



Winsome Textile Industries Limited

29th Annual Report 2009-10



BOARD OF DIRECTORS

Shri Satish Bagrodia	<i>Chairman</i>
Shri Ashish Bagrodia	<i>Managing Director</i>
Shri Rajeev Kumar	<i>Director (IDBI Nominee)</i>
Shri Chandra Mohan	<i>Director</i>
Shri Satish Girotra	<i>Director</i>
Shri Manish Bagrodia	<i>Director</i>

AUDIT COMMITTEE

Shri Chandra Mohan
Shri Rajeev Kumar
Shri Satish Girotra

SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

Shri Satish Girotra, Chairman
Shri Chandra Mohan
Shri Rajeev Kumar
Shri Ashish Bagrodia

COMPANY SECRETARY

Shri Sourabh Gupta

AUDITORS

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

BANKERS

UCO Bank
Canara Bank
Bank of India
Andhra Bank

FACTORY & REGISTERED OFFICE

1, Industrial Area, Baddi,
Distt. Solan (H.P.)

CORPORATE OFFICE

SCO 191-192, Sector 34-A,
Chandigarh-160 022

SHARE TRANSFER AGENT

Link Intime India (P) Ltd.
A-40, 2nd Floor, Near Batra Banquet Hall,
Naraina Industrial Area,
Phase-II, New Delhi-110 028

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NOTICE

NOTICE is hereby given that the 29th Annual General Meeting of the Members of Winsome Textile Industries Limited, will be held on Monday, the 27th day of September, 2010 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 Profit & Loss Account for the year ended 31st March 2010 and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Satish Bagrodia, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Chandra Mohan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT M/s Lodha & Co., Chartered Accountants, (Firm Registration No. 301051E) be and are hereby appointed as Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company, at a remuneration to be decided by the Board of Directors."

By order of the Board

Place : Chandigarh
Dated: 27.05.2010

SATISH BAGRODIA
Chairman

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
2. The proxy form duly executed stamped should be deposited with the Company at its Registered Office not less than forty-eight hours before the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 24.09.2010 to 27.09.2010 (both days inclusive).
4. Item No. 2 Shri Satish Bagrodia, Director, aged about 71 years, B.Sc. Engg. (Mech.) & FIE has around 44 years experience of setting up and implementing Industrial Projects. He is the Chairman of your Company and Winsome Yarns Limited. He is holding 447700 shares of the Company. He is also Director of IDS Infotech Limited and Winsome Capital Services Limited.
5. Item No. 3 Padamshree Shri Chandra Mohan aged about 77 years, B.A (Hons.) & B.Sc. Mech. Engg. (Hons.) has served Punjab Tractors Limited & Swaraj Mazda Limited as Vice Chairman and Managing Director for about 28 years. He is also member of many Professional Institutions. He is not holding any shares of the Company.

Presently, he is the Chairman of Rico Auto Industries Limited & Engineering Innovations Limited and Director of Sandhar Technologies Limited, Winsome Yarns Limited, DCM Engineering Ltd, KDDL Limited, IOL Chemicals & Pharmaceuticals Limited, Winsome Textile Industries Limited, Mobisoft Telesolutions (P) Limited, Nextgen Telesolutions (P) Limited and Meera Explorations (P) Limited.

He is also the member of Audit Committee in Winsome Textile Industries Limited, Winsome Yarns Limited, DCM Engineering Limited and member of Remuneration Committee in DCM Engineering Limited, KDDL Limited, Winsome Textile Industries Limited & Winsome Yarns Limited. He is also the member of Shareholder's/Investors Grievance Committee in Winsome Textile Industries Limited.

6. Members/proxies should fill the attendance slip for attending the Meeting.
7. 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.
8. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote at the Meeting.
9. M/s Link Intime India Private Limited, A-40, 2nd Floor, Near Batra Banquet Hall, Phase-II, Naraina Industrial Area, New Delhi-110028 (Tele. 011-41410592-94, Fax No. 011-41410591) is acting as common agency for dematerialisation and physical transfer of shares of the Company. The members should send their physical shares and letter for change of address and issue of duplicate shares directly to the aforesaid share transfer agent.

