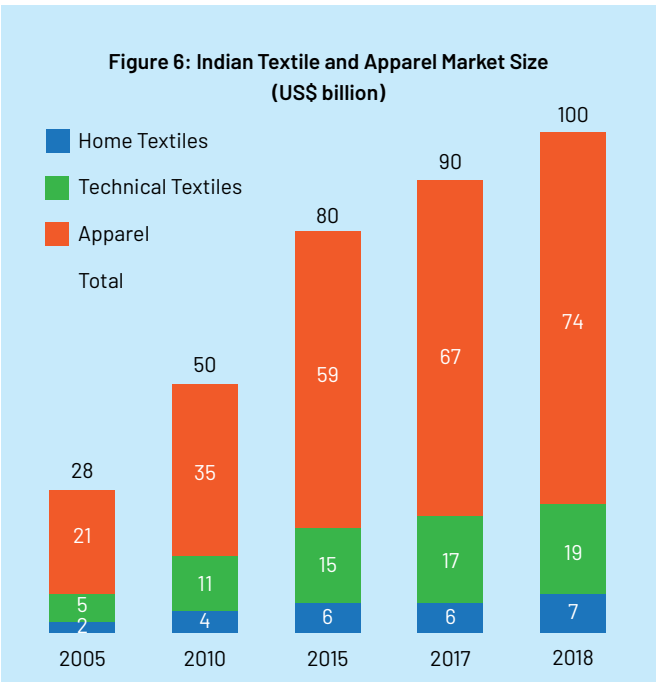
Textile and apparel sector is one of the leading segments of the Indian economy and one of the largest sources of foreign exchange earnings. It accounts for about 5% of the gross domestic product (GDP), and around 13% of the total exports earnings. The sector also provides direct employment to 45 million 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. 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 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 the double advantage of being export competitive as well as having large domestic consumption which is growing. It is currently estimated at US\$ 137 billion. The domestic consumption of textile and apparel constitutes approximately 73% of the total market size while exports constitute the rest 27%.

## Domestic Market Overview

The current domestic textile and apparel market is estimated at US\$ 100 billion, with apparel having about 74% share. With growth of disposable income, favourable demographics and changing lifestyle, consumption of products and services is expected to grow continuously in the foreseeable future, including textiles and apparel.



Source: Ministry of Textiles and Wazir Analysis

Indian consumers' affinity towards brands and organized retailing is increasing, which is helping the consumption growth of all products, including textile & apparel. Organized retailing in India currently stands at only 10% of the overall retail market of US\$ 790 billion. Within this, apparel has a share of approximately 9%. With growing disposable income, favourable demographics, changing lifestyles and



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

a high potential for penetrating non-urban metro markets; the share of organized markets in India is expected to reach 25% by 2030. 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.

### Indian Exports Overview

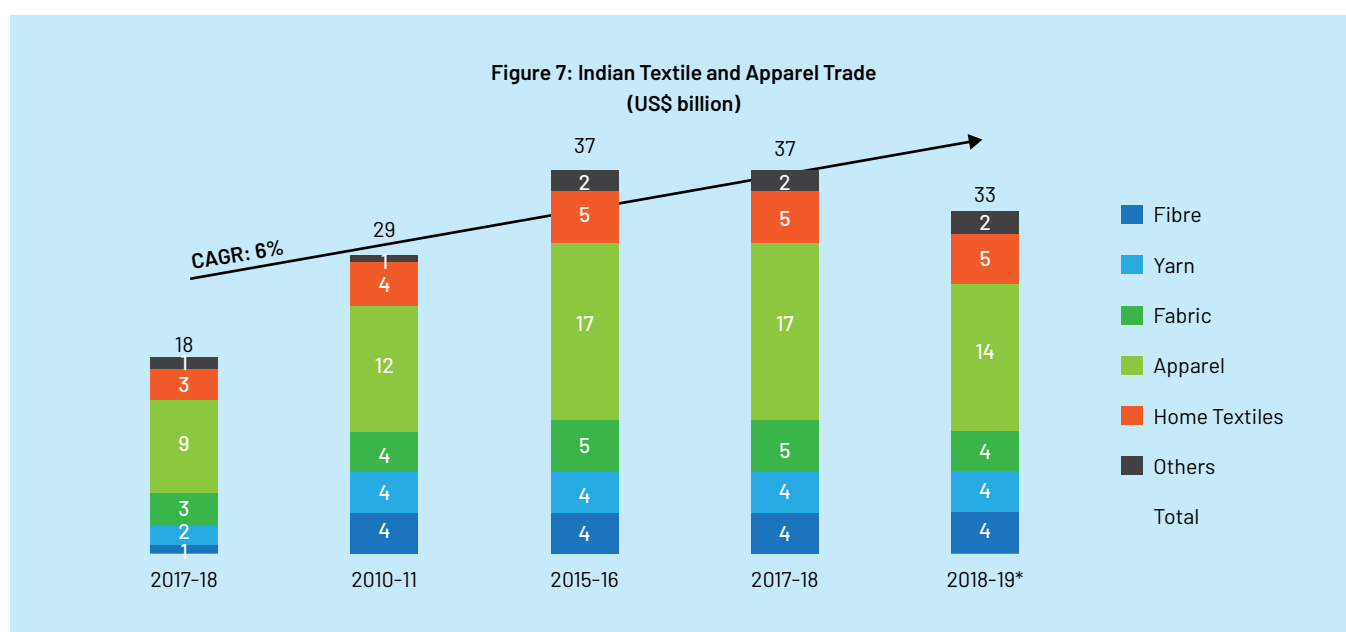
In terms of global ranking, India is ranked 3rd in textile export with 6% share and 6th in apparel export with 4% share. Overall, India holds second position with 5% share of global textile and apparel exports. India's textile & apparel exports were US\$ 37 billion in 2017-18 and have grown at 6% CAGR since 2005-06. Availability of raw material, skilled manpower and favourable central & state government schemes would further help Indian exporters increase their market share and global competitiveness.

India has large manufacturing capacities across the complete manufacturing value chain viz. natural and manmade fibre, spinning, weaving, knitting, processing, garmenting, made-ups and technical textiles.

**Table 1: Installed Capacities in Indian Textile Sector (2016-2017)**

Description	Capacities
Spindles	53 million
Rotors	0.9 million
Man Made Fiber	1.8 billion kg.
Man Made Filament	2.2 billion kg.
Looms (Including power looms)	2.6 million
Sewing machines	5 million

**Source:** Office of Textile Commissioner, Government of India and Wazir Estimates

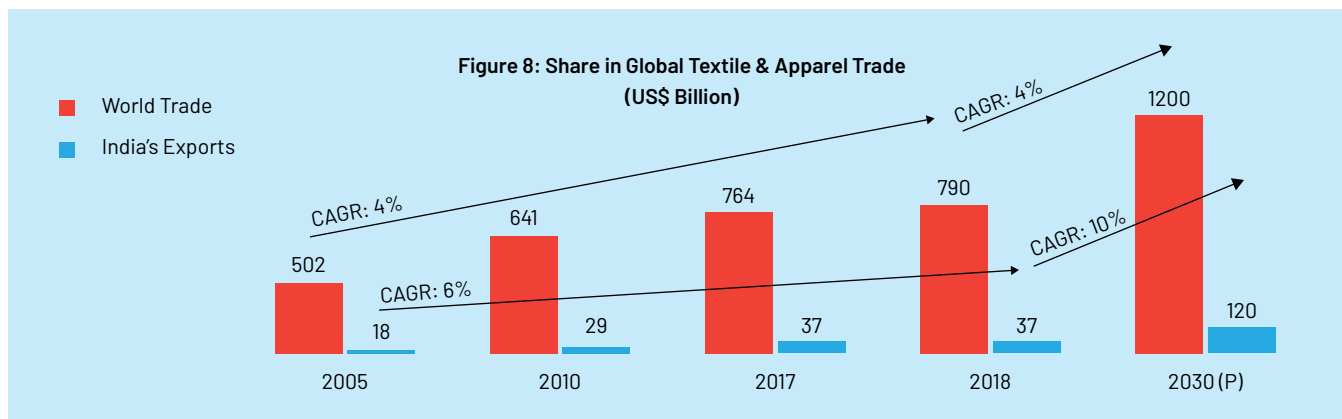


## India's Global Position

Global textile and apparel trade grew at a rate of 4% over the last decade to reach a value of US\$ 790 billion in 2018. During the same period, India's export of textile and apparel grew at a comparatively higher rate of 6% to reach a value of US\$ 37 billion in 2018. India's textile and apparel exports are expected to grow at a CAGR of 10% to reach US\$ 120 billion in 2030.

China is the largest importer of cotton yarn (25% share) from India, followed by Bangladesh and Pakistan with 20% and 7% share, respectively. The top five importers form 62% of India's total cotton yarn exports.

The high cotton yarn exports out of India can be attributed to the local availability of abundant raw material and modern infrastructure in the spinning section of the value chain. Indian spinners over

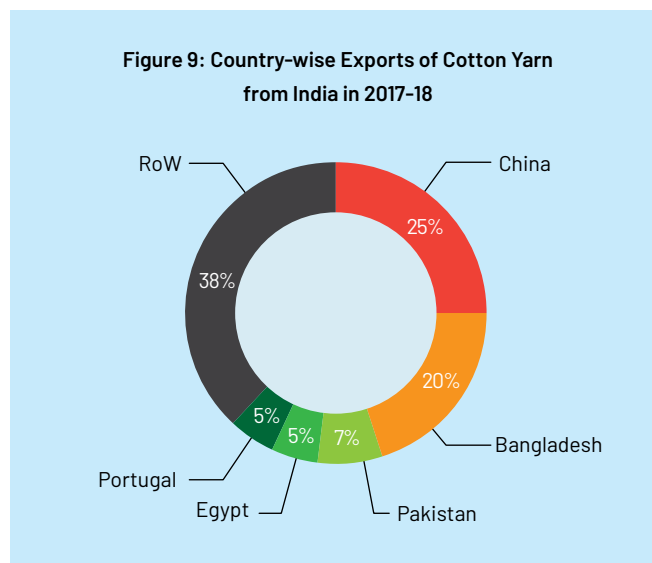


Source: UN Comtrade & Wazir Analysis

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 and state government schemes would further help Indian exporters increase their market share and global competitiveness.

## Spinning Industry Overview

The global yarn market is estimated to be around US\$ 40 billion in 2017 and is expected to grow at a CAGR of 1.05% to reach US\$42 billion by the year 2022. In 2018 with an installed capacity of about 53 million spindles, India is one of the largest producer and exporter of cotton yarn in the world with a production of 5,122 million kgs.



Source: DGCI&S and Wazir Analysis

the last few decades have invested extensively in bringing in the latest spinning technologies and infrastructure to India.

**Table 2: India's Cotton Yarn Production in Million Kg**

Yarn	Production 2012-13	Production 2017-18	CAGR 2012-2017 (%)
100% Cotton Spun Yarn	3,583	4,059	3
Cotton Blend Spun Yarn	828	1,063	5
<b>Total</b>	<b>4,411</b>	<b>5,122</b>	<b>3</b>

Source: Office of Textile Commissioner, Govt. of India



## Some of the advantages of the Indian spinning industry are as follows:

- Large scale installed capacity
- Good raw material availability – India is largest producer of cotton
- Modern set ups with high quality and efficiency levels
- Sustainable value chain demand in domestic market
- Potential increase in export markets like Bangladesh, Pakistan etc.

## Fabric Industry Overview

Fabric being the primary raw material of the apparel industry, is an indispensable part of the supply chain. The global trade of fabrics registered a value of US\$ 146 billion in 2017. Woven fabrics constituted the majority share of 76% with a value of US\$ 111 billion. The remaining value of US\$ 35 billion was for the trade of knitted fabric. Over the last five years, the trade of woven fabric has shown de-growth at a CAGR of 1.5%, while the trade of knitted fabric has been growing positively at a CAGR of 1.5%.

India's exports of fabrics stood at US\$ 4.6 billion in 2017, which was dominated by woven fabrics with a share of over 99%. The exports of knitted fabrics was

Figure 12: India's Exports of Woven Fabric (US\$ Billion)

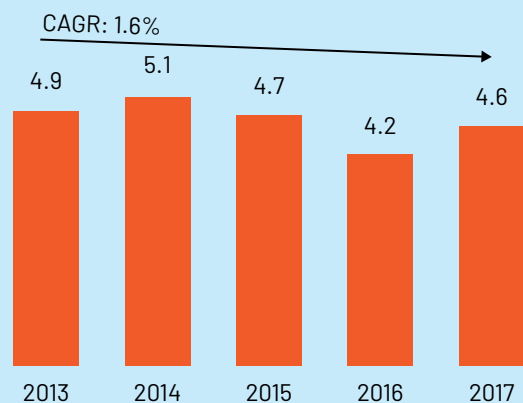
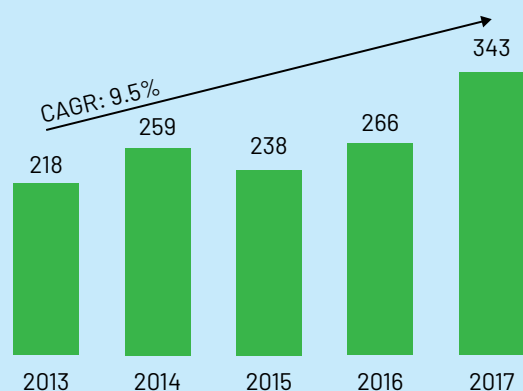
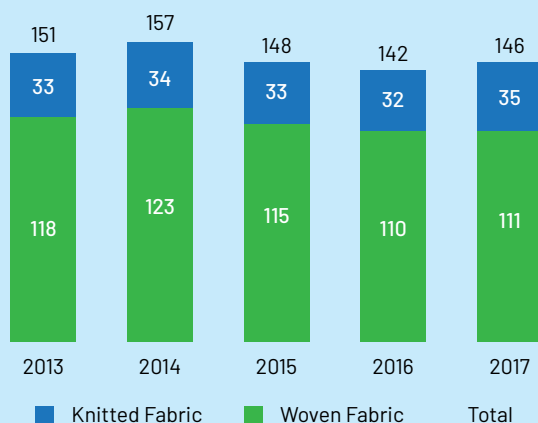


Figure 13: India's Exports of Knitted Fabric (US\$ Million)



Source: UN Comtrade

Figure 11: Global Trade of Fabric (US\$ Billion)



Source: UN Comtrade

just US\$ 343 million when compared to the US\$ 4.3 billion woven fabric exports. The country's exports of knitted fabric has been growing at a CAGR of 9.5% over the last five years. However, woven fabrics have shown a decline at a CAGR of 1.6% in the same time period.

In 2017, the fabric production in India stood at 66,515 million sq. m, which has grown at 1% CAGR in the past five years. Woven fabric had the major share of 73%, while the rest being knitted fabric. However, the production of woven fabric has grown at a CAGR of 1% while knitted fabric production has increased at 4% CAGR in the last half a decade.



## Operational Performance and Financial Overview

The financial performance in the 2018-19 financial year may have been subdued, but our farsighted approach has paid exciting dividends this year, considering the phase that the mélange yarn market is going through. Our firm ideology and focus on producing innovative products and strengthening our value chain have reflected in our financials for this year. Constantly innovating our products over the years to be better than ourselves has helped our organization. This financial year, we also benefited from our decision to expand the capacity of the knitting division, a decision that we feel was well timed considering the current situation of the spinning industry. 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 for two years running.

## 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 2019 was 2,231.

## Internal control system

**Winsome Textile** 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.

Rs. in crores

Particulars	2018-19	2017-18
Total Income	724.18	699.62
Depreciation & Amortization Expenses	23.74	24.71
Profit before tax	14.31	6.89
Profit for the year	12.12	4.96
Net Worth	189.39	176.51
<b>Return on Net Worth</b>	<b>6.40 (%)</b>	<b>2.81 (%)</b>

Return on Net Worth is higher in current financial year as compared to last financial year because the company has earned higher profits in current financial year.

# Company Policies

## Winsome Textile's Commitment towards Society, employees & Environment

### Conservation of Energy

A topic of high value and importance on which the future now rests is Conservation of Energy. Every day we are nearing towards global rise in temperature due to continuous use of fossil fuels among other factors. This non-renewable energy is limited and we have to reduce its use to a bare minimum so as to conserve it for future generations.

In 2018-19 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 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 by new Motor with Card C1/3.
- D.G. Set and grid power etc. is generally used by the Company with regard to alternate source of energy.
- Implication of energy management system by use of KWH meters to reduce unnecessary usage of electricity by end users etc.
- Apart from Grid power, DG sets a standby power and Company has 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.

## Corporate Social Responsibility

Giving back to the society has always been of priority to our organization as we strongly believe that the community is an important contributor in the success of a company. Thus we focus on social and environmental development and support for the local community. We dynamically get involved in various activities concerning the 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 key areas of attention remain Education, Environmental Safety, Health care and Family welfare. Contribution towards various relief funds setup by the Government of India and/or any State Government are also made.

## Total Quality Management Projects

Implementation TQM, an important aspect for cost saving and building trust with the various clients has till now helped us to save Rs. 240 lacs in the year 2018-2019.

- Reduction in Omega Lap Clutch failure
- Minimization in Link Coner Suction arm Housing jam problem
- Reduction in Lapeta cutting for simplex Bobbins
- Increase in lot size of Sampling bath
- Reduction in correction in Mixing
- Processing (Compactor) productivity increased
- Remnant control & lot Management in Grey Godown

## Risk Management Policy

The textile sector needs continuous monitoring and regulated assessment for risks. The analysis of these risks helps to maintain the optimum and most efficient ways to mitigate these risks. To achieve the same, the 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 Risk Management Committee of the Board of Directors of the Company periodically reviews the functioning of Risk Management Policy. The Board of Directors after considering the recommendations of Risk Management Committee amend various policies in whole or in part, at any time consistent with requirements of applicable laws, rules and regulations.

## Child Labour Policy

We believe children should get the right education and knowledge at their age and hence we have employed workers who meet the applicable minimum legal age requirement or at least 15 years of age, whichever is higher. We also comply with all other local child labour laws including those related to hiring, wages, and hours worked, overtime and working conditions.

## Labour Policy

We employ workers on the basis of their ability to do a job and not on the basis of their personal characteristics. They are given equal opportunity and fair treatment. We pay and provide regardless of the gender, religion, caste, age, marital status, social origin and membership in workers' organisations including unions, or political affiliation. We treat all workers with respect and dignity.



## Prevention of Sexual Harassment Policy

Providing a safe and congenial work environment to all employees especially women is an integral part of the Company's sexual harassment policy. Management of the Company has constituted Internal Complaint Committees to consider and redress complaints of Sexual Harassment in a time bound manner. Thus, we expect responsible conduct of behaviour on the part of all our employees at all levels.



# Board's Report

Dear Shareholders,

Your Directors have pleasure in presenting the 38th Annual Report together with the Audited Financial Statements of the Company for the financial year ended 31st March, 2019.

Financial Highlights	Year ended 31.3.2019 (Rs. in lacs)	Year ended 31.3.2018 (Rs. in lacs)
Sales	72418.29	69980.95
Profit before Interest & Depreciation	8643.40	7994.23
Less : Interest	4839.25	4835.22
Profit/(Loss) before Depreciation	3804.15	3159.01
Less : Depreciation	2373.51	2470.75
Profit/(Loss) before Tax	1430.64	688.26
Less : Provision for Taxation - Current Tax/MAT	334.01	153.47
- MAT Credit	(40.48)	(153.47)
- Deferred Tax Liability/(Assets)	(74.75)	422.69
- MAT Credit earlier year/Charged Earlier Year	-	-
- Tax/MAT for earlier years	-	(280.46)
- Tax Adjustment for the earlier year	0.02	49.79
Net Profit/ (Loss) after Tax	1211.84	496.24
Add : Surplus brought from previous year	2988.97	9766.38
Less: Adjustments & amounts transferred to General Reserves	(1000)	(7273.65)
	3276.07	2988.97
Appropriations :		
Proposed Dividend	NIL	NIL
Corporate Dividend Tax	NIL	NIL
Surplus Carried to Balance Sheet	3276.07	2988.97
	3276.07	2988.97

## PERFORMANCE REVIEW

During the year under review, your Company has achieved a sales turnover of Rs.72418.29 lacs as against sales turnover of Rs. 69980.95 lacs during the previous year showing an increase of 3.48% and a net profit (after tax) of Rs.1211.84 lacs for the year against net profit (after tax) of Rs. 496.24 lacs during the previous year. The exports of the company for the current financial year were of Rs.26543.83 lacs against Rs. 25570.84 lacs for the previous financial year.

The Textile Industry has still not recovered from the effect of demonetization and GST. Beside this other factors like higher price cotton due to lower Indian cotton production has added to already existing factors impacting profitability. Due to higher prices of cotton Indian products became uncompetitive and resulted in lower export exmill realization. Similarly, USA Trade war with China has also damped sentiments of international Trade Growth.

Impact of above factors was comparatively limited in performance in your Company as the compared to the pain being felt in Textile Industry mainly due to our supply of value added yarns including dyed yarn and fabrics to customers in both domestics and international markets.

### **ACCOLADES AND RECOGNITIONS**

We are delighted to inform you that your Company 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. Further, during the year under review Manuni Hydro electric Project has generated about 110 lacs units against 97 lacs units in the previous year.

### **MODERNISATION & EXPANSION**

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

- (a) New Card(04 nos), state of art machines were purchased, with latest technology having measure such as energy saving spindles and highly energy efficient motors. Besides this reduction in steam consumption is made by process improvements.
- (b) Company has installed TEXPART Spindle CS-1 on one Ring Frame having 1200 spindles to enhance power saving & getting better yarn quality.
- (c) Company has done conversion on Ring Frame 10 Nos from Flat belt to Timing Belt, to get smart amount of power saving & better performance.
- (d) Company has installed Sample Dyeing M/C Model: RVS-10, Make: CUBOTEX, Capacity: 40 Kgs in Dyeing Lab.
- (e) Company has installed One Post Winding M/C Make: RESHMI in Dye House.
- (f) Company has installed One Yarn Conditioning M/C, Make: SIEGER 1600 kg, dual type heating to enhance the yarn condition capacity in dye House.

### **SHARE CAPITAL**

The paid up Equity Share Capital as at March 31, 2019 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 Companies Act, 2013 during the year 2018-19. 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 /renewed any deposits from the public during the FY 2018-19.

## **DIVIDEND & RESERVES**

Keeping in view to conserve the resources, your Directors do not recommend any dividend for the FY 2018-19. The Company has proposed to carry Rs.1000 Lacs from surplus in the P&L account to General reserves.

## **INVESTOR EDUCATION PROTECTION FUND (IEPF)**

Pursuant to Section 124(5) of Companies Act, 2013 read with the IEPF Authority (Accounting, Audit Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF, established by the government of India, after the completion of seven years. Further according to the rules, the share on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of IEPF Authority. During the year under review, the Company has transferred the unclaimed and unpaid dividend for the Financial Year 2010-11 of Rs. 45,120/- (Rupees Forty Five Thousand One Hundred Twenty Only). Further, 27,684 corresponding equity shares on which dividend were unclaimed for seven consecutive years were also transferred as per the requirement of the IEPF rules.

However, the Shareholders are entitled to claim their shares including all the corporate benefits accruing on such shares, if any, from the IEPF Authority by submitting an online application in Form IEPF-5 and sending a physical copy of the Form IEPF-5 duly signed by all the joint shareholders, if any, as per the specimen signature recorded with the Company along with requisite documents enumerated in the Form IEPF-5, to the Company's RTA. The Rules and Form IEPF-5, as prescribed, for claiming back the shares, are available on the website of the IEPF [www.iepf.gov.in](http://www.iepf.gov.in). It may please be noted that no claim shall lie against the Company in respect of share(s) transferred to IEPF pursuant to the said Rules.

## **NUMBER OF MEETINGS HELD**

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

## **DIRECTORS/ KEY MANAGERIAL PERSONNEL**

Shri Ashish Bagrodia, Chairman & Managing Director (DIN - 00047021) shall be liable to retire by rotation at the ensuing Annual General Meeting, being eligible, he has offered himself for re-appointment. Further, first term of appointment of Sh. Chandra Mohan (DIN - 00017621) and Sh. Satish Girotra (DIN - 01112511), as an Independent Directors of the Company shall expire on 28.09.2019 and being eligible and they have offered themselves for re-appointment for further period of five consecutive years. Further, as on date, Sh. Chandra Mohan and Sh. Satish Girotra have attained the age of Seventy Five years, hence, their reappointment shall be by way of Special Resolutions.

There was a change in the composition of the Board during the F.Y. 2018-19 as Shri Amrit Lal Batra (DIN - 00399728), an Independent/Non-Executive Director has resigned w.e.f. 03.11.2018 citing personal reasons. There was no change in the Key Managerial Personnel during the year.

## **ANNUAL EVALUATION OF BOARD AND ITS COMMITTEES AND OF INDIVIDUAL DIRECTORS.**

As per Companies Act 2013 and Listing Regulations, Board has adopted formal mechanism for evaluating its performance and as well as that of its committees, individual Directors, including the Chairman of the Board in compliance of Companies Act 2013 and Listing Regulations. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board, its committee & members, their experience & competencies, performance of specific duties &

obligations, governance. Broadly the performance of Non-Independent/Executive/Whole Time Director(s) was evaluated on the basis of their own performance, expertise, intelligence, their qualitative & quantitative contribution towards operational achievements, organizational performance etc. The performance of Non-Executive Independent Directors were evaluated on the basis of their constructive participation's in Board/Committee/General meetings, their informed & balanced decision-making, ability to monitor financial controls, systems & certain allied parameters. The annual 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 07th February, 2019 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 been uploaded on the website 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 is also uploaded on the website of the Company i.e. [www.winsometextile.com](http://www.winsometextile.com) under the head "corporate policies".

## **STATUTORY AUDITORS**

M/s B. Chhawchharia & Co., Chartered Accountants, were appointed as Statutory Auditors of Company, for a period of five consecutive years at the 36th Annual General Meeting of Company held on 04th September 2017, on a remuneration mutually agreed upon between the Board of Directors and the Statutory Auditors. Their appointment was subject to ratification by the Members at every subsequent AGM held after the AGM held on 04th September 2017. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn and such variation in the terms of appointment have also been approved by the shareholders in the AGM held on 24th September, 2018. Hence the resolution seeking ratification by Members for continuance of their appointment at this



AGM is not being sought.

## **AUDITOR'S REPORT**

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

## **COST AUDIT & AUDITORS**

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 2018-19 under provisions of Section 148 of the Companies Act, 2013. They are likely to submit Cost Audit Report within the prescribed time limit. Further the Company has made and maintained proper cost records as specified by the central government under sub-section (1) of section 148 of the Companies Act, 2013 for its business activities carried out during the year.

Furthermore, the Board has re-appointed M/s Aggarwal Vimal & Associates, Cost Accountants as Cost Auditors of the Company for the financial year 2019-20 on a remuneration of Rs.75,000/- (Rupees Seventy Five Thousand only) same as in the previous year. The Company has received written confirmation(s) 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 2018-19 as required under Section 204 of the Companies Act, 2013 and Rules made there under. The secretarial audit report for FY 2018-19 is appended as an **Annexure II** to the Board's report. The Secretarial auditors' report for the year under review contain no adverse remarks, qualifications, hence no comments required.

Furthermore, the Board has re-appointed Shri Ramesh Bhatia, Practicing Company Secretary as secretarial auditor of the Company for the financial year 2019-20.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

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 its review/approval. 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 been uploaded on the website of the Company at web link <http://www.winsometextile.com/files/pdf/68-63-file.pdf>.

## **PARTICULARS OF EMPLOYEES**

The information under Section 197 read with Rule 5(1), 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as an **Annexure III & Annexure IV** to the Board Report.

## **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Act, is annexed as an **Annexure V** which forms an integral part of this Report and is also available on the Company's website at [www.winsometextile.com](http://www.winsometextile.com).

## **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, 2019.

## **OVERSEAS BRANCH**

The Company has got approval to open branch office in Poland from the respective authorities in the F.Y. 2017-18. The said branch is in operational since second quarter of F.Y. 2018-19 and catering to textile market in central Europe.

## **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 Practicing 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 is 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 time to time.

The CSR activities are 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 time to time), either directly or through Winsome Textile Social Trust. Winsome Textile Social Trust established by Company for carrying out CSR activities of the Company including utilization of CSR Funds of Company as per the provisions of section 135 and Schedule VII of the Companies Act, 2013 and rules made there under as amended from time to time and which also fulfills the criteria laid down under Companies (CSR Policy) Rules 2014. The Corporate Social Responsibility (CSR) Committee of Company regularly monitor/review the CSR activities/CSR projects, its mechanism & other prescribed activities/matters. CSR policy is available on website of Company at 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, 2019, 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, 2019 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 ("hereinafter referred to as Listing Regulations").

## **INTERNAL COMPLAINT COMMITTEE (ICC)**

The Company has constituted an internal Complaint Committee (ICC) in all units of the company including corporate office to consider and resolve all sexual harassment complaints reported by any employees of the Company. The constitution of ICC is as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the committee includes external members from NGOs or with relevant experience. Investigation is conducted and decisions made by ICC at respective location, and senior woman employee is the presiding officer over every case. Half of the total members of ICC are women. The details of complaints pertaining to sexual harassment that were filed, disposed of and pending during the financial year are provided in the corporate governance report of this Annual Report.

## **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:

- There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or the Board under Section 143(12) of Act and Rules framed thereunder.
- 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.

**Place:** Chandigarh

**Date:** 21.05.2019

**For and on behalf of the Board**  
**Sd/**  
**(Ashish Bagrodia)**  
**Chairman & Managing Director**  
**DIN-00047021**

## 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.

**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, 2019**

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 31/03/2019 (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 31/03/2019 according to the provisions of :

1. The companies Act, 2013 ( the Act ) and the rules made thereunder;
2. The Securities Contracts ( Regulations ) Act, 1956 ( SCRA ) and the rules made thereunder,
3. The Depositories Act, 1996 and the Regulations and Bye Laws framed there Under.
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extend 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.

Contd.....3

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

**I further report that:**

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

**Place:** Chandigarh

**Date:** 21.05.2019

**Signature :** Sd/-

**Name :** Ramesh Bhatia

**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 Management has conducted the affairs of the Company.

(Ramesh Bhatia)  
Company Secretary

**Place:** Chandigarh

**Date:** 21.05.2019

## 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. 2018-19:**

\*Sh. Ashish Bagrodia: 33.65:1

Chairman & Managing Director

**(II) The percentage increase in remuneration of each Director, CEO, CFO & CS during F.Y. 2018-19:**

S. No.	Name	Designation	% increase in Remuneration
1	*Sh. Ashish Bagrodia	CMD	0%
2	Sh. Anil Sharma	CEO	0%
3	Sh. Sanjay Kedia	CFO	0%
4	Sh. Videshwar Sharma	CS	#0%

\* Comparison is made without considering commission for F.Y. 2018-19.

During the year under review there is no increase in the percentage of remuneration of aforesaid Director/KMPs.

# Percentage increase in the remuneration of Sh. Videshwar Sharma, Company Secretary is not comparable with previous year since he has joined on 26th July, 2017, although there was no increase in his remuneration.

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. 2018-19: 1.84%.**

**(IV) The number of permanent employees on the rolls of company as on 31st March 2019: 2231.**

**(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. 2018-19 is by 3% whereas the no percentage increase in the managerial remuneration during the year under review. The remuneration to employees and to managerial personnel is commensurate with industry standards & as per nomination & remuneration policy of Company.

**(VI) It is hereby affirmed that the remuneration paid during the F.Y. 2018-19 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: 21.05.2019



# 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.122.22 Lacs (including commission)	Whole Time	B.E. (Mech.) Hons.	24 years	01st October 1996	49 years	NIL	0.25% (49220 Shares)	Sh. Ashish Bagrodia is son of Late Sh. Satish Bagrodia (Advisor of Company)
<b>Top Ten Employees of the Company (remuneration - wise)</b>										
Shri Anil Sharma	President & CEO	Rs.72.46 Lacs	Whole Time	B.Tech & MBA	39 years	01st October 1985	64 years	Mahavir Spinning Mills Ltd.	Nil	N.A.
Late Shri Satish Bagrodia	Advisor	Rs.55.81 Lacs	Whole Time	B.Sc. Engg. (Mech.) & FIE.	53 years	1st March 2015	79 years	Winsome Textile Ind. Ltd. as Chairman & Whole Time Director	Nil	Sh. Late Satish Bagrodia is father of Sh. Ashish Bagrodia, CMD.
Shri Sanjay Kedia	CFO	Rs.33.78 Lacs	Whole Time	B.Com, CA	19 years	21st May 2009	44 years	Limtex Group	Nil	N.A.
Shri Sanjiv Vikram Dutt	VP- Raw Material	Rs.32.04 Lacs	Whole Time	Graduate	30 years	30 April 2007	49 years	Ginni Filaments Ltd.	Nil	N.A.
Shri Alok Mishra	VP-Exports	Rs.30.60 Lacs	Whole Time	Masters in International Business	22 years	21st January 2009	47 years	Indorama Synthetics TBK	Nil	N.A.
Shri Vipin Bathla	VP- Marketing	Rs.30.29 Lacs	Whole Time	MBA	23 years	11th April 2011	47 years	Spentex Ind Ltd.	Nil	N.A.
Shri Jugal Kishor Sharma	VP- Technical	Rs.26.87 Lacs	Whole Time	Diploma in Textile Tech.	30 years	1st May 1998	50 years	Shreyans Spinning Mills	Nil	N.A.
Shri Suresh Rameja	Sr GM-Prod.	Rs.26.81 Lacs	Whole Time	Diploma in Textile Tech.	27 years	03-Aug-2016	48 years	Arham Spinning Mills	Nil	N.A.
Shri Amit Kumar Yadav	Sr.GM-Dye House	Rs.26.81 Lacs	Whole Time	B. Tech Textile Chemistry	14 Years	02-Jul-2012	37 years	Sainath Texport Limited	Nil	N.A.
Shri Tejinder Pal Singh Bawa	GM-Knitting	Rs.26.40 Lacs	Whole Time	B.A, Diploma in Knitting Tech.	24 years	19 February 2015	50 years	Eveline International	Nil	N.A.