By order of the Board

Place : Chandigarh
Dated: 27.05.2010

SATISH BAGRODIA
Chairman

Dear Shareholders,

Your Directors have pleasure in presenting the 29th Annual Report together with the Audited Statement of Accounts of the Company for the Financial year ended 31st March, 2010.

Financial Highlights	Year ended 31.3.2010 (Rs.in lacs)	Year ended 31.3.2009 (Rs. in lacs)
Sales	21964.05	17098.71
Profit before Interest & Depreciation	3154.91	1184.79
Less: Interest	2005.86	2005.27
Profit/(Loss) before Depreciation	1149.05	(820.48)
Less: Depreciation	1101.91	1053.03
Profit/(Loss) before Tax	47.14	(1873.51)
Less : Provision for Taxation	7.85	-
- Current Tax	-	8.43
- Fringe Benefit Tax	-	-
- MAT Credit	(7.85)	-
- Deferred Tax	15.76	(532.75)
-Tax for earlier years	4.09	-
Profit/(Loss) after Tax	27.29	(1349.19)
Add : Surplus brought forward from previous year	1387.89	2737.08
	1415.18	1387.89
Appropriations:		
Dividend (Previous year Nil)	-	-
Surplus carried to Balance Sheet	1415.18	1387.89
	1415.18	1387.89

OPERATIONS AND PERFORMANCE

Inspite of the financial crisis in global economic, during the year under review, your Company had achieved a sales turnover of Rs. 21964.05 lacs as against sales turnover of Rs. 17098.71 lacs during the previous year. Though the Sales turnover had increased by approximately 28.45% with net profit (after tax) of Rs. 27.29 lacs for the year as against net loss of Rs. (1349.19) lacs during the previous year. The profitability during the year had been better due to better capacity utilisation and revival in demand for and products such as garments and home textiles in US and Europe Markets. The current situation in the PIIGS countries of Europe remain an area of concern which could affect the revival in demand.

NEW PROJECTS/ EXPANSION PLANS

Your Directors are pleased to inform you that as a part of the Company's Expansion Project 13000 Spindles and dye house capacity expansion by 10 tons per day had been installed and commercial production started. Out of 23040 spindles which were to be replaced, 15936 spindles were replaced in the previous year and the balance in the current year stands completed. The work of Hydro Power Project of the Company at Distt. Kangra, Manuni Khad (H.P.) is under full swing and it is expected to be completed in the next financial year i.e. 2010-11.

IS/ISO 9001-2000 & 14001

Your Directors are pleased to inform you that Your Company continues to be holder of ISO 14001 Environmental Management System Certificate & ISO 9001-2000 Quality Management System Certificate issued by Bureau of Indian Standard.

PREFERENTIAL ALLOTMENT

Board of Directors of your Company had allotted 75,00,000 convertible warrants at the rate of Rs.10/- per warrant & at a premium of Rs. 14/- per warrant (total Rs. 24/- per warrant) to promoters & non promoter groups on 10.11.2008 after taking approval of shareholders of the Company in their Annual General Meeting held on 23.09.2008.

Out of which 14,40,000 (pre-split) nos. of convertible warrants were converted into 1,44,00,000 (post-split) equity shares of Rs. 1/- each at a premium of Rs. 1.40/- per share each fully paid up (total Rs. 2.40/- each) on 24.03.2010 and balance 60,60,000 (pre-split) nos. of convertible warrants have also been converted into 6,06,00,000 (post-split) equity shares of Rs. 1/- each at a premium of Rs. 1.40/- per share each fully paid up (total Rs. 2.40/- each) on 09.05.2010 and equity shares arising out from said conversion have been allotted to promoters & non promoter groups respectively. The issue proceeds utilised for the purpose as stipulated and balance amount have been parked into working capital.