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

# Annexure V

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31.03.2019**

[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>	:	Winsome Textile Industries Limited
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, Himachal Pradesh -173205, Phone No: - 01795-244045 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, Noble Heights, 1st Floor, LCS Near Savitri Market Janakpuri, New Delhi - 110058, Tele. No. 011-41410592-94, Fax No. 011-41410591, E-mail: delhi@linkintime.co.in, sunil.mishra@linkintime.co.in

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Spinning Weaving and finishing of textiles	131	89.76
2.	Knitted Fabric	139	10.24

### 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.	6570301	-	6570301	33.15	6570301	-	6570301	33.15	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):-	6717961	-	6717961	33.89	6717961	-	6717961	33.89	-
(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)	6717961	-	6717961	33.89	6717961	-	6717961	33.89	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	200	-	200	0.00	200	-	200	0.00	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs/FIC	6552654	-	6552654	33.06	6450000	-	6450000	32.54	(0.52)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	6552854	-	6552854	33.06	6450200	-	6450200	32.54	(0.52)
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	4731772	200	4731972	23.87	4557705	-	4557705	22.99	(0.88)
ii) Overseas	-	-	-	-	-	-	-	-	-

b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1214811	32609	1247420	6.29	1110508	14060	1124568	5.67	(0.62)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	550048	-	550048	2.78	926970	-	926970	4.68	1.90
c) Others									
(NRI's, Trust & IEPF)	19625	120	19745	0.09	42576	20	42596	0.21	0.12
<b>Sub-total (B)(2):-</b>	<b>6516256</b>	<b>32929</b>	<b>6549185</b>	<b>33.04</b>	<b>6637759</b>	<b>14080</b>	<b>6651839</b>	<b>33.56</b>	<b>0.52</b>
<b>Total Public Shareholding (B) = (B) (1)+ (B) (2)</b>	<b>19787071</b>	<b>32929</b>	<b>19820000</b>	<b>100.00</b>	<b>19805920</b>	<b>14080</b>	<b>19820000</b>	<b>100.00</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>19787071</b>	<b>32929</b>	<b>19820000</b>	<b>100.00</b>	<b>19805920</b>	<b>14080</b>	<b>19820000</b>	<b>100.00</b>	<b>0.00</b>

## (ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Sh. Manish Bagrodia*	46220	0.23	-	-	-	-	(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	Sh. Uddhav Bagrodia*	-	-	-	23110	0.11	-	0.11
6	Ms. Vaidehi Bagrodia*	-	-	-	23110	0.11	-	0.11
7	Roselab Commodities Pvt. Ltd.	3501923	17.67	-	3501923	17.67	-	-
8	Kailashpati Vinimay Pvt. Ltd.	3068378	15.48	-	3068378	15.48	-	-
	<b>Total</b>	<b>6717961</b>	<b>33.89</b>	-	<b>6717961</b>	<b>33.89</b>	-	-

\*During the year under review shareholding of the promoters remained unchanged but there was inter-se transfer of shares among promoters i.e. transfer of shares of Sh. Manish Bagrodia to his son and daughter i.e Sh. Uddhav Bagrodia and Ms. Vaidehi Bagrodia.

(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 (01.04.2018)	6717961	33.89				
1	Sh. Manish Bagrodia*			24.08.2018	-46220	-	-
2	Sh. Ashish Bagrodia			-	-	49220	0.25
3	Smt. Vandya Bagrodia			-	-	3000	0.02
4	Smt. Sudha Bagrodia			-	-	49220	0.25
5	Sh. Uddhav Bagrodia*			24.08.2018	23110	23110	0.11
6	Ms. Vaidehi Bagrodia*			24.08.2018	23110	23110	0.11
7	Roselab Commodities Pvt. Ltd.			-	-	3501923	17.67
8	Kailashpati Vinimay Pvt. Ltd.			-	-	3068378	15.48
	At the End of the year (31.03.2019)					6717961	33.89

\*During the year under review shareholding of the promoters remained unchanged but there was inter-se transfer of shares among promoters i.e. transfer of shares of Sh. Manish Bagrodia to his son and daughter i.e Sh. Uddhav Bagrodia and Ms. Vaidehi Bagrodia.

(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		
		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	-
				14.09.2018	-25000	2056244	10.37	(0.13)
				21.09.2018	-50000	2006244	10.12	(0.25)
				29.09.2018	-27654	1978590	9.98	(0.14)
				31.03.2019	-	1978590	9.98	-
2	Landscape Traders Pvt. Ltd.	1365917	6.89	-	-	1365917	6.89	-
				31.03.2019	-	1365917	6.89	-
3	Arpit Agencies Pvt. Ltd.	1290799	6.51	-	-	1290799	6.51	-
				31.03.2019	-	1290799	6.51	-
4	Sparrow Asia Diversified Opportunities Fund	989000	4.99		-	989000	4.99	-
				31.03.2019	-	989000	4.99	-
5	Bao Value Fund	988785	4.99	-	-	988785	4.99	-



				31.03.2019	-	988785	4.99	-
6	Leman Diversified Fund	988000	4.98	-	-	988000	4.98	-
				31.03.2019	-	988000	4.98	-
7	Davos International Fund	987500	4.98	-	-	987500	4.98	-
				31.03.2019	-	987500	4.98	-
8	Daniel Vinimay Pvt. Ltd.	966150	4.87	-	-	966150	4.87	-
				31.03.2019	-	966150	4.87	-
9	Ankur Agencies Pvt. Ltd.	697700	3.52	-	-	697700	3.52	-
				31.03.2019	-	697700	3.52	-
10	Aegis Investment Fund	315000	1.59	-	-	315000	1.59	-
				31.03.2019	-	315000	1.59	-

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 : -

S. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	Name of the Director/ KMP	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	-	-	-	-
3	Sh. Chandra Mohan	-	-	-	-
4	Sh. Amrit Lal Batra	-	-	-	-
5	Smt. Neena Singh	-	-	-	-
6	Sh. Anil Sharma- CEO	-	-	-	-
7	Sh. Sanjay Kedia- CFO	-	-	-	-
8	Sh. 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	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>

Change in Indebtedness during the financial year				
Addition	-	337.10	-	337.10
Reduction	3571.41	458.10	-	4029.51
<b>Net Change</b>	<b>-3571.41</b>	<b>-121</b>	<b>-</b>	<b>-3692.41</b>
Indebtedness at the end of the financial year				
i) Principal Amount	28225.49	-	-	28225.49
ii) Interest due but not paid	79.86	-	-	79.86
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>28335.34</b>	<b>-</b>	<b>-</b>	<b>28335.34</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/WTDT/ 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	14.31
	- @1 % of net profit	-
5	Others, please specify Contribution to Provident fund	8.28
	<b>Total (A)</b>	<b>122.22</b>
	Ceiling as per the Act	10% of net profits of the Company calculated as per section 198 of Companies Act, 2013.

### B. Remuneration to other directors:

(Rs. in Lacs)

S. No.	Particulars of Remuneration	Name of Directors				Total
1	Independent Directors	Sh. Chandra Mohan	Sh. Satish Girotra	Sh. Amrit Lal Batra	Smt. Neena Singh	
	* Fee for attending board & committee meetings	0.98	0.60	0.28	0.85	<b>2.71</b>
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>0.98</b>	<b>0.60</b>	<b>0.28</b>	<b>0.85</b>	<b>2.71</b>

2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board / committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-
	<b>Total (B)=(1+2)</b>	<b>0.98</b>	<b>0.60</b>	<b>0.28</b>	<b>0.85</b>	<b>2.71</b>
	<b>Total Managerial Remuneration (A+B)</b>	-	-	-	-	<b>124.93</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	Sh. Anil Sharma (CEO)	Sh. Sanjay Kedia (CFO)	Sh. Videshwar Sharma (CS)	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	67.67	31.55	16.62	115.85
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit	-	-	-	-
5	Others, please specify Contribution to Provident fund	4.79	2.23	1.18	8.19
	<b>Total</b>	<b>72.46</b>	<b>33.78</b>	<b>17.80</b>	<b>124.04</b>

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

**Place:** Chandigarh  
**Date:** 21.05.2019

For and on behalf of the Board  
Sd/  
(Ashish Bagrodia)  
Chairman & Managing Director  
DIN-00047021

## 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 is making continuous efforts on ongoing basis for energy conservation by adopting innovative measures to reduce wastage and optimize consumption. All efforts are made for installing energy saving devices wherever required by the Company. Some of major initiatives are like:

- (a) Installation of 200 LED tube lights Shed area with an investment of Rs.76000/- which saved 34848 KWH/per annum resulting in power saving of Rs.1,74,000/-.
- (b) Installation of 01 Tyre coupling with main motor of Ring Fram LR-60 no-08 in Shed-01 with an investment of Rs.62000/- which saved 20700 KWH/per annum resulting in power saving of Rs.1,04,000/-.
- (c) Installation of 01 nos of 1200 spindle make texpart-CS1 in Ring Frame-0610 in Shed-01 with an investment of Rs.852000/- which saved 12558 KWH/per annum resulting in power saving of Rs.63,000/-.
- (d) Installation of 10 LED Tube Lights under new packing storage rack in Shed-04 with an investment of Rs.2500/- which saved 1584 KWH/per annum resulting in power saving of Rs.8,000/-.
- (e) Optimization of 01 Carding flat suction Motor pulley in carding section with an investment of Rs.2500/- saved 26400 kWH/ per annum which resulted in power saving of Rs.1,32,000/-.  
Optimization of 01 Suction Fan of Likern reduced 11 kW to 7.5 kW in card section with an investment of Rs.1000 which saved 11550 KWH/ per annum which resulted in power saving of Rs.58,000/-.  
Optimization of 10 Ring frame TPI in ring section saved 26400 KWH/ per annum which resulted in power saving of Rs.3,68,000/-.
- (f) Replacement of Pneumafil Fan motor with 02 roving break sensor in Speed Frame in Shed -03 amounting to Rs.48,000/- saved 18480 KWH/per annum which resulted in power saving of Rs.92,000/-.
- (g) Replacement of Flat belt by 10 Timing belt in Ring frames 11-12 in Shed-02 amounting Rs.1,00,000/- saved 64000 KWH/ per annum which resulted in power saving of Rs.3,24,000 /- .
- (h) 02 numbers of blower motors in ring frame driers for yarn only stopped which saved 51480 KWH/ per annum which resulted in power saving of Rs.2,57,000 /-

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

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

Apart from Grid power, DG sets a standby power and Company has 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.11.44 Lacs.

**(B) TECHNOLOGY ABSORPTION :-**

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

- (a) **New Card 04 nos**, state of art machines are purchased, with latest technology having measure such as energy saving spindles and highly energy efficient motors. Besides this reduction in steam consumption is made by process improvements.
- (b) Company has installed TEXPART Spindle CS-1 on one Ring Frame having 1200 spindles to enhance power saving & getting better yarn quality.
- (c) Company has done conversion on R/F 10 Nos from Flat belt to Timing Belt, to get smart amount of power saving & better performance.
- (d) Company has installed Sample Dyeing M/C Model: RVS-10, Make: CUBOTEX, Capacity: 40 Kgs in Dyeing Lab.
- (e) Company has installed One Post Winding M/C Make: RESHMI in Dye House.
- (f) Company has installed One Yarn Conditioning M/C, Make: SIEGER 1600 kg, dual type heating to enhance the yarn condition capacity in dye House.

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

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

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

**(iv) The expenditure incurred on Research and Development :-**

Expenditure on R&D	(Rs. In lacs)
Capital	0.24
Revenue	664.56
<b>Total</b>	<b>664.80</b>

Total R&D Expenditure as a percentage of Total Turnover = 0.92%

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

The Foreign Exchange earned in terms of actual inflows during F.Y. 2018-19: Rs.24989.16 lacs.

The Foreign Exchange outgo in terms of actual outflows during F.Y. 2018-19 : Rs.1147.86 lacs

For and on behalf of the Board  
Sd/  
(Ashish Bagrodia)  
Chairman & Managing Director  
DIN-00047021

Place: Chandigarh  
Date: 21.05.2019



## Annual Report on Corporate Social Responsibility (CSR) activities for F.Y. 2018-19

### 1. 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

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 & rules made there under which have following major objectives:-

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

The CSR activities may be focused not just around units/plants and offices of the Company, but also in other geographies based on the needs of the communities/society. In pursuance to CSR Policy, Company has decided to conduct or undertake all or any of prescribed activities/activity/sub-activity, as mentioned in Schedule VII of the Companies Act 2013 and rules & regulations made thereunder, (as amended time to time), either directly or through Winsome Textile Social Trust. Winsome Textile Social Trust established by Company for carrying out CSR activities of the Company including utilization of CSR Funds of Company's as per the provisions of section 135 and Schedule VII of the Companies Act, 2013 and rules made there under as amended from time to time and which also fulfills the criteria laid down under Companies (CSR Policy) Rules 2014. The Corporate Social Responsibility (CSR) Committee of Company constituted under provisions of section 135 of Companies Act 2013 and rules made thereunder regularly monitor/review the CSR activities/CSR projects, its mechanism & other prescribed activities/matters. CSR policy is available on Company's website at weblink: <http://www.winsometextile.com/files/pdf/68-59-file.pdf>

### 2. Composition of CSR Committee

Shri Ashish Bagrodia - Chairman of Committee

Shri Chandra Mohan - Member

Shri Satish Girotra - Member

**3. Average net profit of the Company for last three financial years**

Rs. 2254.64 Lacs

**4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above)**

Rs. 45.09 Lacs

**5. Details of CSR spent during the financial year**

(a) Total amount to be spent for the financial year; Rs. 45.09 Lacs

(b) Amount unspent, if any; Rs. 31.23 Lacs

(c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount Outlay (budget) or programe-wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs- (2) Overheads:	Cumulative expenditure upto the reporting period.	Amount spent: Direct or through implementing agency
1	Promoting Healthcare including Preventive Healthcare	Healthcare	Baddi, (H.P.)	45.09	13.86	13.86	Direct

**6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**

The company understands its obligations under CSR 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.

The company was not able to spend the full eligible amount on CSR activities during the FY 2018-19.

The concept of broad based CSR activities by the Company are at advanced stage of discussions and shall be undertaken by the company in near future. Till that time, the unspent amount(s) shall be carried forward to the next financial year(s) and would be spent / used along with the eligible amount of concerned next financial year.

**7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.**

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Sd/

(Anil Sharma)

Chief Executive Officer

Place: Chandigarh

Date: 21.05.2019

Sd/

(Ashish Bagrodia)

Chairman &amp; Managing Director

DIN-00047021

# Corporate Governance Report

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

The Company strives to adopt the highest standards of excellence in Corporate Governance. The Company has consistently practiced good Corporate Governance norms for the efficient conduct of its business and meeting its obligations towards all its stakeholders viz., the shareholders, customers, employees and the community in which the Company operates. The Company has established procedures and systems to be fully compliant with the requirements stipulated by the Securities and Exchange Board of India under the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ["SEBI (LODR) Regulations"]. The principles governing the disclosures and obligations have been implemented in a manner so as to achieve the objectives of Corporate Governance.

## 2. THE 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 2019, the Board of Directors consists of four Directors, out of which one is Promoter Director (Executive Chairman & Managing Director) and three are Non-Executive- Independent Directors out of which there is one Woman Director. None of the Directors have any inter-se relationship among themselves. None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("hereinafter referred to as Listing Regulations") across all the companies in which they are Directors. The necessary disclosures regarding committee memberships have been made by all the Directors. The Non-Executive Independent Directors fulfill the conditions of independence as specified in Section 149 of Companies Act 2013 and rules made thereunder and meet with requirements of Listing Regulations.

During the Financial Year 2018-19, Seven Board Meetings were held. These meetings were held on 25th May, 2018, 26th June, 2018, 10th August, 2018, 12th September, 2018, 02nd November, 2018, 09th January, 2019 and 07th February, 2019. As stipulated by Code of Independent Directors under Companies Act 2013 and under Listing Regulations, a Separate Meeting of Independent Directors was held on 07th February, 2019 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 as under:

Name of Director	Position	Category	Attendance Particulars		Directorship in Other Companies	Membership/ Chairmanship of the Committees of the Board in Other Companies #			List of Directorship held in other Listed Companies and Category of Directorship
			Board Meeting	Last AGM		Membership	Chairmanship	Total	
Shri Chandra Mohan (DIN - 00017621)	Director	Independent	7	Yes	4*	-	-	-	IOL Chemicals & Pharmaceuticals Ltd.(Independent Non-Executive Director)
Shri Satish Girotra (DIN - 01112511)	Director	Independent	4	No	7*	-	-	-	-
Shri Ashish Bagrodia (DIN - 00047021)	Chairman & MD	Promoter-Executive	7	Yes	1	-	-	-	-
Smt. Neena Singh (DIN - 00233352)	Director	Independent	6	No	1	2	-	2	Punjab Communications Limited (Independent Non-Executive Director)
Shri Amrit Lal Batra (DIN - 00399728)	Director	Independent	3	No	-	-	-	-	-

\* : Directorship includes Private Limited Companies also.

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

% : Shri Amril Lal Batra, Independent/Non-Executive Director of the Company has resigned w.e.f. 03.11.2018.

The table below summarized the key qualifications, skills and attributes which are taken into consideration while nominating candidates to serve on the Board.