During the year 2009-10, each & every equity share of the Company of nominal value of Rs. 10/- each has been sub-divided into 10 equity shares of Re. 1/-each.

DIVIDEND

keeping in view the inadequate profits and funds constraints, your Directors do not recommend any dividend for the financial year 2009-10.

DIRECTORS

In accordance with the Company's Articles of Association, Shri Satish Bagrodia and Shri Chandra Mohan, Directors retire by rotation and being eligible, offer themselves for re-appointment.

AUDITORS

M/s Lodha & Co, Chartered Accountants, as Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received a letter from M/s Lodha & Co., Chartered Accountants, to the effect that their re-appointment, if made, would be within the prescribed limits under section 224 (1-B) of the Companies Act, 1956 and that they are not disqualified for such appointment within the meaning of section 226 of the Companies Act, 1956.

FIXED DEPOSITS

During the year, your Company did not accept any deposits from the public within the meaning of Section 58A of the Companies Act, 1956 and rules made thereunder.

SUBSIDIARIES

Your Company does not have any subsidiary company.

CONSERVATION OF ENERGY

As required by the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the relevant information regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is given in the Annexure A forming part of this report.

PARTICULARS OF EMPLOYEES

The Particulars of the employees as required by the provisions of section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975 as amended, is annexed to this report.

AUDITOR'S REPORT

Auditors' observations regarding non provision of doubtful debts and pending approval of Central Government for managerial remuneration to Chairman & Whole Time Director have been explained in details in Notes No. 7 and 19 (B) of Schedule 15(B) respectively, read with Accounting Policies & Notes on Accounts are self explanatory and therefore do not require any further clarifications.

CORPORATE GOVERNANCE

As required under clause 49 of the Listing Agreement with the Stock Exchange, the Report on Corporate Governance together with Auditor's Certificate regarding compliance of the SEBI Code of Corporate Governance is annexed to this report.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirements under section 217(2AA) of the Companies Act, 1956, it is hereby confirmed that:

- i) in the preparation of annual accounts for the financial year ended 31st March, 2010, the applicable accounting standards have been followed and that there are no material departures.
- ii) 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 March 31, 2010, and of the profit of the Company for the year ended on that date.
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the annual accounts have been prepared on a going concern basis.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation of the assistance and support extended by different Financial Institutions, Banks and Government of Himachal Pradesh .

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

Your Directors express their appreciation for the dedicated and sincere services rendered by the employees of the Company.

By order of the Board

Place : Chandigarh

Dated : 27.05.2010

SATISH BAGRODIA

Chairman

INFORMATION AS PER SECTION 217(1)(E) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF DIRECTORS) RULES 1988 AND FORMING PART OF THE DIRECTORS REPORT FOR THE PERIOD ENDED 31ST MARCH, 2010.

I. CONSERVATION OF ENERGY

a) Energy conservation measures taken :

The Company has been giving high priority to conservation of energy by close monitoring of energy consuming equipments. All efforts are made for installing energy saving devices wherever required.

b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy :

New equipments, whenever required, are purchased from time to time.

c) Impact of the measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods :

Though there is savings in power consumption of Rs. 23.02 Lacs but overall energy cost has not been reduced due to expansion and increase in unit rate of power.

d) Total energy consumption and energy consumption per unit of production as per Form-A of the annexure to the rules in respect of industries specified in the schedule thereto :

	Current Year	Previous Year
A) Power and Fuel consumption		
1. Electricity		
a) Purchased Unit (KW)	52369060	47397720
Total amount (Rs in lacs)	1719.33	1590.09
Rate/Unit (Rs)	3.28	3.35
b) Own Generation through FO/Diesel Generator Unit(KW)	1167629	311333
Units/Ltr.of Diesel Oil/FO	3.50	3.63
Cost/Unit(Rs/KW)	8.23	8.43
2. Coal (Specify quality and where used) KG	4358223	428325
Pet Cake for Boiler		
3. HSD & Furnace Oil Qty.(MT)		
Total amount (Rs.in lacs)	NIL	NIL
Average rate(Rs.per M.T.)	NIL	NIL
4. Gas		
Total amount (Rs.in lacs)	NIL	NIL
Average rate(Rs.per Kg)	NIL	NIL
B) Consumption per Unit of Production		
Electricity (KW) - Own Generation	3.67	4.11
HSD & Furnace Oil (Lts)	NIL	NIL
Gas	NIL	NIL