<b>Leadership</b>	Extant leadership experience for a significant enterprise, resulting in a practical understanding of organization, processes, strategic planning and risk management, Planning succession, driving change and long term growth.
<b>Board Service and governance</b>	Service on a public company board to develop insights about maintaining Board and Management accountability, protecting shareholders interest and observing appropriate governance practices.
<b>Sales and Marketing</b>	Experience in developing strategies to grow sale and market share, build brand awareness and equity and enhance enterprise reputation.
<b>Global Business</b>	Experience in driving success in markets around the world, with and understanding of diverse business environments, economic conditions, cultures, regulatory framework and broad prospective on global market opportunities.
<b>Gender, ethnic, national, or other diversity</b>	Representation of gender, ethnic, geographic, cultural, or other prospective that expand the Board's understanding of the needs and viewpoints of our customers, partners, employees, governments and other shareholders worldwide.
<b>Financial</b>	Leadership of financial firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation and financial reporting process, or experience in actively supervising a principle financial officer, principle accounting officer, controller, accountant, Auditor or person performing similar function.

In the table below the specific area of focus or expertise of Individual Board Member have been highlighted, However, the absence of mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skill.

Key Board Qualification	Area of Expertise					
Name of the Director	Leadership	Board Service and governance	Sales and Marketing	Global Business	Gender, ethnic, national, or other diversity	Financial
Shri Ashish Bagrodia, Chairman and Managing Director	✓	✓	✓	✓	✓	✓
Shri Satish Girotra, Non-Executive Independent Director	✓	✓	-	✓	✓	✓
Shri Chandra Mohan, Non-Executive Independent Director	✓	✓	✓	-	✓	✓
Smt. Neena Singh Non-Executive Independent Director	✓	✓	-	-	✓	✓

### 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. CODE(S) FOR PREVENTION OF INSIDER TRADING**

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 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 2018-19, five Audit Committee meetings were held on 25th May, 2018, 10th August, 2018, 12th September, 2018, 02nd November, 2018, and 07th February, 2019.

S. No.	Name of members	Category	No. of meetings attended during the year 2018-19
1	Shri Chandra Mohan, Chairman	Independent/Non-Executive	5
2	Shri Satish Girotra, Member	Independent/Non-Executive	3
3	Smt. Neena Singh, Member	Independent/Non-Executive	5
4	*Shri. Amrit Lal Batra, Member	Independent/Non-Executive	2

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.

\* Shri Amrit Lal Batra, Independent/Non-Executive Director of the Company and member of Audit Committee has resigned w.e.f. 03.11.2018.

## (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 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 2018-2019, two meetings of Nomination and Remuneration Committee were held on 25th May, 2018 and 07th February, 2019. The details of Composition, category and attendance is as under:

S. No.	Name of members	Category	No. of meeting attended during the year 2018-19
1	Shri Satish Girotra, Chairman	Independent/Non-Executive	1
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 Directors

The Non-Executive Directors are paid remuneration by way of Sitting Fees and reimbursement of expenses for participation in the Board/Committee meetings. The Non-Executive Directors are entitled to sitting fees of Rs. 10,000/- for each Board Meeting and Rs. 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 2018-19 are as hereunder:

Name of Directors	Total (Amount in Rs.)
Shri Chandra Mohan	97500
Shri Satish Girotra	60000
*Shri Amrit Lal Batra	27500
Smt. Neena Singh	85000

\* Shri Amrit Lal Batra, Independent/Non-Executive Director of the Company and member of Nomination and Remuneration Committee has resigned w.e.f. 03.11.2018.

## ii) Remuneration of Executive Director(s)

The details of remuneration paid to the Executive Director is as hereunder: (Rs. in Lacs)

Name of Director	Salary	Perquisites*	Commission	Total
Shri Ashish Bagrodia	96.60	11.31	14.31	122.22

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

There is no Employee Stock Option Scheme (ESOP) in the Company as on 31st March 2019. Further, there are no materially significant pecuniary relationships or transactions of Directors vis-a-vis the Company which has potential conflict with the interest of the Company during the year under review.

## (C) Stakeholders Relationship Committee

The Stakeholders Relationship Committee functions in accordance with the terms of reference as set out under provisions of Listing Regulations, read with provisions of Section 178 of the Companies Act, 2013 & rules made 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 2018-19, Three Stakeholders Relationship Committee meetings were held on 25th May, 2018, 02nd November, 2018 and 07th February, 2019. 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 2018-19
1	Shri Amrit Lal Batra, Chairman*	Independent/Non-Executive	1
2	Shri Satish Girotra, Chairman <sup>#</sup>	Independent/Non-Executive	1
3	Shri Ashish Bagrodia, Member	Executive Director	3
4	Smt. Neena Singh, Member	Independent/Non-Executive	3

\* Shri Amrit Lal Batra, Independent/Non-Executive Director of the Company and Chairma/member of Stakeholders Relationship Committee has resigned w.e.f. 03.11.2018.

<sup>#</sup> Shri Satish Girotra, Independent/Non-Executive Director of the Company has appointed new chairman of the Committee w.e.f. 03.11.2018.

During the financial year, the request for transfer/demat/remat of shares, change of address etc. have been duly effected. During the year, one complaint was received and same was resolved within reasonable time by the Company. 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

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 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. During the financial year 2018-19, four Corporate Social Responsibility (CSR) Committee meetings were held on 25th May, 2018, 10th August, 2018, 02nd November, 2018 and 07th February, 2019. 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 2018-19
1	Shri Ashish Bagrodia, Chairman	Executive Director	4
2	Shri Satish Girotra, Member	Independent/Non-Executive	3
3	Shri Chandra Mohan, Member	Independent/ Non-Executive	4

The Company Secretary act 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
2015-2016	1, Industrial Area, Baddi, Distt- Solan (H.P.)	28/09/16	10.00 A.M.
2016-2017	1, Industrial Area, Baddi, Distt- Solan (H.P.)	04/09/17	10.00 A.M.
2017-2018	1, Industrial Area, Baddi, Distt- Solan (H.P.)	24/09/18	10.00 A.M.

### Extra Ordinary General Meeting

No Extra-ordinary General Meeting was held during the year 2018-19.

During the last three years, Six special resolution were passed at the Annual General Meeting held on 24.09.2018. 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. CREDIT RATINGS

Company has obtained rating from CARE Ratings Limited during the year ended 31st March, 2019 details for the same is mentioned as hereunder :-

Rating Agency	Rating	Outlook
CARE Ratings Limited	CARE BBB- (Triple B Minus)	Stable

## 12. 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 presented to the Audit Committee and the Board for approval by specifying the nature, value, terms and conditions of the transactions etc.. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions for which omnibus approval has

obtained are presented before the Audit Committee 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 23 of Notes to Accounts in the Annual Report. As required under Regulation 23(1) of the Listing Regulations, the Company has formulated a policy on dealing with Related Party Transactions. The Policy is 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 as laid down by Institute of Chartered Accountants of India/NAFRA/MCA, 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**

**a) Total estimated exposure of the Company to Commodities price risk in INR: 19332.91**

**b) Exposure of the Company to various commodities:**

Commodity Name	Exposure INR towards the particular commodity	Exposure in Quantity (Kgs) terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic Market		International Market		Total
			OTC	Exchange	OTC	Exchange	
Raw Material	8231.80	6516047.99	NIL	NIL	NA	NA	NIL
Work In Progress	5538.80	2358394.00	NIL	NIL	NA	NA	NIL
Finished Goods	5562.31	2096551.22	NIL	NIL	NA	NA	NIL



**c) Commodities risks faced by the Company during the year and how it has been managed:**

The commodities risk faced by the company is the risk around price movement in raw cotton and its finished products. Any adverse movement in commodities prices may affect the margin. Similarly any favorable movement in prices can also allow margins to rise.

**g) Subsidiary Company**

During the year ended 31st March, 2019, neither the Company has any subsidiary nor any material listed/unlisted subsidiary company.

**h) Independent Director's Declarations**

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's Code of Business Conduct & Ethics.

**i) Disclosures by Senior Management & Key Managerial Personnel**

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

**j) Unclaimed Equity Shares**

In compliance with the requirements laid down in Section 124(6) of the Companies Act, 2013 read with the 'Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016', the Company has transferred all equity shares in respect of which dividends had remained unpaid or unclaimed by the shareholders for seven consecutive years or more, to the Demat Account of the IEPF Authority. However, the Shareholders are entitled to claim their shares including all the corporate benefits accruing on such shares, if any, from the IEPF Authority by submitting an online application in Form IEPF-5 and sending a physical copy of the Form IEPF-5 duly signed by all the joint shareholders, if any, as per the specimen signature recorded with the Company along with requisite documents enumerated in the Form IEPF-5, to the Company's RTA. The Rules and Form IEPF-5, as prescribed, for claiming back the shares, are available on the website of the IEPF [www.iepf.gov.in](http://www.iepf.gov.in). It may please be noted that no claim shall lie against the Company in respect of share(s) transferred to IEPF pursuant to the said Rules.

**k) 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).**

**l) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) :- Not Applicable.**

- m) **A certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.**

The Certificate of Company Secretary in practice is annexed herewith as a part of the report.

- n) **Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year:-** Not Applicable

- o) **Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.**

Details relating to fees paid to the Statutory Auditors are given in Note 24 to the Standalone Financial Statements.

- p) **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

Under Company's policy on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, status of complaints received at beginning of financial year was Nil, Number of complaints disposed of during the financial year was Nil. Therefore no complains pending at the end of financial year.

### **13. ANNUAL 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 Annual 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).

### **14. INDUCTION AND FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

On appointment, a Letter of Appointment is issued to the Independent Directors 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>.

## 15. 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).

## 16. 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, 18		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, 19*	
No. of Shareholders	No. of Shares			No. of Shareholders	No. of Shares
13	1210	NIL	NIL	6	400

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

\* In compliance with the requirements laid down in Section 124(6) of the Companies Act, 2013 read with the 'Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016', the Company has transferred 810 equity shares in respect of which dividends had remained unpaid or unclaimed by the shareholders for seven consecutive years or more of aforesaid unclaimed suspense account.

## 17. 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/ Jansatta. 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.

## 18. GENERAL SHAREHOLDER INFORMATIONS

Annual General Meeting at 10:00 A.M. on 28th September, 2019 at Registered Office of Company: 1, Industrial Area, Baddi, Distt. Solan, Himachal Pradesh.

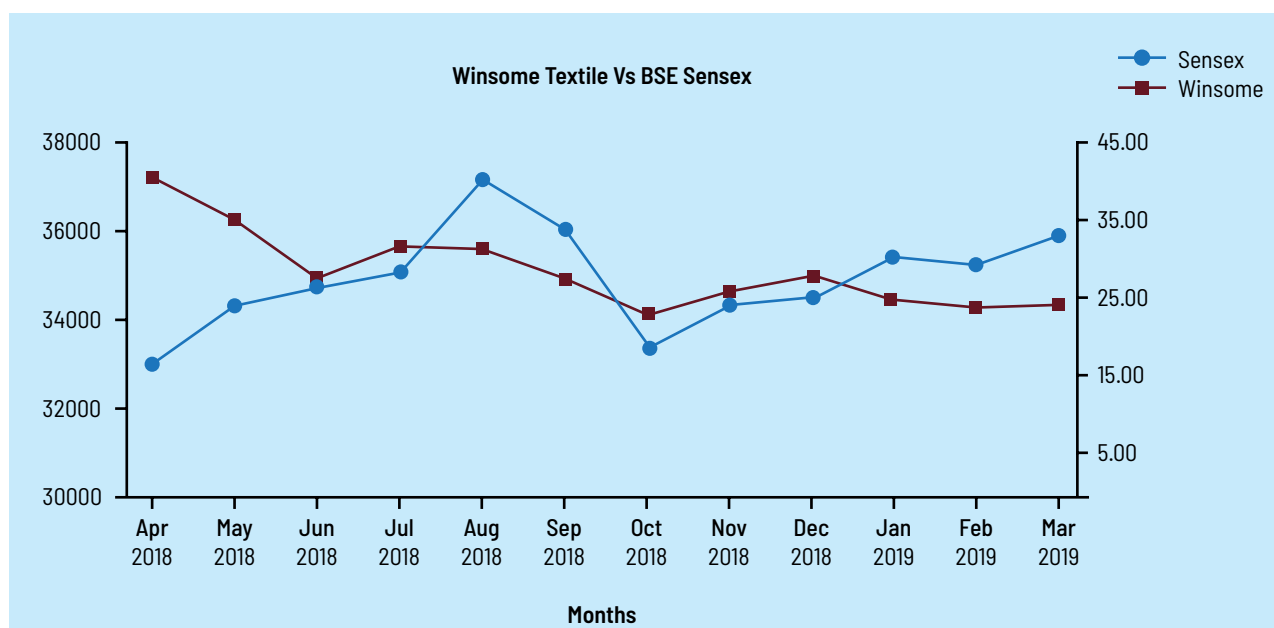
Financial Calendar	: 01st April to 31st March
Date of Book Closure	: 21.09.2019 to 28.09.2019 (both days inclusive)
Dividend Payment Date	: N.A.
Listing on Stock Exchange	: Bombay Stock Exchange Limited (BSE)
Scrip Code	: 514470
Demat ISIN Number in NSDL & CDSL	: INE837B01031
Corporate Identity Number (CIN)	: L17115HP1980PLC005647

Annual listing fee for the year 2019-20 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 2019-20.

**19. MARKET PRICE DATA – High and Low during each month on BSE in F.Y. 2018-19. Stock code - 514470**  
(Source: www.bseindia.com)

Months	High	Low	Volume (No. of Shares)
April, 2018	52.80	41.00	164138
May, 2018	50.00	35.45	57213
June, 2018	40.25	28.00	119248
July, 2018	40.00	31.50	250769
August, 2018	40.70	31.30	53893
September, 2018	37.95	28.05	151691
October, 2018	33.00	23.05	30056
November, 2018	35.50	26.00	26074
December, 2018	34.75	28.05	14019
January, 2019	32.00	25.25	16950
February, 2019	27.05	23.95	36271
March, 2019	32.45	24.40	23317

**20. PERFORMANCE IN COMPARISON TO BROAD BASED INDICES**



- 21. Registrar and Share Transfer Agent:** Link Intime India Private Limited  
Noble Heights, 1st Floor  
LCS Near Savitri Market,  
Janakpuri, New Delhi - 110058  
Tel. 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

**22. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH,19:-**

Range of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
001 - 500	1677	76.96	264221	1.33
501 - 1000	212	9.73	177624	0.89
1001 - 2000	122	5.60	189796	0.96
2001 - 3000	34	1.56	87746	0.44
3001 - 4000	17	0.78	60612	0.31
4001 - 5000	21	0.96	97764	0.49
5001 - 10000	40	1.84	320095	1.62
10001 and above	56	2.57	18622142	93.96
<b>Total</b>	<b>2179</b>	<b>100.00</b>	<b>19820000</b>	<b>100.00</b>

**23. SHAREHOLDING PATTERN AS ON 31ST MARCH,19 :-**

Category	No. of shares	Percentage
Promoters/Promoter Group	6717961	33.89
FII's/ FIC's	6450000	32.54
Bodies Corporates	4557705	23.00
Indian Public	2051538	10.35
IEPF	27684	0.14
NRIs, & Trust	14912	0.08
Banks/ FI's/Mutual Funds	200	0.00
<b>Total</b>	<b>19820000</b>	<b>100.00</b>

**24. DETAILS OF SHAREHOLDING OF DIRECTORS IN THE COMPANY AS ON 31ST MARCH, 19 :-**

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

- 25. Dematerialisation of shares and liquidity :** 99.93% of the shares issued by the Company have been dematerialized upto 31st March, 2019. 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 - 17320  
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

**Place:** Chandigarh

**Date:** 21.05.2019

**For and on behalf of the Board**  
**Sd/**  
**(Ashish Bagrodia)**  
**Chairman & Managing Director**  
**DIN-00047021**



## **DECLARATION ON CODE OF CONDUCT**

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, it is hereby declared that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Company for the year ended 31st March 2019.

**Place:** Chandigarh

**Date:** 21.05.2019

**Sd/  
(Anil Kumar Sharma)  
Chief Executive Officer**

## **CERTIFICATE**

(Pursuant to clause 10 of Part C of Schedule V of SEBI (LODR), Regulations, 2015)

In Pursuance of sub clause (i) of clause 10 of Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015) in respect of Winsome Textile Industries Limited (CIN: L17115HP1980PLC005647) I hereby certify that:

On the basis of written representation/declaration received from the Directors and taken on record by the Board of Directors as on 31st March, 2019, none of the Director on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of Company by the Board/Ministry of Corporate Affairs or any such Statutory authority.

**Place:** Chandigarh

**Date:** 21.05.2019

**Sd/  
Ramesh Bhatia  
Practicing Company Secretary  
FCS NO.2483  
C P NO. 1917**

## **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, 2019 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) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the Financial Statements; and
  - (iii) that there are no instances of significant fraud of which we have become aware.

Yours sincerely,

**Sd/  
(Anil Kumar Sharma)  
Chief Executive Officer**

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

**Place:** Chandigarh

**Date:** 21.05.2019

**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, 2019 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, 2019, 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:** Chandigarh

**Date:** 21.05.2019

**Sd/  
Ramesh Bhatia  
Practicing Company Secretary  
FCS NO.2483  
C P NO. 1917**

# Independent Auditor's Report to the Members of Winsome Textile Industries Limited

## Report on the Financial Statements

We have audited the accompanying financial statements of **M/s Winsome Textile Industries Limited ('the Company')**, which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flow for the year then ended, and Notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at March 31, 2019, and profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

## Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matter

The financial statements of the company's foreign branch has been audited by other auditor whose report have been furnished to us by the management and our opinion on the financial statements, in so far as it relates to the amounts and disclosures included in respect of the said branch and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the said branch is based solely on the reports of the other auditor (refer note no. 27 to the notes of accounts).