II. TECHNOLOGY ABSORPTION

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

1) Research & Development (R&D)

a) Specific area in which R&D carried by the Company :

— Latest new technology has been adopted.

— Total Quality Management (TQM) projects undertaken based on Dr. Juran's Trilogy.

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

— Producing International quality products.

c) Future plan of Action :

— Developing new products.

— To undertake more TQM projects.

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

Capital

Recurring

Total

NIL
43.14
43.14

Total R&D Expenditure as a percentage of total Turnover

= 0.20%

2) Technology absorption, adaptation and innovation.

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

— Equipments of latest technology have been installed without any foreign technical know-how.

b) Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.

— There has been benefit in respect of quality and output of the product.

c) In case of imported technology(imported during the last 5 years reckoned from the beginning of the financial year). — Nil

III. FOREIGN EXCHANGE EARNING AND OUTGO

a) Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plans.

Sustained efforts have helped the Company to achieve Exports (including Deemed Exports) of Rs. 6004.04 lacs in 2009-10 against Rs. 4519.88 lacs in 2008-09. The Company proposes to increase exports through the introduction of new products in the markets.

b) Total foreign exchange used and earned.

	Current Year	Previous Year
Earning	6004.04	4519.88
Outgo:	567.48	560.72

By order of the Board

Place : Chandigarh
Dated : 27.05.2010

SATISH BAGRODIA
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

STATEMENT OF PARTICULARS OF EMPLOYEES, PURSUANT TO THE PROVISIONS OF THE SECTION 217 2(A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDING 31ST MARCH, 2010

Sr. No.	Name of Employee	Designation/ Nature of duties	Qualification	Total Working Experience (Years)	Date of Commencement of Employment	Total Remuneration (Rs. in lacs)	Age (Years)	Previous Employment held
A. Persons employed throughout the year, who were in receipt of remuneration not less than 2400000/-								
1	Shri Satish Bagrodia	Chairman	B.Sc. Engg. (Mech.), FIE	44	1/1/1981	25.18	71	First Employment
2	Shri Ashish Bagrodia	Managing Director	B.E.(Mech.) Hons.	17	1/9/1993	25.92	40	First Employment

B. Persons employed for part of the year who was in receipt of remuneration for any part of the year at a rate which in aggregate was not less than Rs. 200000/- per month. — Nil

NOTES :

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

ADDENDUM TO THE DIRECTORS' REPORT

Pursuant to Section 217(3) of the Companies Act 1956 following explanations are given on remarks contained in the Auditors' Report:

Auditor's observations regarding non provision of doubtful debts and pending approval of Central Government for managerial remuneration paid to Chairman & Whole Time Director have been explained in details in Note No. 7 and 19(B) of Schedule 15(B) respectively, read with Accounting Policies and Notes on accounts are self explanatory and therefore do not require any further clarifications. However, for the sake of convenience the same are being reproduced herein below:-

1. The Company has taken legal and other persuasive actions for recovery of certain overdue debtors aggregating to Rs. 158.51 lacs (including overdue overseas debtors of amounting to Rs. 35.96 lacs), in the opinion of the management, these outstanding are good and fully recoverable.
2. Remuneration amounting to Rs. 25.03 Lacs paid in the year 2008-09 and Rs. 25.18 Lacs paid in the year 2009-10 to Chairman & Whole time Director of the Company is pending for approval of the Central Government.