Our opinion on the financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the financial statements.

## Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **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 (including Other Comprehensive Income), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;



- (d) in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
- (e) on the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act

- (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 Note 13 and Note 15 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:** Chandigarh (Camp)

**Date:** 21<sup>st</sup> May, 2019

## **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 31 March 2019, 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 various 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 unpaid (In Lacs Rs.)	Forum
Income Tax Act	Income Tax	2011-12	2317.84	CIT (Appeal)
Central Excise Act	Excise Tax	2008-09 to 2009-10	1.19	CESTAT
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.
- (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:** Chandigarh (Camp)

**Date:** 21<sup>st</sup> May, 2019

## **Annexure – B to the Auditors’ Report**

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

We have audited the internal financial controls over financial reporting of **Winsome Textile Industries Limited (‘the Company’)** as of 31 March 2019 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 2019, 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:** Chandigarh (Camp)

**Date:** 21<sup>st</sup> May, 2019

# Balance Sheet as at 31st March, 2019

Particulars	Notes	"As at 31st March, 2019" (Rs. in lacs)	"As at 31st March, 2018" (Rs. in lacs)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3.1	34,277.86	36,436.51
Capital work-in-progress	3.2	-	36.18
Intangible Assets	3.3	25.66	29.91
Financial assets	3.4		
- Investments	3.4.1	5.71	5.66
Other non -Current Assets	3.5	67.51	66.22
		34,376.74	36,574.48
<b>Current assets</b>			
Inventories	4.1	20,199.32	21,506.13
Financial assets	4.2		
- Trade receivables	4.2.1	13,123.63	12,301.98
- Cash and cash equivalents	4.2.2	273.56	119.94
- Bank Balances other than Cash and Cash	4.2.2.1	1,509.40	1,453.79
<b>Equivalents</b>			
- Loans	4.2.3	15.58	38.71
- Other financial assets	4.2.4	121.28	8.60
Current tax assets (Net)	4.3	2,683.24	2,594.38
Other current assets	4.4	2,848.56	3,625.62
		40,774.57	41,649.15
<b>Total Assets</b>		<b>75,151.31</b>	<b>78,223.63</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	5.1	1,982.00	1,982.00
Other Equity	5.2	16,956.53	15,669.40
		18,938.53	17,651.40
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>	6.1		
- Borrowings	6.1.1	5,754.03	8,415.13
Non - Current Provisions	6.2	509.69	508.31
Deferred tax liabilities (Net)	6.3	5,308.22	5,342.53
Other non-current liabilities	6.4	347.08	313.27
		11,919.02	14,579.24
<b>Current liabilities</b>			
Financial liabilities	7.1		
- Borrowings	7.1.1	19,946.25	19,884.53
- Trade payables	7.1.2	-	-
(a) Total outstanding dues of micro & small enterprises			
(b) Total outstanding dues of creditors other than micro & small enterprises		17,981.55	18,567.59
- Other financial liabilities	7.1.3	5,426.53	6,474.38
Other current liabilities	7.2	766.79	897.69
Current Provisions	7.3	172.64	168.80
		44,293.76	45,992.99
<b>Total Equity and Liabilities</b>		<b>75,151.31</b>	<b>78,223.63</b>
Corporate Information & Significant Accounting Policies		1 & 2	
Accompanying notes to the financial statements		3 to 34	

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

**Abhishek Gupta**  
Partner  
Membership No: 529082

**Place:** Chandigarh (Camp)  
**Date:** 21<sup>st</sup> May, 2019

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

**Videshwar Sharma**  
(Company Secretary)

**Anil Kumar Sharma**  
(Chief Executive Officer)

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

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



# Statement of Profit & Loss for the Year Ended 31st March, 2019

Particulars	Notes	2018-19 (Rs. in lacs)	2017-18 (Rs. in lacs)
Revenue from Operations	8.1	72,262.35	69,765.96
Other Income	8.2	155.94	214.99
<b>Total Income</b>		<b>72,418.29</b>	<b>69,980.95</b>
<b>Expenses</b>			
Cost of Material Consumed	9.1	39,320.36	37,712.35
Purchase of Stock in trade	9.2	7,719.12	7,078.86
Changes in Inventories	9.3	87.48	579.47
Employee Benefits Expense	9.4	5,844.32	5,679.02
Finance Costs	9.5	4,839.25	4,835.22
Depreciation & Amortization Expenses	9.6	2,373.51	2,470.75
Other Expenses	9.7	10,803.61	10,937.02
<b>Total Expenses</b>		<b>70,987.65</b>	<b>69,292.69</b>
<b>Profit before tax</b>		<b>1,430.64</b>	<b>688.26</b>
Tax Expense:	10		
Current Tax		293.55	(230.67)
Deferred Tax		(74.75)	422.69
		218.80	192.02
<b>Profit for the year</b>		<b>1,211.84</b>	<b>496.24</b>
<b>Other comprehensive income</b>			
A) Items that will not be reclassified to profit or loss			
- Changes in fair value of Equity Instruments		0.05	0.77
- Tax Expense relating to above		(0.02)	(0.27)
- Remeasurement of net defined benefit liabilities		115.68	61.64
- Tax Expense relating to above items		(40.42)	(21.33)
B) Items that will be reclassified to profit or loss		-	-
<b>Other comprehensive income for the year</b>		<b>75.29</b>	<b>40.81</b>
<b>Total comprehensive income for the year</b>		<b>1,287.13</b>	<b>537.05</b>
<b>Earnings per equity share</b>			
Basic & Diluted	12	6.49	2.71

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

Abhishek Gupta  
Partner  
Membership No: 529082

Place: Chandigarh (Camp)  
Date: 21<sup>st</sup> May, 2019

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Chandra Mohan  
(Director)  
DIN-00017621

Sanjay Kumar Kedia  
(Chief Financial Officer)

# Cash flow statement

## for the year ended 31st March 2019

Particulars	2018-2019 (Rs. in lacs)	2017-2018 (Rs. in lacs)
<b>Cash Flow from Operating Activities :</b>		
Net Profit before tax and extraordinary items	1,430.64	688.26
<b>Adjusted for :</b>		
Depreciation	2,373.51	2,470.75
Provision for Doubtful Debts	0.24	0.30
Bad debt written off	42.56	-
Interest Paid	4,839.25	4,835.22
Profit/(Loss) on sale of fixed assets ( Net)	(0.09)	(19.13)
Dividend Received	(0.47)	(0.38)
Interest income	(104.79)	(107.26)
<b>Operating Profit Before Working Capital Changes</b>	<b>8,580.85</b>	<b>7,867.76</b>
<b>Adjusted for :</b>		
Trade and other receivables	(238.20)	(255.47)
Inventories	1,306.81	478.70
Trade Payables and advances from customers	(451.30)	2,199.00
Cash Generated From Operations	9,198.16	10,289.99
Direct Taxes paid / adjusted	(382.41)	(236.87)
Cash flow before extra ordinary items	8,815.75	10,053.12
Extra Ordinary items	-	-
<b>Net cash from Operating activities (A)</b>	<b>8,815.75</b>	<b>10,053.12</b>
<b>Cash Flow From Investing Activities :</b>		
Net Changes in fixed assets	(174.77)	(1,190.77)
Sale of fixed assets	0.43	70.84
Capital Advances	4.36	198.04
Dividend Received	0.47	0.38
Interest Received	104.79	107.26
<b>Net Cash from investing activities (B)</b>	<b>(64.72)</b>	<b>(814.25)</b>
<b>Cash Flow From Financing Activities :</b>		
Interest paid	(4,839.25)	(4,835.22)
Net Proceeds/(Repayment) of Long Term Borrowings	(3,819.88)	(4,038.65)
Net Proceeds/(Repayment) from Short term Borrowings	61.72	(363.87)
<b>Net Cash from Financing activities (C)</b>	<b>(8,597.41)</b>	<b>(9,237.74)</b>
<b>Net Increase in Cash and Cash Equivalents (A+ B+ C)</b>	<b>153.62</b>	<b>1.13</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>119.94</b>	<b>118.81</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>273.56</b>	<b>119.94</b>

01. Proceeds from long term and other borrowings are shown net of repayment.

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

**Abhishek Gupta**  
Partner  
Membership No: 529082

Place: Chandigarh (Camp)  
Date: 21<sup>st</sup> May, 2019

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

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**Anil Kumar Sharma**  
(Chief Executive Officer)

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

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

# Statement of changes in equity for the year ended 31st March, 2019

EQUITY SHARE CAPITAL				
Particulars	Notes	As at 31st March, 2018	Changes during 2018-2019	As at 31st March, 2019
1,98,20,000 Equity shares of Rs. 10/- each fully paid up	5.1	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 01.04.2017	5.2	46.68	5,131.46	186.04	9,766.38	1.79	15,132.35
Profit for the year after tax		-	-	-	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
Balance as at 01.04.2018		46.68	5,131.46	7,500.00	2,988.97	2.29	15,669.40
Profit for the year after tax		-	-	-	1,211.84	-	1,211.84
Other comprehensive income for the year		-	-	-	75.26	0.03	75.29
Total comprehensive income for the year		-	-	-	1,287.10	0.03	1,287.13
Transfer to General Reserve		-	-	1,000.00	(1,000.00)	-	-
Balance as at 31.03.2019		46.68	5,131.46	8,500.00	3,276.07	2.32	16,956.53

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

Ashish Bagrodia  
(Chairman Cum Managing Director)  
DIN -00047021

Anil Kumar Sharma  
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Membership No: 529082

Videshwar Sharma  
(Company Secretary)

Chandra Mohan  
(Director)  
DIN-00017621

Place: Chandigarh (Camp)  
Date: 21<sup>st</sup> May, 2019

# Notes To The Financial Statements

## 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 21st May, 2019.

## 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.

These financial statements for the year ended 31st March 2019 have been prepared 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.

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

Effective April 1, 2018, the company adopted Ind AS 115, "Revenue from contracts with customers". The effect of adoption of Ind AS 115 was insignificant. The following is a summary of new and /or revised significant accounting policies related to revenue recognition.

Revenue is recognised upon transfer of control of promised product or services to customer in an amount that reflects the consideration the company expects to receive in exchange for those product or service, regardless of when the payment is received. Revenue is measured at the Transaction price, excluding amounts collected on behalf of the third parties. The amount disclosed as revenue is net of returns, trade discounts, volume rebates, Goods and Services Tax. 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.

The specific recognition criteria for the various types of the company's activities are described below:

(i) Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the goods are transferred to the customers, the customer has full discretion over the channel and price to sell the products, there is no unfulfilled obligation that could affect the customer's acceptance of the products and the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. The said conditions are generally fulfilled upon delivery of goods to the customers.

Delivery occurs when the goods have been shipped to the specific location, the risks and rewards of obsolescence and loss have been transferred to the customer, and either the customer has accepted the goods in accordance with the sale contract, the acceptance provisions have lapsed, or the company has objective evidence that all criteria for acceptance have been satisfied.

(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.

### 3.1 PROPERTY, PLANT & EQUIPMENT

Particulars	Gross Block			Depreciation				Net Block		
	As at 31.03.2018	Additions	Deductions	As at 31.03.2019	Up to 31.03.2018	For the year	Adjustments	Up to 31.03.2019	As at 31.03.2019	As at 31.03.2018
Land										
- Freehold	1,810.74	-	-	1,810.74	-	-	-	-	1,810.74	1,810.74
- Leasehold	5.43	-	0.08	5.35	-	-	-	-	5.35	5.43
Building	10,224.11	38.52	-	10,262.63	804.72	384.62	-	1,189.34	9,073.29	9,419.39
Plant & Machinery	28,477.17	162.96	-	28,640.13	4,091.50	1,861.62	-	5,953.12	22,687.01	24,385.67
Furniture & Fixtures	150.06	0.39	-	150.45	40.00	17.72	-	57.72	92.73	110.06
R & D Assets	664.78	0.24	-	665.02	124.48	51.25	-	175.73	489.29	540.30
Vehicles	164.62	0.00	2.35	162.27	58.57	25.98	2.05	82.50	79.77	106.05
Equipments & Facilities	49.73	2.09	0.04	51.78	19.77	9.96	-	29.73	22.05	29.96
Computers & Networks	59.60	1.40	-	61.00	30.69	12.68	-	43.37	17.63	28.91
Total	41,606.24	205.60	2.47	41,809.37	5,169.73	2,363.83	2.05	7,531.51	34,277.86	-
Previous Year Figures	40,060.06	1,609.20	63.02	41,606.24	2,717.66	2,463.38	11.31	5,169.73	-	36,436.51

### 3.2 CAPITAL WORK IN PROGRESS

Particulars	Gross Block			Depreciation				Net Block	
	As at 31.03.2018	Additions	Deductions	As at 31.03.2019	Up to 31.03.2018	For the year	Adjustments	Up to 31.03.2019	As at 31.03.2019 As at 31.03.2018
Capital Work in Progress	36.18	166.45	202.63	-	-	-	-	-	36.18
<b>Total</b>	<b>36.18</b>	<b>166.45</b>	<b>202.63</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Previous Year Figures	472.92	1,130.86	1,567.60	36.18	-	-	-	-	36.18

### 3.3 INTANGIBLE ASSETS

Particulars	Gross Block			Amortization				Net Block	
	As at 31.03.2018	Additions	Deductions	As at 31.03.2019	Up to 31.03.2018	For the year	Adjustments	Up to 31.03.2019	As at 31.03.2019 As at 31.03.2018
Software	43.73	5.43	-	49.16	13.82	9.68	-	23.50	25.66 29.91
<b>Total</b>	<b>43.73</b>	<b>5.43</b>	<b>-</b>	<b>49.16</b>	<b>13.82</b>	<b>9.68</b>	<b>-</b>	<b>23.50</b>	<b>25.66</b> <b>-</b>
Previous Year Figures	25.42	18.31	-	43.73	6.45	7.37	-	13.82	- 29.91

### 3.4 FINANCIAL ASSETS - NON CURRENT

#### 3.4.1 INVESTMENT IN SHARES

Particulars	As at 31.03.2019	As at 31.03.2018
Unquoted		
Other Investment		
31000 Equity Shares of Rs. 10/- each in Shivalik Solid Waste Management Ltd. (Previous year 31000 Equity Shares of Rs. 10/- each)	5.71	5.66
<b>Total</b>	<b>5.71</b>	<b>5.66</b>

### 3.5 OTHER NON CURRENT ASSETS

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Non Financial Assets at amortized cost</b>		
<b>(unsecured, considered good)</b>		
Security Deposits	58.56	52.91
Capital Advances	8.95	13.31
<b>Total</b>	<b>67.51</b>	<b>66.22</b>

### 4.1 INVENTORIES

Particulars	As at 31.03.2019	As at 31.03.2018
<b>As taken, valued and certified by the management</b>		
Raw Materials	8,231.80	9,537.44
Stock in Process	5,538.80	4,953.68
Finished Goods #	5,562.31	6,234.91
Stores, Spares & Consumables	763.93	734.29
Waste	102.48	45.81
<b>Total</b>	<b>20,199.32</b>	<b>21,506.13</b>
# Including Goods-in-Transit	191.47	196.66

### 4.2 FINANCIAL ASSETS - CURRENT

#### 4.2.1 TRADE RECEIVABLES

Particulars	As at 31.03.2019	As at 31.03.2018
<b>(Unsecured, Considered Good, Unless Otherwise Stated)</b>		
- Due for more than six months	59.18	71.72
- Others	13,084.89	12,250.46
	13,144.07	12,322.18
Less : Provision for Doubtful debts	20.44	20.20
<b>Total</b>	<b>13,123.63</b>	<b>12,301.98</b>



#### 4.2.2 CASH AND CASH EQUIVALENTS

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Balances with Banks :</b>		
In Current Account	273.56	119.94
Cash-in-hand	-	-
<b>Total</b>	<b>273.56</b>	<b>119.94</b>

#### 4.2.2.1 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Other bank balances</b>		
- Fixed Deposits - Marked Lien	1,509.40	1,453.34
- In Unclaimed Dividend Account	-	0.45
<b>Total</b>	<b>1,509.40</b>	<b>1,453.79</b>

#### 4.2.3 LOANS

Particulars	As at 31.03.2019	As at 31.03.2018
<b>(Unsecured, unless otherwise stated)</b>		
Loans and advances to employees	15.58	38.71
<b>Total</b>	<b>15.58</b>	<b>38.71</b>

#### 4.2.4 OTHER FINANCIAL ASSETS

Particulars	As at 31.03.2019	As at 31.03.2018
Interest Receivable	8.22	8.60
Derivative Financial Instruments	113.06	-
<b>Total</b>	<b>121.28</b>	<b>8.60</b>

#### 4.3 CURRENT TAX ASSETS (NET)

Particulars	As at 31.03.2019	As at 31.03.2018
MAT Credit Entitlement	2,575.35	2,534.87
Taxation Advances and Refundable (Net of Provisions)	107.89	59.51
<b>Total</b>	<b>2,683.24</b>	<b>2,594.38</b>

#### 4.4 OTHER CURRENT ASSETS

Particulars	As at 31.03.2019	As at 31.03.2018
<b>(Unsecured, unless otherwise stated)</b>		
Advances to suppliers	990.14	867.85
Export Incentive Receivable	160.59	215.32
Interest Subsidy on Term Loans	380.35	402.12
Refund/ Claim Receivable	255.54	441.00
Balance with Government Authorities	701.89	1,156.56
Advances recoverable in kind	360.05	542.77
<b>Total</b>	<b>2,848.56</b>	<b>3,625.62</b>

## 5.1 EQUITY SHARE CAPITAL

	Particulars	As at 31.03.2019		As at 31.03.2018	
	<b>Authorised:</b>				
	2,49,50,000 Equity shares of Rs. 10/- each	2,495.00		2,495.00	
	5,000 Preference Share of Rs. 100/- each	5.00		5.00	
		2,500.00		2,500.00	
	<b>Issued, Subscribed and Paid up:</b>				
	1,98,20,000 Equity shares of Rs. 10/- each fully paid up	1,982.00		1,982.00	
	<b>Total</b>	1,982.00		1,982.00	
(i)	Reconciliation of the number of equity shares outstanding is as follows:	Nos.		Nos.	
	At the beginning of the year	19,820,000		19,820,000	
	Changes during the year	-		-	
	<b>At the end of the year</b>	19,820,000		19,820,000	
(ii)	Details of shareholders holding more than 5% of the Equity Shares in the company:				
	<b>Name of Shareholder</b>	<b>Nos.</b>	<b>% holding</b>	<b>Nos.</b>	<b>% holding</b>
	Roselab Commodities Private Limited	3,501,923	17.67	3,501,923	17.67
	Kailashpati Vinimay Private Limited	3,068,378	15.48	3,068,378	15.48
	Aspire Emerging Fund	1,978,590	9.98	2,081,244	10.50
	Landscape Traders Private Limited (*)	1,366,037	6.89	1,365,917	6.89
	Arpit Agencies Private Limited (*)	1,290,799	6.51	1,290,799	6.51

(\*) These companies along with 2 other body corporates (holding 8.40% equity shares of the company) have merged with M/s Kailashpati Vinimay Private Limited w.e.f. 01.04.2018.

### (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, 2019 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.

## 5.2 OTHER EQUITY

	Particulars	As at 31.03.2019	As at 31.03.2018
	<b>Reserves &amp; Surplus</b>		
<b>a)</b>	<b>Capital Reserve</b>		
	As per last Account	46.68	46.68
		46.68	46.68
<b>b)</b>	<b>Securities Premium</b>		
	As per last Account	5,131.46	5,131.46
		5,131.46	5,131.46
<b>c)</b>	<b>Retained Earnings</b>		
	General Reserve		
	As per last Account	7,500.00	186.04
	Add: Amount transferred from surplus in Statement of Profit & Loss	1,000.00	7,313.96
		8,500.00	7,500.00
	Surplus in the Statement of Profit & Loss		
	As per last Account	2,988.97	9,766.38
	Profit for the year	1,211.84	496.24
	Remeasurement of net defined benefit liabilities	75.26	40.31
	Transfer to General Reserve	(1,000.00)	(7,313.96)
		3,276.07	2,988.97
	<b>Total Retained Earnings</b>	<b>11,776.07</b>	<b>10,488.97</b>
<b>d)</b>	<b>Equity Investment Reserve</b>		
	As per last Account	2.29	1.79
	Add: Addition during the year	0.03	0.50
		2.32	2.29
	<b>Total</b>	<b>16,956.53</b>	<b>15,669.40</b>

### Nature of Reserves

**a) Capital Reserve**

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

**b) Securities Premium**

Securities 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.

## 6.1 FINANCIAL LIABILITIES - NON CURRENT

### 6.1.1 BORROWINGS

Particulars	As at 31.03.2019	As at 31.03.2018
Secured Loans		
Term Loan		
- From Banks	8,281.43	12,078.26
Vehicle Loans		
- From Banks	27.81	50.86
	8,309.24	12,129.12
Less : Current maturities of long term borrowings (Disclosed under Other Current Liabilities under Note No. 7.1.3 )	2,555.21	3,713.99
<b>Total</b>	<b>5,754.03</b>	<b>8,415.13</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)	119.31	1	Ballooning	01.04.2019
(b)	343.81	11	Equal	31.10.2021
(c)	1718.75	11	Equal	01.01.2022
(d)	4606.69	12	Equal	01.01.2022
(e)	1492.87	21	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.N	Amount Outstanding	No of remaining Installments	Last date of Repayment
(e)	0.50	2	15.05.2019
(f)	2.48	15	07.06.2020
(g)	9.85	17	07.08.2020
(h)	5.68	21	07.12.2020
(i)	9.30	30	05.09.2021

## 6.2 NON-CURRENT PROVISIONS

Particulars	As at 31.03.2019	As at 31.03.2018
Provision for Employee Benefits:		
- Gratuity	432.48	424.53
- Leave Encashment	77.21	83.78
<b>Total</b>	<b>509.69</b>	<b>508.31</b>

## 6.3 DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31.03.2019	As at 31.03.2018
Deferred Tax Liability / (Asset) relating to:		
- Property, plant and equipment and Intangible Assets	5,880.55	5,737.39
- Employee Benefits	(286.13)	(282.26)
- Unabsorbed Losses	-	(103.74)
- Others	(286.20)	(8.86)
<b>Total</b>	<b>5,308.22</b>	<b>5,342.53</b>

## 6.4 OTHER NON-CURRENT LIABILITIES

Particulars	As at 31.03.2019	As at 31.03.2018
Deferred Income for Capital subsidy	347.08	313.27
<b>Total</b>	<b>347.08</b>	<b>313.27</b>

## 7.1 FINANCIAL LIABILITIES-CURRENT

### 7.1.1 BORROWINGS

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Working Capital Limits - Secured</b>		
<b>From Banks:</b>		
Working Capital Demand loan		
- Foreign Currency Loan	3,154.93	3,280.47
- Rupee Loan	564.00	564.00
Cash Credit Facilities	4,441.71	4,620.20
<b>Packing Credit Facilities</b>		
- Foreign Currency Packing Credit	762.90	1,120.01
- Rupee Loan Packing Credit	7,704.62	7,378.51
Bills Discounting Facilities	3,318.09	2,800.34
	<b>19,946.25</b>	<b>19,763.53</b>

<b>Unsecured Loan</b>		
From Related parties - Repayable on demand	-	121.00
	-	121.00
<b>Total</b>	<b>19,946.25</b>	<b>19,884.53</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 and personal guarantee of the Managing Director and in respect of a part of facilities also of a relative (deceased) of CMD.

## 7.1.2 TRADE PAYABLES

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Due to others</b>		
- Acceptances	12220.09	11742.73
- Dues of Micro and Small Enterprises	-	-
- Others	5761.46	6824.86
<b>Total</b>	<b>17981.55</b>	<b>18567.59</b>

## 7.1.3 OTHER FINANCIAL LIABILITIES

Particulars	As at 31.03.2019	As at 31.03.2018
Current maturities of long-term borrowings	2,555.21	3,713.99
Interest accrued but not due on borrowings	10.15	4.14
Interest accrued and due on borrowings	69.71	9.96
Unclaimed Dividends	-	0.45
Security deposits	34.35	46.70
Creditors for Capital Goods	56.85	65.51
Other Liabilities	2,700.26	2,521.35
Derivative Financial Instruments	-	112.28
<b>Total</b>	<b>5,426.53</b>	<b>6,474.38</b>

## 7.2 OTHER CURRENT LIABILITIES

Particulars	As at 31.03.2019	As at 31.03.2018
Statutory Dues	581.77	599.69
Advance from customers	185.02	298.00
<b>Total</b>	<b>766.79</b>	<b>897.69</b>

## 7.3 CURRENT PROVISIONS

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Provision for Employee Benefits:</b>		
- Gratuity	136.42	124.02
- Leave Encashment	36.22	44.78
<b>Total</b>	<b>172.64</b>	<b>168.80</b>



## 8.1 REVENUE FROM OPERATIONS

Particulars	2018-19	2017-18
<b>Sale of Products</b>		
- Yarn	54,371.56	52,254.18
- Fabric	7,400.43	7,029.36
- Trading Sale	7,812.87	7,190.20
	69,584.86	66,473.74
<b>Sale of Services</b>		
- Processing Income	-	12.42
<b>Other operating revenues:</b>		
- Waste & Scrap Sales	2,149.54	1,785.95
- Sales of Electricity	-	236.04
- Export Incentives	439.21	973.68
- Exchange Rate Variation Gain	88.74	285.38
	2,677.49	3,281.05
	72,262.35	69,767.21
Less: Excise Duty	-	1.25
<b>Total</b>	<b>72,262.35</b>	<b>69,765.96</b>

\* For the period upto 30.06.2017

## 8.2 OTHER INCOME

Particulars	2018-19	2017-18
Interest	104.79	107.26
Pro-rata Capital Subsidy	26.19	21.83
Rent	2.46	2.44
Dividend	0.47	0.38
Insurance Claim	4.51	12.01
Profit on sale of Fixed Assets (Net)	0.09	19.13
Miscellaneous Income	9.59	9.55
Liabilities Written Back	7.84	42.39
<b>Total</b>	<b>155.94</b>	<b>214.99</b>

### 9.1 COST OF MATERIAL CONSUMED

Particulars	2018-19	2017-18
Raw Material	35,418.75	34,006.95
Dyes and Chemicals	2,929.08	2,871.35
Packing Material	972.53	834.05
<b>Total</b>	<b>39,320.36</b>	<b>37,712.35</b>

### 9.2 PURCHASE OF STOCK-IN-TRADE

Particulars	2018-19	2017-18
Trading Purchases	7,719.12	7,078.86
<b>Total</b>	<b>7,719.12</b>	<b>7,078.86</b>

### 9.3 CHANGE IN INVENTORIES

Particulars	2018-19	2017-18
<b>Opening Stock</b>		
Finished Goods	6,234.91	6,592.57
Work in progress	4,953.68	5,175.49
<b>Total</b>	<b>11,188.59</b>	<b>11,768.06</b>
<b>Less: Closing Stock</b>		
Finished Goods	5,562.31	6,234.91
Work in progress	5,538.80	4,953.68
<b>Total</b>	<b>11,101.11</b>	<b>11,188.59</b>
Decrease/(Increase) in Stocks	87.48	579.47

### 9.4 EMPLOYEE BENEFIT EXPENSES

Particulars	2018-19	2017-18
Salary and allowances	5,413.47	5,252.38
Contribution to Provident & Other Funds	394.09	399.35
Staff welfare expenses	36.76	27.29
<b>Total</b>	<b>5,844.32</b>	<b>5,679.02</b>

## 9.5 FINANCE COSTS

Particulars	2018-19	2017-18
Interest Expenses	2,481.23	2,717.97
(Net of reimbursement under TUFS Rs. 228.57; P.Y. 410.96)		
Other Borrowing Cost	2,079.12	1,879.09
Loan Processing and other financial charges	164.92	200.53
Exchange Fluctuation relating to borrowing costs	113.98	37.63
<b>Total</b>	<b>4,839.25</b>	<b>4,835.22</b>

## 9.6 DEPRECIATION & AMORTIZATION EXPENSES

Particulars	2018-19	2017-18
<b>Relating to :</b>		
- Property, plant & equipment	2,363.83	2,463.38
- Intangible Assests	9.68	7.37
<b>Total</b>	<b>2,373.51</b>	<b>2,470.75</b>

## 9.7 OTHER EXPENSES

Particulars	2018-19	2017-18
Conversion Charges	116.96	93.95
Consumption of Stores, Spares & Consumables	1,204.74	1,212.66
Power and Fuel	5,414.04	5,566.96
<b>Repairs and Maintenance :</b>		
Buildings	0.65	3.72
Machinery	63.14	87.73
Rent	70.93	56.66
Rates & Taxes	70.48	67.71
Insurance	68.86	103.37
Freight & Handling Charges	1,735.62	1,524.67
Commission	674.50	735.63
Travelling Expenses	272.43	305.81
Bad Debts	42.56	-
Provision for Doubtful Debts	0.24	0.30
Expenses of CSR Actitives	13.86	-
Miscellaneous Expenses	1,054.60	1,177.85
<b>Total</b>	<b>10,803.61</b>	<b>10,937.02</b>

## 10 TAX EXPENSES

Particulars	2018-19	2017-18
<b>Current tax</b>		
Income Tax	334.01	153.47
Less : MAT Credit availed during the year	(40.48)	(153.47)
MAT Credit for earlier years	-	(280.46)
Tax Adjustments for earlier year	0.02	49.79
	293.55	(230.67)
<b>Deferred Tax</b>		
Deferred Tax	(74.75)	422.69
	218.80	192.02

- (i) The major components of tax expense for the years ended 31 March 2019 and 31 March 2018 are:

Particulars	2018-19	2017-18
<b>Current Tax:</b>		
Current tax expenses for current year	334.01	153.47
MAT Tax Credit pertaining to current year	(40.48)	(153.47)
MAT Tax Credit pertaining to prior periods	-	(280.46)
Tax expenses pertaining to prior periods	0.02	49.79
	293.55	(230.67)
Deferred tax obligations	(74.75)	422.69
<b>Total tax expense reported in the statement of profit or loss</b>	<b>218.80</b>	<b>192.02</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	2018-19	2017-18
<b>Profit before income taxes</b>	<b>1,430.64</b>	688.26
At statutory income tax rate	34.944%	34.608%
Expected Income Tax expenses	499.92	238.19
Tax effects of adjustments to reconcile expected income tax expense to reported income tax expense		
Depreciation Difference	61.58	94.90
Non deductible expenses for tax purposes	81.64	223.19
Weighted deduction for R & D Expenses u/s 35 of Income Tax Act	(43.86)	(58.67)
Tax pertaining to prior periods	0.02	(230.67)
Others (Net)	(380.50)	(74.93)
<b>Total Income Tax expenses</b>	<b>218.80</b>	<b>192.02</b>

(iii) Significant components of net deferred tax assets and liabilities for the year ended on 31st March, 2019 is as follows:

Particulars	Opening Balance	Recognised/ reversed through Profit and Loss	Recognised/ reversed in other comprehensive income	Closing Balance
<b>Deferred Tax (Assets)/Liabilities in relation to:</b>				
Property, plant & equipment and Intangible Assets	5,737.39	143.16	-	5,880.55
Employee Benefits	(282.26)	(44.29)	40.42	(286.13)
Unabsorbed Losses	(103.74)	103.74	-	-
Others	(8.86)	(277.36)	0.02	(286.20)
<b>Net Deferred Tax (Assets)/Liabilities</b>	<b>5,342.53</b>	<b>(74.75)</b>	<b>40.44</b>	<b>5,308.22</b>

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

Particulars	Opening Balance	Recognised/ reversed through Profit and Loss	Recognised/ reversed in other comprehensive income	Closing Balance
<b>Deferred Tax (Assets)/Liabilities in relation to:</b>				
Property, plant & 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>

## 11 FINANCIAL INSTRUMENTS

### 11.1 FINANCIAL INSTRUMENTS BY CATEGORY

The carrying value of financial instruments by categories as on 31st March, 2019 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>						
<b>Investments</b>						
- Equity Instruments (other than subsidiary, Joint ventures)	3.4.1	-	5.71	-	5.71	5.71
- Trade receivables	4.2.1	-	-	13,123.63	13,123.63	13,123.63
- Cash and Cash equivalents	4.2.2	-	-	273.56	273.56	273.56
- Bank Balances other than Cash and Cash Equivalents	4.2.2.1	-	-	1,509.40	1,509.40	1,509.40
- Loans	4.2.3	-	-	15.58	15.58	15.58
- Other financial assets	4.2.4	113.06	-	8.22	121.28	121.28
<b>Total Financial Assets</b>		<b>113.06</b>	<b>5.71</b>	<b>14,930.39</b>	<b>15,049.16</b>	<b>15,049.16</b>

<b>Financial Liabilities</b>						
- Long Term Borrowings	6.1.1	-	-	5,754.03	5,754.03	5,754.03
- Short Term Borrowings	7.1.1	-	-	19,946.25	19,946.25	19,946.25
- Trade Payables	7.1.2	-	-	17,981.55	17,981.55	17,981.55
- Other Financial Liabilities	7.1.3	-	-	5,426.53	5,426.53	5,426.53
<b>Total Financial Liabilities</b>		-	-	<b>49,108.36</b>	<b>49,108.36</b>	<b>49,108.36</b>

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>Financial Assets</b>						
<b>Investments</b>						
- Equity Instruments (other than subsidiary, Joint ventures)	3.4.1	-	5.66	-	5.66	5.66
- Trade receivables	4.2.1	-	-	12,301.98	12,301.98	12,301.98
- Cash and Cash equivalents	4.2.2	-	-	119.94	119.94	119.94
- Bank Balances other than Cash and Cash Equivalents	4.2.2.1	-	-	1,453.79	1,453.79	1,453.79
- Loans	4.2.3	-	-	38.71	38.71	38.71
- Other financial assets	4.2.4	-	-	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>Financial Liabilities</b>						
- Long Term Borrowings	6.1.1	-	-	8,415.13	8,415.13	8,415.13
- Short Term Borrowings	7.1.1	-	-	19,884.53	19,884.53	19,884.53
- Trade Payables	7.1.2	-	-	18,567.59	18,567.59	18,567.59
- Other Financial Liabilities	7.1.3	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>

#### 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.

## 11.2 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 2019				
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)	3.4.1	-	-	5.71
<b>Other financial current assets</b>				
- Derivative financial instruments	7.1.3	-	113.06	-

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)	3.4.1	-	-	5.66
<b>Other financial current assets</b>				
- Derivative financial instruments	4.2.4	-	112.28	-

## 11.3 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 (Rs. in Lacs)	
	Current Year	Previous Year	Current Year	Previous Year
<b>Exposure on account of Financial Assets</b>				
<b>Trade receivables (net of bill discounted)</b>				
- In USD	3,377,020.95	3,522,315.22	2,335.21	2,295.49
- In Euro	23,220.26	71,311.71	18.03	57.18
- In PLN	36,356.14	-	6.58	-
<b>Cash and cash equivalents</b>				
-In PLN	68,626.24	-	12.42	-
<b>Other Current Assets</b>				
-In PLN	124,486.29	-	22.53	-
<b>Exposure on account of Financial Liabilities</b>				
<b>Trade Payables</b>				
-In USD	296,280.17	343,033.00	190.99	223.59
-In Euro	62,548.93	38,073.89	49.66	30.53
-In CHF	14,693.32	27,171.31	9.81	18.51
-In NZL Dollar	-	2,484.00	-	1.17
<b>Advance From Customer</b>				
-In USD	357,852.41	448,685.37	261.41	293.38
-In Euro	723.45	986.45	0.55	0.78
-In AED	-	938.85	-	0.17
<b>Foreign Currency Loan</b>				
-In USD	34,561,205.51	5,032,947.16	3,154.53	3,280.47

Particulars	Amount in Document Currency		Amount in INR Currency (Rs. in Lacs)	
	Current Year	Previous Year	Current Year	Previous Year
<b>Packing Credit Foreign Currency</b>				
-In USD	1,103,247.34	1,718,600.00	763.01	1,120.01
<b>Foreign Commission Payable</b>				
-In USD	136,124.58	120,478.19	94.14	78.53
-In Euro	1,767.73	8,745.47	1.37	7.01
<b>Other Financial Liabilities</b>				
-In PLN	18,143.45	-	3.28	-

- (b) Forward Contracts of Rs. 5525.16 Lacs-US \$ 78.27 Lacs (Previous Year Rs 6378.52 Lacs-US \$ 99.05 Lacs ) taken for the purpose of hedging against outstanding of future orders as on 31.03.19.