CORPORATE GOVERNANCE

1. Company's philosophy on code of Governance

The Company is committed to good Corporate Governance. The Company fully realises the rights of its shareholders to information on the performance of the Company and considers itself a trustee of its shareholders. The Company provides detailed information on various issues concerning the Company's business and financial performance to its shareholders. The basic philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself for increasing long-term shareholder value, keeping in view the needs and interests of all its stakeholders. The Company is committed to transparency in all its dealing and places emphasis on business ethics.

2. Board of Directors

The Board of Directors presently consists of six directors, out of which three are Promoter Directors (one Executive Chairman, one Executive Managing Director and one Non-Executive Director) and three are Non-Executive independent directors, out of which one is representing IDBI (the term lender institution's representative). None of the directors on the board is a member on more than 10 committees and chairman of more than 5 committees (as specified in clause 49 of the Listing Agreement with Stock Exchange), across all the companies in which they are directors. The necessary disclosures regarding committee memberships have been made by the directors.

During the financial year 2009-10, seven board meetings were held. The meetings were held on 13th May 2009, 30th June 2009, 30th July 2009, 11th September 2009, 30th October 2009, 30th January 2010, 24th March 2010 and the maximum time gap between any two meetings was not more than three months.

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

No. of Directorship and Committee Membership/Chairmanship

Name of the Director	Category	Attendance Particulars		No. of Directorship	No. of Membership/ Chairmanship in Committees		
		Board Meeting	Last AGM	Other Directorship	Membership	Chairmanship	Total
Shri Satish Bagrodia	Chairman*	7	Yes	3	—	—	—
Shri Chandra Mohan	INED	6	No	10	8	—	8
Shri Satish Girotra	INED	4	No	4	—	3	3
Shri Viney Kumar**	INED (IDBI)	3	Yes	—	3	—	3
Shri Rajeev Kumar**	INED (IDBI)	1	No	—	3	—	3
Shri Ashish Bagrodia	MD	7	Yes	7	2	—	2
Shri Manish Bagrodia	NED	5	Yes	8	1	—	1

INED : Independent Non Executive Director

NED : Non Executive Director

MD : Managing Director (Executive)

* Executive

** IDBI vide its letter no. SS-ICG.53/759/Nom.8 dated 15/09/2009 has withdrawn the nomination of Shri Viney Kumar from the Board of Directors of the Company and appointed/nominated Shri Rajeev Kumar as the nominee Director of IDBI on the Board of the Company w.e.f. 29.09.2009.

3. Code of Conduct

In terms of the provisions of Clause 49 of the Listing Agreement and contemporary practices of good Corporate Governance, the Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. All the Board members and Senior Management Personnel have affirmed compliance with the Code.

4. CEO/ CFO Certification

The Managing Director (CEO) and the General Manager (Finance) of the Company have certified to the Board that the requirements of the Clause 49 (V) of the Listing Agreement, inter alia, dealing with the review of financial statements and cash flow statement for year ended on 31st March, 2010, transactions entered into by the Company during the said period, their responsibility for establishing and maintaining internal control systems for financial reporting and evaluation of the effectiveness of the internal control system and making of necessary disclosures to the Auditors and the Audit Committee have been duly complied with.

5. Audit Committee

The Audit Committee functions in accordance with the terms of reference set out under Clause 49 of the Listing Agreement read together with Section 292A of the Companies Act, 1956, and additional responsibilities assigned to it by the Board of Directors. The Committee also reviews the reports of the internal auditors along with the comments of management. The functions of the Audit Committee among others, include approving and implementing the audit procedures, reviewing the financial reporting system, internal control and procedure and ensuring compliance with

regulatory guidelines.

The composition, names of the members, chairperson, particulars of the meetings and attendance of the members during the financial year are as below:

During the financial year, Five Audit Committee meetings were held on 13th May 2009, 30th June 2009, 30th July 2009, 30th October 2009 and 30th January 2010.