**(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, 2019	As at 31st March, 2018
Variable rate instruments		
Long term borrowings	8,309.24	12,129.12
Current maturities of long term debt	2,555.21	3,713.99
Short term borrowings	19,946.25	19,763.53

**(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 financial assets are written off in case there is no reasonable expectation of recovering from the financial asset.

## 12 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 31.03.2019	Year ended 31.03.2018
Net Profit after tax attributable to equity shareholders	1,287.13	537.05
<b>Total (A)</b>	<b>1,287.13</b>	<b>537.05</b>
Weighted average number of equity shares (No in lac)	1,982.00	1,982.00
<b>Total (B)</b>	<b>1,982.00</b>	<b>1,982.00</b>
Basic earning per Share (Rs.)(A)/(B)	6.49	2.71
Diluted earning per Share (Rs.)* (A)/(B)	6.49	2.71
Face value per equity share (Rs.)	10	10

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

S. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Contingent Liabilities		
(i)	Excise / Service Tax Matters	1.32	4.06
(ii)	Income Tax Matters against which appeal filed before Appellate Authority	2439.84	-
(iii)	Outstanding Bank Guarantees	883.67	941.31
(iv)	Claims against company not accepted	262.81	8.65

- (v) Custom duty saved of Rs. 155.30 Lacs (Previous year Rs. 1006.87 Lacs) for import of capital good made under EPCG scheme against which export obligations amounting to Rs. 931.82 Lacs (Previous year Rs. 6041.22 Lacs) pending.
- (vi) Interest on contested demand of entry tax, amount whereof is not ascertainable.
- (vii) 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.

- 14 Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 15.89 Lacs (Previous year Rs. 62.18 Lacs) {(net of advances of Rs. 8.95 Lacs) (Previous year Rs. 13.31 Lacs)}.

- 15** 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 11th Sept' 2013 and currently the matter is sub-judice. Pending litigation amount payable; if any, cannot be estimated at this stage. Management is confident that there will not be any material impact of above on final settlement/decision.
- 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 has taken legal and other persuasive actions for recovery of certain overdue Trade Receivables amounting to Rs. 5.79 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.
- 18** Balances of loans and advances sundry creditors and other liabilities are in the process of confirmation / reconciliation.
- 19** 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.
- 20** 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	2018-19	2017-18
<b>Opening Balance</b>	-	<b>14.77</b>
Interest	-	-
Other Borrowing Costs (Include Loan processing fees, etc.)	-	-
<b>Total</b>	-	<b>14.77</b>
Less: Allocated/Appropriated	-	14.77
<b>Closing balance</b>	-	-

- 21** 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	2018-19	2017-18
a)	(i) Principal amount remaining unpaid at the end of the accounting year	-	-
	(ii) Interest accrued and due to such suppliers on above (a) amount	-	-
b)	Amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day.	-	-

c)	Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
d)	Interest accrued and remaining unpaid at the end of the accounting year.	-	-
e)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

## 22 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	2018-19	2017-18
(i)	<b>Revenue-Sales (Net)</b>		
	- Within india	45,718.52	44,195.12
	- Outside india	26,543.83	25,570.84
	<b>Total</b>	<b>72,262.35</b>	<b>69,765.96</b>
(ii)	<b>Carrying amount of segment assets by location of assets</b>		
	- Within india	72,791.49	75,870.96
	- Outside india	2,359.82	2,352.67
	<b>Total</b>	<b>75,151.31</b>	<b>78,223.63</b>
(iii)	<b>Capital Expenditure</b>		
	- Within india	108.97	829.76
	- Outside india	65.88	361.01
	<b>Total</b>	<b>174.85</b>	<b>1,190.77</b>

## 23 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	
			31.03.2019	31.03.2018
a)	Name of Subsidiary		-	-
b)	List of Joint Ventures		-	-
c)	Other related parties			
i)	Key management personnel and their relatives		Relationship	
	Shri Ashish Bagrodia		Chairman Cum Managing Director	
	Shri Anil Sharma		Chief Executive Officer <sup>^</sup>	
	Shri Sanjay Kr. Kedia		Chief Financial Officer <sup>^</sup>	
	Shri Videshwar Sharma		Company Secretary <sup>^</sup>	
	Shri Satish Bagrodia		Advisor (Relative (deceased) of CMD)	
	<sup>^</sup> 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 Transactions	2018-19 Other related parties	2017-18 Other related parties
Income	-	-
Expenses		
Rent	19.92	16.20
Interest	17.11	1.11
Reimbursement of Expenses (Net)	-	(1.05)
Year End Receivable		
Trade Receivable	1,089.44	1,089.44
Loans and advances	3.22	130.27
Year End Payable		
Unsecured Loan	-	121.00
Other Financial Liabilities	7.61	11.75

The table below describes the compensation to key managerial personnel:

Particulars	Year Ended 31 March, 2019	Year Ended 31 March, 2018
Short term employee benefits	302.07	290.23
Post employment benefits		
- Defined contribution plan	-	-
- Defined benefit plan	54.05	63.45
Other long term benefit	-	-
<b>Total</b>	<b>356.11</b>	<b>353.68</b>

## 24 AUDITORS REMUNERATION (EXCLUDING SERVICE TAX/GST)

### (a) Statutory Audit

Particulars	2018-19	2017-18
<b>Audit Fee</b>	<b>15.00</b>	15.00
Tax Audit Fee	2.10	2.10
Other Services	0.35	7.50
Certification Fees	0.98	0.95
Reimbursement of expenses	1.32	1.34

### (b) Cost Audit

Particulars	2018-19	2017-18
Cost Audit Fee	0.70	0.70
Other Service	0.13	-

### (c) Other

Particulars	2018-19	2017-18
Secretarial audit fee	0.55	0.55

## 25 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.

Particulars	2018 - 19	2017 - 18
<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	309.17	314.33
Employer's Contribution to ESIC Scheme	84.92	85.02

### 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 (Funded)	
		2018-19	2017 - 18	2018-19	2017 - 18
<b>a.</b>	<b>Movement in present value of defined benefit obligations</b>				
	Present value of obligation at the beginning of the year	128.56	104.49	552.66	483.45
	Current Service Cost	26.52	24.25	112.84	105.58
	Interest Cost	9.35	7.55	42.67	34.19
	Remeasurements - Actuarial (gains)/losses	18.83	40.42	(115.80)	(61.51)
	Benefits paid	(69.83)	(48.15)	(21.00)	(47.31)
	Past Service Cost	-	-	-	38.26
	Present value of obligation at the end of the year	113.43	128.56	571.37	552.66
<b>b.</b>	<b>Reconciliation of fair value of assets and obligations</b>				
	Present value of obligation at the end of the year	113.43	128.56	571.37	552.66
	Fair Value of Plan assets as at the end of the year	-	-	2.47	4.11
	Net liability recognised in Balance Sheet	113.43	128.56	568.90	548.55
<b>c.</b>	<b>Amount recognised in the Statement of Profit and Loss under Employee Benefit Expenses</b>				
	Current Service Cost	26.52	24.25	112.84	105.58
	Interest Cost	9.35	7.55	42.67	34.19
	Past Service Cost	-	-	-	38.26
	Remeasurements - Actuarial (gains)/losses	18.83	40.42	-	-
	Expected return on plan assets	-	-	(0.32)	(1.28)
	Net expenses recognised in the statement of Profit and Loss	54.70	72.22	155.19	176.75
<b>d.</b>	<b>Amount recognised in the other comprehensive income</b>				
	Return on plan assets	-	-	0.12	(0.13)
	Effect of change in demographic assumptions	-	-	-	-
	Effect of change in financial assumptions	-	-	7.55	(19.54)
	Effect of experience adjustments	-	-	(123.35)	(41.97)
	Net expenses recognised in the other comprehensive income	-	-	(115.68)	(61.64)
<b>e.</b>	<b>The weighted-average assumptions used to determine net periodic benefit cost are set out below:</b>				
	<b>Mortality Table (IALM Ultimate)</b>	<b>2012-14</b>	<b>2006-08</b>	<b>2012-14</b>	<b>2006-08</b>
	Interest rate for discounting	7.67%	7.83%	7.67%	7.83%
	Rate of escalation in salary (per annum)	5.00%	5.00%	5.00%	5.00%
	Expected Return on Plan Assets	N.A.	N.A.	7.67%	7.83%
	Withdrawal Rate	10.00%	10.00%	10.00%	10.00%
	Retirement Age	58 Years	58 Years	58 Years	58 Years

<b>f.</b>	<b>The quantitative sensitivity analysis on net liability recognized on account of change in significant assumptions:</b>				
	<b>Particulars</b>				
	Discount Rate 100 basis points Increase	<b>(8.67)</b>		<b>(42.98)</b>	
	Discount Rate 100 basis points Decrease	<b>9.36</b>		<b>47.18</b>	
	Salary Escalation Rate 100 basis points Increase	<b>8.44</b>		<b>39.18</b>	
	Salary Escalation Rate 100 basis points Decrease	<b>(7.33)</b>		<b>(35.17)</b>	
	Withdrawal Rate 25% Increase	<b>(1.73)</b>		<b>(10.95)</b>	
	Withdrawal Rate 25% Decrease	<b>1.30</b>		<b>9.47</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.				
<b>g.</b>	<b>Maturity profile of defined benefit obligation:</b>			<b>Gratuity</b>	
	With in 1 year			<b>136.42</b>	
	1-2 Year			<b>62.94</b>	
	2-3 Year			<b>63.16</b>	
	3-4 Year			<b>57.29</b>	
	4-5 Year			<b>55.76</b>	
	above 5 years			<b>193.33</b>	
	<b>Total</b>			<b>568.90</b>	

- 26** During the year Research and Development expenditure (net) amounting to Rs. 250.33 Lacs (Previous year Rs. 115.23 Lacs) have been charged to Statement of Profit and Loss in respective heads of the accounts & Capital Expenditure of Rs. 0.24 Lacs (previous year Rs. 166.84 Lacs), has been capitalized under the R & D Assets.

<b>Particulars</b>	<b>2018-2019</b>	<b>2017-2018</b>
Raw Material	<b>437.96</b>	340.70
Employee Cost	<b>96.51</b>	80.81
Store & Spares	<b>52.08</b>	70.14
Power & Fuel	<b>78.01</b>	77.28
<b>Total Recurring Expenses</b>	<b>664.56</b>	<b>568.93</b>
Less: Sale Consideration	<b>414.23</b>	453.70
Net Recurring Expenses	<b>250.33</b>	115.23
<b>Total Capital Expenditure</b>	<b>0.24</b>	<b>166.84</b>
<b>Total R&amp;D Expenses (Incl. Capital Expenditure)</b>	<b>250.57</b>	<b>282.07</b>

- 27** During the year, the company has commenced operations at its branch in Poland and the financials of the period ended 31st March, 2019 has been incorporated in the audited financial statements of the company for the year ended 31st March, 2019.
- 28** In view of the management, the company should be able to utilise the MAT credit entitlement of Rs. 2575.35 (P.Y 2534.87) based upon future prospects and hence, the same has been recognised as an assets under the head "Current Tax Assets-Net"

## 29 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

Particulars	2018-2019	2017-2018
Amount required to be spent as per Section 135 of the Act	40.92	55.09
Amount spent during the year		
- Actual Expenditure (Including Administrative Overheads)	13.86	-
- Qualifying Expenditure	13.86	-

30 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.

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### (a) Raw Material Consumed

Particulars	2018-19	2017-18
Cotton	28,808.42	26,038.24
Manmade/other fibres and filaments	6,610.33	7,968.71
<b>Total</b>	<b>35,418.75</b>	<b>34,006.95</b>

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

Particulars	2018-19	%	2017-18	%
Raw Material:				
Imported	176.51	0.50	1,839.84	5.41
Indigenous	35,242.24	99.50	32,167.11	94.59
<b>Total</b>	<b>35,418.75</b>	<b>100.00</b>	<b>34,006.95</b>	<b>100.00</b>

### Stores & Spares (includes packing material & dyes & chemicals):

Particulars	2018-19	%	2017-18	%
Imported	217.89	4.27	174.75	3.55
Indigenous	4,888.46	95.73	4,743.31	96.45
<b>Total</b>	<b>5,106.35</b>	<b>100.00</b>	<b>4,918.06</b>	<b>100.00</b>

### Detail of Traded Goods \*

Particulars	2018-19	%	2017-18	%
	Purchases	Sales	Purchases	Sales
Yarn	7,627.30	7,719.84	542.66	574.04
Fabric	91.82	93.03	6,536.20	6,616.16
<b>Total</b>	<b>7,719.12</b>	<b>7,812.87</b>	<b>7,078.86</b>	<b>7,190.20</b>

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

(c) **CIF Value of Imports:**

Particulars	2018-19	2017-18
Raw Material	159.07	1,777.78
Capital goods	65.88	361.01
Spare Parts & Components	203.49	149.27
<b>Total</b>	<b>428.44</b>	<b>2,288.06</b>

(d) **Earnings in Foreign Exchange**

Particulars	2018-19	2017-18
Exports of goods on FOB basis (excluding export through export houses & EOU)	25,016.61	23,357.65

(e) **Expenditure in Foreign Currency**

Particulars	2018-19	2017-18
Interest	307.34	263.04
Travelling	126.14	126.71
Rent	17.02	-
Employee Expenses	16.73	-
Commission and Other Expenses	295.66	243.28

## 32 **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 31st March, 2019	As at 31st March, 2018
Borrowings	28,255.49	32,013.65
Less: Cash and cash equivalents	1,782.96	1,573.73
Net debt	26,472.53	30,439.92
<b>Total equity</b>	<b>18,938.53</b>	<b>17,651.40</b>
Capital and Net debt	45,411.06	48,091.32
Gearing ratio	58.30%	63.30%

Further, there have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year ended 31st March 2019.

There were no changes in the objectives, policies or processes for managing capital during the year ended 31st March 2019 and 31st March 2018.

### 33 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, 2019	31st March, 2018
<b>Non Current Assets</b>			
Property, Plant and Equipments	3.1	34,277.86	36,436.51
Capital work-in-progress	3.2	-	36.18
Intangible Assets	3.3	25.66	29.91
<b>Total</b>		<b>34,303.52</b>	<b>36,502.60</b>
<b>Current Assets</b>			
Inventories	4.1	20,199.32	21,506.13
Trade receivables	4.2.1	13,123.63	12,301.98
Cash and cash equivalents	4.2.2	273.56	119.94
Bank Balances other than Cash and Cash Equivalents	4.2.2.1	1,509.40	1,453.79
<b>Total</b>		<b>35,105.91</b>	<b>35,381.84</b>

34 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 Kumar Sharma (Chief Executive Officer)	Sanjay Kumar Kedia (Chief Financial Officer)
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Abhishek Gupta Partner Membership No: 529082	Videshwar Sharma (Company Secretary)	Chandra Mohan (Director) DIN-00017621
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Place: Chandigarh (Camp)  
Date: 21<sup>st</sup> May, 2019

# NOTICE

## WINSOME TEXTILE INDUSTRIES LIMITED

CIN: L17115HP1980PLC005647

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

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

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

**NOTICE** is hereby given that the **38th Annual General Meeting of the Members of Winsome Textile Industries Limited**, will be held on Saturday, the 28th day of September, 2019 at 10:00 A.M. at its Registered Office at 1, Industrial Area, Baddi, Distt. Solan (H.P.) to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and the 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.