Name of Director	Category	No. of meetings attended during the year 2009-10
Sh. Satish Girotra, Chairman	Independent/Non Executive	3
Sh. Chandra Mohan	Independent/Non Executive	4
Sh. Viney Kumar**	Independent/Non Executive	2
Sh. Rajeev Kumar**	Independent/Non Executive	1

The Managing Director along with the Statutory Auditors, Cost Auditors and Internal Auditor were invitees to the meetings.

6. Remuneration Committee

None of the meeting was held for remuneration committee during the year 2009-10.

Name of Members	Category
Sh. Satish Girotra, Chairman	Independent/Non Executive
Sh. Chandra Mohan	Independent/Non Executive
Sh. Rajeev Kumar**	Independent/Non Executive

The details of remuneration paid to the Directors during the year 2009-10 are given below :

Non-Executive	(Amount in Rs.)	
Name of Directors	Sitting Fees	Total
Shri Chandra Mohan	30000	30000
Shri Satish Girotra	20000	20000
Shri Viney Kumar (IDBI Nominee)*	15000	15000
Shri Rajeev Kumar (IDBI Nominee)*	5000	5000
Shri Manish Bagrodia	25000	25000

*The sitting fee has been paid to the nominating institution.

Executive	(Rs. in lacs)		
Name of Directors	Salary	Perquisites*	Total
Shri Satish Bagrodia	21.00	4.18	25.18
Sh. Ashish Bagrodia	16.06	9.86	25.92

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

7. Shareholders'/Investors' Grievance Committee

The Shareholders/ Investors Grievance Committee functions with the following objectives:

Redressing of Shareholders and Investors complaints, regarding to share transfers, non-receipt of balance sheet/dividend by the shareholders etc. During the financial year 2009-10, four Shareholders/ Investors Grievance Committee meetings were held on 30th June, 2009, 30th July, 2009, 30th October, 2009 and 30th January, 2010. Complaints/grievances, received during the year have been resolved in time.

The composition, names of the members, chairperson, particulars of the meetings and attendance of the members during the year are as below:

Name of members	Category	No. of meetings attended during the year 2009-2010
Shri Satish Girotra, Chairman	Independent/Non-Executive	2
Shri Chandra Mohan	Independent/Non-Executive	3
Shri Viney Kumar**	Independent/Non-Executive	2
Shri Rajeev Kumar**	Independent/Non-Executive	1
Shri Ashish Bagrodia	Executive Director	4

** IDBI vide its letter no. SS-ICG.53/759/Nom.8 dated 15/09/2009 has withdrawn the nomination of Shri Viney Kumar from the Board of Directors of the Company and appointed/nominated Shri Rajeev Kumar as the nominee Director of IDBI on the Board of the Company w.e.f. 29.09.2009.

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, resolved & replied and no grievance was pending at the end of the financial year.

Shri Sourabh Gupta, Company Secretary is the Compliance Officer of the Company for SEBI/ Stock Exchange/ROC related issues etc.

8. General Body Meetings

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

Year	Venue	Date	Time
2006-2007	1, Industrial Area, Baddi, Distt. Solan (H.P)	28, Sep. 2007	4.00 p.m.
2007-2008	1, Industrial Area, Baddi, Distt. Solan (H.P)	23, Sep. 2008	9.00 a.m.
2008-2009	1, Industrial Area, Baddi, Distt. Solan (H.P)	11, Sep. 2009	11.00 a.m.

During the last three years, two special resolutions on 23.09.2008 and two special resolutions on 11.09.2009 as set out in the respective notices were passed by the shareholders.

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.

9. Disclosures

There are no materially significant related party transactions made by the Company with its promoters, directors or management, their relatives etc. that may have potential conflict with the interest of the Company at large. Transactions with related parties are disclosed in Note No. 21 of Schedule 15 of the Accounts in the Annual Report.

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.

10. Means of Communications

The quarterly and half yearly results are published in widely circulating national & local dailies news papers such as Financial Express and Business Standard (in English) and Jansatta and Dainik Tribune (in Hindi). The same are also being posted on the website of BSE (www.bseindia.com) under the Scrip Code '514470'.