### SPECIAL BUSINESS :

3. **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 2019-20, 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."

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

**"RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act 2013, if any, read with Rule 15 of Companies (Meeting of Board and its Powers) Rules 2014, and regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force, Sh. Divij Bagrodia, a related party with reference to the Company, being son of Sh. Ashish Bagrodia, Chairman & Managing Director, be and hereby appointed as an Executive Trainee of the Company, who shall holds this appointment under office or place of profit in the Company."

**"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 Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, Sh. Chandra Mohan (DIN: 00017621), who was appointed as an Independent Director at the 33rd Annual General Meeting of the Company and who holds office up to 28th September, 2019 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing with effect from 28th September, 2019 upto 27th September, 2024."

**"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."

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, Sh. Satish Girotra (DIN:01112511), who was appointed as an Independent Director at the 33rd Annual General Meeting of the Company and who holds office up to 28th September, 2019 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing with effect from 28th September, 2019 upto 27th September, 2024."

**"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**  
**Sd/**

**(Ashish Bagrodia)**

**Chairman & Managing Director**  
**DIN-00047021**

**Place:** Chandigarh  
**Date:** 21.05.2019



## NOTES :

1. Statutory Auditors of the Company, M/s B. Chhawchharia & Co., Chartered Accountants (Firm Registration No. 305123E) were appointed as statutory auditors of the Company for period of five consecutive years at the Annual General Meeting (AGM) held on 4th September, 2017 (subject to annual ratification of appointment by shareholders at every subsequent AGM) on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors.  
  
Furthermore, the annual ratification by shareholders have been done away after the Companies Amendment Act, 2017 read with Notification S.O. 1833(E) dated 7th May 2018. In view of the same, ratification by the members for continuance of their appointment at this AGM is not being sought.
2. **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.**
3. Explanatory Statement setting out material facts, pursuant to Section 102 of the Companies Act, 2013, Secretarial Standard 2 on General Meetings and Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 in respect of special business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
4. 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.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 21.09.2019 to 28.09.2019 (both days inclusive).
6. 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. Further, a brief resume of each of the directors proposed to be appointed/re-appointed at this AGM, nature of their expertise in specific function areas, name of companies in which they hold directorship and membership /chairmanships of Board Committees, shareholding and relationship between directors inter se as stipulated under Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and other requisite information as per Clause 1.2.5 of Secretarial Standard-2 on General Meetings are also provided as an Annexure to this notice.

7. Pursuant to Section 124(5) of Companies Act, 2013 read with the IEPF Authority (Accounting, Audit Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF, established by the government of India, after the completion of seven years. Further according to the rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of IEPF Authority. During the year under review, the Company has transferred the unclaimed and unpaid dividend for the Financial Year 2010-11 of Rs. 45,120/- (Rupees Forty Five Thousand One Hundred Twenty Only). Further, 27684 corresponding shares on which dividend were unclaimed for seven consecutive years were also transferred as per the requirement of the IEPF rules.

However, the Shareholders are entitled to claim their shares including all the corporate benefits accruing on such shares, if any, from the IEPF Authority by submitting an online application in Form IEPF-5 and sending a physical copy of the Form IEPF-5 duly signed by all the joint shareholders, if any, as per the specimen signature recorded with the Company along with requisite documents enumerated in the Form IEPF-5, to the Company's RTA. The Rules and Form IEPF-5, as prescribed, for claiming back the shares, are available on the website of the IEPF [www.iepf.gov.in](http://www.iepf.gov.in). It may please be noted that no claim shall lie against the Company in respect of share(s) transferred to IEPF pursuant to the said Rules.

8. 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 as to keep the information ready.

9. 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.

10. 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.

11. 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.

12. Members holding shares in physical form are requested to convert their shares into dematerialized form in their own interest and convenience purpose.

13. 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.

14. SEBI vide Notification no. SEBI/LAD/-NRO/GN/2018/24, dated 08th June, 2018 and further amendment vide notification no. SEBI/LAD/-NRO/GN/2018/49, dated 30th November, 2018, have prescribed that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the equity shares of the Company promptly.

15. The notice of AGM along with Annual Report 2018-19 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).

16. 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.
17. The route map showing directions to reach the venue of the 38th AGM is annexed.
18. As a measure of economy, copies of Annual Report shall 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.
19. Link Intime India Private Limited, having its office located at Noble Heights, 1st Floor, LCS Near Savitri Market, Janakpuri, New Delhi - 110058 (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.

**20. 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 38th 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") shall 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 23rd September, 2019 at 9:00 A.M. (IST) and will end on 27th September, 2019 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 21st September 2019, 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:
  - a. **Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID.
  - b. **Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID
  - c. **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:** Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders).

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.

**DOB/ DOI:** 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.

**Dividend Bank Details:** Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio number.

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).

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".

In case 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 LI IPL.

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 LI IPL: <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. 21st September 2019, 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. 21st September 2019.
- 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.

## **ANNEXURE TO THE NOTICE**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, SECRETARIAL STANDARD-2 OF GENERAL MEETINGS AND REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, FORMING PART OF THE NOTICE OF THE ANNUAL GENERAL MEETING.**

### **ITEM NO. 3**

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 2019-2020 to conduct the Cost Audit of Cost records 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 Board recommends the Resolution at Items No. 3 of this Notice for approval of the Members.

### **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 Sh. Divij Bagrodia son of Sh. Ashish Bagrodia, Chairman & Managing Director of the Company as an Executive trainee in the Company. Furthermore, Sh. Divij Bagrodia fulfill the requisite qualification for his appointment as Executive Trainee of the Company as per employment policy of the Company.

Further, Sh. Divij Bagrodia, being son of Sh. Ashish Bagrodia, Chairman & Managing Director, is a related party with reference to Company in terms of Section 2(76) of the Companies Act, 2013 which tantamount to holding office or place of profit as per Section 188 of the Companies Act, 2013 and rules made there under.

Although, this item of business do not require approval of shareholders as no prescribed limit(s) have been crossed triggers. However, as a good governance and transparency, the said appointment is being placed before the shareholders for their approval. The terms and conditions of his appointment letter/contract of employment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM till the conclusion of the AGM.

The necessary particulars as required under provisions of Section 188 of Companies Act, 2013 and Rule 15 of Companies (Meeting of Board and its Powers) Rules 2014 are, (a) Name of related party : Sh. Divij Bagrodia, (b) Name of the Director or Key Managerial Personnel who is related: Sh. Ashish Bagrodia, Chairman & Managing Director, (c) Nature of relationship: Sh. Divij Bagrodia is son of Sh. Ashish Bagrodia., (d) Nature, material terms, monetary value and particulars of the contract or arrangement: Appointment of Sh. Divij Bagrodia as an Executive Trainee for a period of 12 months w.e.f. 01st July 2019 under the provision of office or place of profit in the Company on the terms & conditions as per appointment letter/contract of employment and (e) Any other information relevant or important for the members to take a decision on the proposed resolution: NIL.

So, in compliance with the provisions of Section 188 of the Companies Act, 2013 and rules made there under & other applicable provisions, if any, the appointment of Sh. Divij Bagrodia as an Executive trainee of the Company is now being placed before the Members for their approval by way of Special Resolution.

The Board recommends the Special Resolution at Items No. 4 of this Notice for approval of the Members. The Board recommends the Special Resolution at Items No. 4 of this Notice for approval of the Members.

#### **NOTICE OF INTEREST**

Except Sh. Ashish Bagrodia and his relatives none of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested in this resolution.

#### **ITEM NO. 5 TO 6**

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors propose the re-appointment of Sh. Chandra Mohan (DIN 00017621) and Sh. Satish Girotra (DIN 01112511) as an Independent Directors, for a second term of five consecutive years from 28th September, 2019 upto 27th September, 2024, not liable to retire by rotation. Sh. Chandra Mohan and Sh. Satish Girotra were appointed as Independent Directors of the Company at the 33rd Annual General Meeting ("AGM") of the Company and holds office up to 28th September 2019.

The Board, based on the performance evaluation and recommendation of Nomination and Remuneration Committee, considers that given their background, experience and contribution, the continued association of Sh. Chandra Mohan and Sh. Satish Girotra would be beneficial to the Company and it is desirable to continue to avail their services as an Independent Directors. Both of them are above 75 years of age so their reappointment has been proposed to passed through Special Resolution(s).

The Company has received a declarations from said directors to the effect that they meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

In the opinion of the Board, they fulfills the conditions specified in the Act and SEBI Listing Regulations for appointment as an Independent Directors and are independent of the management of the Company. The terms and conditions of their appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM till the conclusion of the AGM.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the re-appointment of Sh. Chandra Mohan and Sh. Satish Girotra as Independent Directors is being placed before the Members for their approval by way of respective Special Resolutions.

The Board recommends the Special Resolutions at Items No. 5 and 6 of this Notice for approval of the Members.

#### **NOTICE OF INTEREST**

Except Sh. Chandra Mohan, Sh. Satish Girotra and their relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolutions set out at Item No. 5 and 6 of the Notice respectively.



**ANNEXURE TO ITEM NO 2, 5 & 6****DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING.**

(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>	<b>Ashish Bagrodia</b>	<b>Chandra Mohan</b>	<b>Satish Girotra</b>
Date of Birth	19.06.1970	30.12.1932	08.01.1940
Nationality	Indian	Indian	Indian
Date of first appointment on the Board	01.10.1996	31.01.2007	23.06.1998
Director Identification Number	'00047021	'00017621	'01112511
Qualifications	B. E. (Mech.) Hons.	B.A. (Hons.) & B.Sc. Mech. Engg. (Hons.)	Post Graduate in Education and Management
Experience & Expertise in specific Functional Areas	More than two decades of vast & rich experience in Textile Industry & in various business operational matters like projects implementation / projects developments, business strategy, Corporate leadership and Corporate Advisory/Management.	Has served Punjab Tractors Limited & Swaraj Mazda Limited as Vice Chairman and Managing Director for about 28 years.	Having overall experience of about 53 years in the field of banking, finance, management etc.
No. of shares held in the Company as on 31.03.19	49220 Equity Shares of Rs.10/- each.	NIL	NIL
No. of Board Meetings attended during the year	7 out of 7	7 out of 7	4 out of 7
Directorship held in Other Companies	Confederation of Indian Textile Industry (CITI)	IOL Chemicals & Pharmaceuticals Ltd. Inde Dutch Engineering & Aerospace services Ltd. Mobipay Securiservices Pvt. Ltd. Nextgen Telesolutions Pvt. Ltd.	S. Girotra Consultants (P) Ltd. Puru Sepricon Pvt. Ltd. Newby Teas Overseas Pvt. Ltd. OVD Kinegram India Pvt. Ltd. PHD Chamber of Commerce and Industry MM Auto Industries Ltd. SICPA India Pvt. Ltd.
Membership / Chairmanship of Committees held in Other Public Ltd. Companies (includes only Audit Committee & Stakeholder's Relationship Committee)	Chairmanship: NIL Membership: NIL	Chairmanship: NIL Membership: NIL	Chairmanship: NIL Membership: NIL
Relationships between Directors inter-se	-	-	-
Remuneration details	Refer Corporate Governance Report	Refer Corporate Governance Report	Refer Corporate Governance Report

**For and on behalf of the Board**

**Sd/**

**(Ashish Bagrodia)**

**Chairman & Managing Director**

**DIN-00047021**

**Place:** Chandigarh

**Date:** 21.05.2019

**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 38th Annual General Meeting of the Company, to be held on Saturday, the 28th day of September, 2019 at 10:00 A.M. at regd. office of Company at 1, Industrial Area, Baddi, Distt. Solan, Himachal Pradesh and at any adjournment thereof in respect of such resolutions as are indicated below :-

S. No.	Resolutions	For	Against
<b>Ordinary Business</b>			
1.	To receive, consider and adopt 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, 2019.		
2.	Re-appointment of Shri Ashish Bagrodia (DIN-00047021) as Director who retires by rotation.		
<b>Special Business</b>			
3.	Ratification of remuneration of Cost Auditors.		
4.	Appointment of Sh. Divij Bagrodia, as an Executive Trainee of the Company being appointed to the office or place of profit.		
5.	Re-appointment of Sh. Chandra Mohan (DIN-00017621) as an Independent Director of the Company for further terms of five consecutive years		
6.	Re-appointment of Sh. Satish Girotra (DIN-01112511) as an Independent Director of the Company for further terms of five consecutive years		

Signed this ..... day of ..... 2019.

.....

Signature of Shareholder

Signature of proxy holder(s)

Affix  
Revenue  
Stamp

**Note :**

1. 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.
2. Incomplete Proxy Form will not be considered.

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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, email: cswtil@winsometextile.com

**Attendance Slip**

(To be presented at the entrance)

**38<sup>TH</sup> ANNUAL GENERAL MEETING ON 28<sup>TH</sup> SEPTEMBER, 2019 AT 10:00 A.M.**

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

Folio No. \_\_\_\_\_ DP ID No. \_\_\_\_\_ Client ID No. \_\_\_\_\_

Name of the Member \_\_\_\_\_ Signature \_\_\_\_\_

Name of the Proxyholder \_\_\_\_\_ Signature \_\_\_\_\_

**NOTE:**

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

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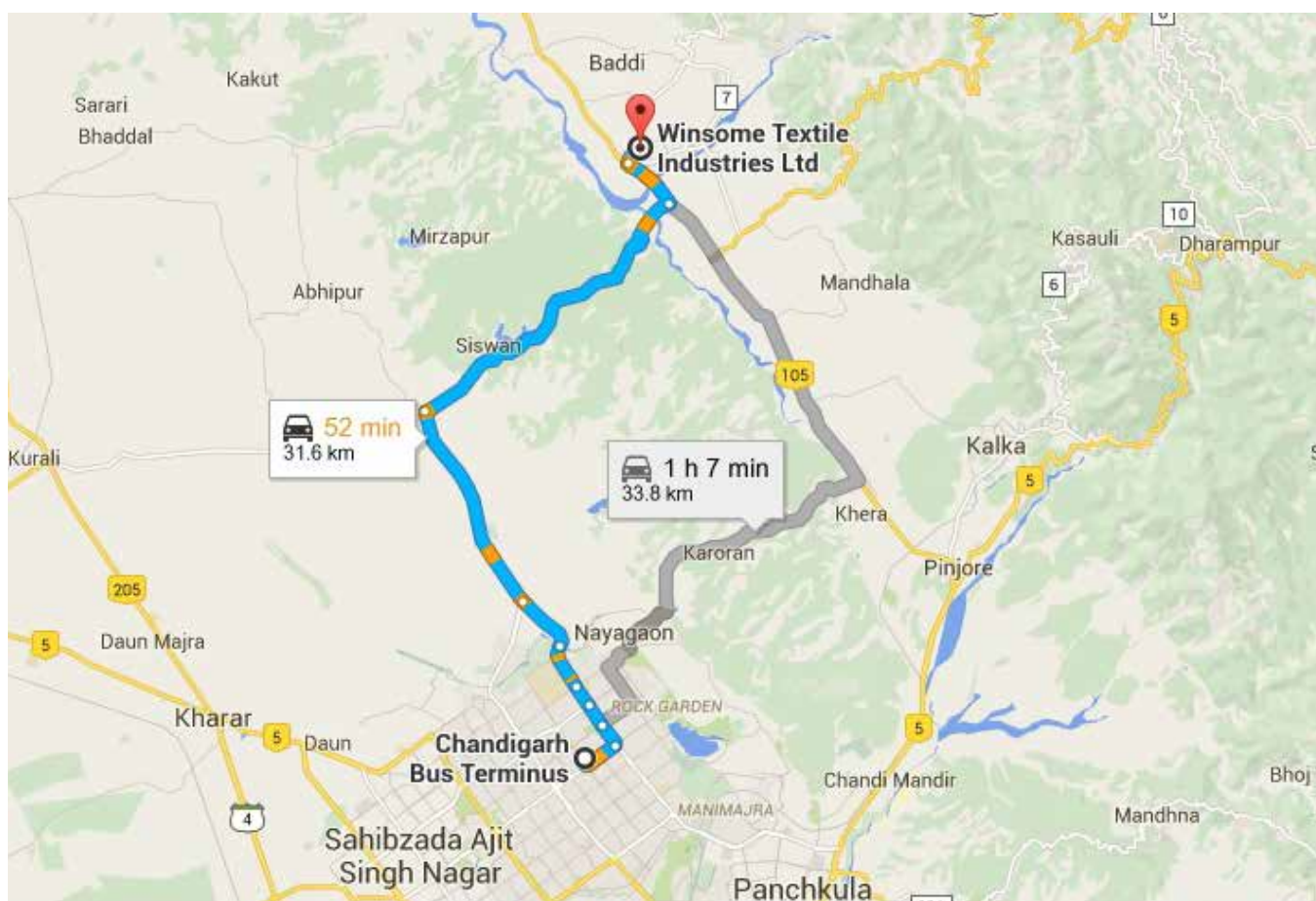
## WINSOME TEXTILE INDUSTRIES LIMITED

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]



## NOTES

[illegible]

**RADHA MADHAV MANDIR**  
at Unit - I, 1, Industrial Area, Baddi, HP



**LAKSHMI NARAYAN MANDIR**  
at Unit- II, Village Kaundi, Baddi, HP



If undelivered, please return to:

**Corporate Office:** Winsome Textile Industries Limited, SCO 191-192, Sector 34-A, Chandigarh - 160022 (India)