The management Discussion and Analysis report forms a part of this Annual Report.

11. General Shareolders' Information

Annual General Meeting at 10.00 a.m. on 27th September, 2010 at 1, Industrial Area, Baddi, Distt. Solan (H.P)

Financial Calendar : 1st April to 31st March
 Date of Book Closure : 24.09.2010 to 27.09.2010 (both days inclusive)
 Listing on Stock Exchanges : Bombay Stock Exchange Limited (BSE)
 Demat ISIN Number in NSDL & CDSL : INE 837B01023

Annual listing fees for the year 2009-2010 have been paid to BSE. Listing fee to Calcutta Stock Exchange has not been paid as the company has 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.

Market price data – high and low during each month on BSE in the financial year 2009-10. Stock code-514470 (www.bseindia.com).

Months	High	Low	Closed	Shares
April, 2009	36.80	30.20	33.05	917939
May, 2009	43.00	31.70	41.95	1040144
June, 2009	51.40	39.00	46.85	807476
July, 2009	53.10	40.00	51.90	415554
August, 2009	60.00	50.50	55.80	376611
*September, 2009	66.00	5.15	5.35	1414515
October, 2009	5.79	4.00	4.08	1585055
November, 2009	4.80	3.06	3.34	2685628
December, 2009	4.90	3.06	4.20	3152542
January, 2010	6.50	4.30	4.65	15169771
February, 2010	4.81	4.00	4.27	898613
March, 2010	5.14	3.26	3.43	1792078

*The face value of the equity shares of the company sub-divided on 26.09.2009 from Rs. 10/- each to Re. 1/- each.

Registrar and Share Transfer Agent : Link Intime India (P) Ltd.
 A-40, 2nd Floor, Near Batra Banquet Hall,
 Naraina Industrial Area, Phase II,
 New Delhi-110028
 Tel. : 011-41410592-94, Fax : 41410591
 E-mail : delhi@linkintime.co.in

Winsome Textile Industries Ltd.

Share Transfer System : Shares lodged in physical form with the STA directly or through company, are processed and returned, duly transferred, within 30 days normally, except in cases which are under objection.
In respect of shares held in dematerialised mode, the transfer takes place instantaneously between the transferor, transferee and the Depository Participant through electronic debit/credit of the accounts involved.

Compliance Officer : Shri Sourabh Gupta
E-mail ID : cswtil@winsomergroup.com

Distribution of shareholding as on 31st March, 2010.

Range of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
1 - 5000	1799	85.91	2370170	4.03
5001 - 10000	120	5.73	999267	1.70
10001 - 20000	59	2.82	925156	1.58
20001 - 30000	26	1.24	662747	1.13
30001 - 40000	20	0.96	692799	1.18
40001 - 50000	13	0.62	608323	1.04
50001 - 100000	13	0.62	1034713	1.76
100001 and above	44	2.10	65806825	87.58
Total	2094	100.00	73100000	100.00

Shareholding Pattern as on 31st March, 2010.

Category	No. of shares	Percentage
Promoters/Persons acting in concert	33115130	45.30
Financial Institutions/Banks/Mutual Funds	6956330	9.52
NRIs	41430	0.06
Bodies Corporates	24540195	33.56
Indian Public	8446915	11.56
Total	*73100000	100.00

*Paid up capital as on 31.03.2010 was consisting of 7,31,00,000 Equity Shares of Rs. 1/- each.

Details of shareholding of Directors in the company as on 31.03.2010

Name of Director	No. of shares held
Shri Satish Bagrodia	447700
Shri Chandra Mohan	—
Shri Satish Girotra	2500
Shri Viney Kumar	—
Shri Manish Bagrodia	462200
Shri Ashish Bagrodia	492200

Dematerialisation of shares and liquidity : 99.23% of the shares issued by the company have been dematerialised upto 31st March, 2010.

Outstanding GDRS/ ADRS/ Warrants or any convertible instruments, conversion date and likely impact on equity:

Out of 75,00,000 convertible warrants, which were allotted to promoters & non promoter groups, 14,40,000 (pre-split) nos. of convertible warrants were converted into 1,44,00,000 (post-split) equity shares of Rs. 1/- each at a premium of Rs. 1.40/- per share each fully paid up (total Rs. 2.40/- each) on 24.03.2010 and balance 60,60,000 (pre-split) nos. of convertible warrants have also been converted into 6,06,00,000 (post-split) equity shares of Rs. 1/- each at a premium of Rs. 1.40/- per share each fully paid up (total Rs. 2.40/- each) on 09.05.2010 and equity shares arising out from said conversion have been allotted to promoters & non promoter groups respectively.

Plant Location : Plot No. 1, Industrial Area, Baddi
Distt. Solan (Himachal Pradesh)

Address for correspondence : The Company Secretary
Winsome Textile Industries Limited
SCO 191-192, Sector 34-A,
Chandigarh-160022

E-mail ID : cswtil@winsomergroup.com

By order of the Board

Place : Chandigarh
Dated : 27.05.2010

SATISH BAGRODIA
Chairman

**AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS PER
CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES**

To the members of Winsome Textile Industries Limited

We have examined the compliance of conditions of Corporate Governance by Winsome Textile Industries Limited, for the year ended 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the Company to ensure compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For Lodha & Co.
Chartered Accountants
Firm Regn. No. 301051E

Place : New Delhi
Date : 27.05.2010

N.K. Lodha
Partner
M.No. 85155

MANAGEMENT ANALYSIS AND DISCUSSION

OVERVIEW OF THE ECONOMY

The global economy is showing positive signs of turn around with Asian economies experiencing a relatively stronger rebound. The global economic performance improved during the latter half of the calendar year 2009, prompting the IMF to reduce the projected rate of economic contraction in 2009 from 1.1 per cent to 0.8 per cent in January 2010. Consequently, the IMF also revised the projection of global growth for 2010 from 3.1 per cent to 3.9 per cent.

There are concerns that the global recovery phase may be fragile, as economies of developed countries, particularly USA and Europe, continue to be beset with the problems of high unemployment, low consumer spending and depressed housing markets. Besides, the recent crisis in Portugal, Ireland, Spain and Greece indicate that there would be many pitfalls along the road to recovery and that normalcy is still some time away. India's growth inflation dynamics are in contrast to the overall global scenario. The Indian Economy is recovering steadily from the growth slowdown, but inflationary pressures, triggered by the supply side factors, have developed into a wider inflationary cycle.

Although the growth momentum of the Indian economy was substantially impacted with the onset of the global economic slowdown, the severity of the impact was considerably less when compared to most developed economies. The fiscal and monetary policies implemented by the Government of India helped the economy to weather the downturn phase. The outlook of the Indian economy turned positive towards the end of 2009, driven by the uptrend in industrial production and recuperating consumption and investment demand.

SEGMENT ANALYSIS AND REVIEW

Conditions of Indian Textile Industries

The Indian Textile Industry is one of the leading textile industries in the world. The textiles and apparels sector is a major contributor to the Indian economy in terms of gross domestic product, industrial production and the country's total export earnings. India earns about 27 per cent of its total foreign exchange through textile exports. Besides, the Indian Textile industry contributes 14 per cent of the total industrial production of the Country. This sector provides employment to over 35 million people directly and it is expected that the textile industry will generate new jobs during the ensuing years. The industry went through a challenging FY 2009-10, with the global meltdown ravaging economies. The increased cost of raw material, more dependence on exports, weak exports, and down trading by the consumers are some of the reasons which has affected the textile industries. The textile industry is facing competition within India and from neighboring countries. The globalization has intensified the competition.

OPPORTUNITIES AND THREATS

The present global economic scenario throws up opportunities for fundamentally strong companies. The inherent strengths, in the form of strong domain expertise, powerful brand positioning and strength and resilience of the brands, fully integrated state-of-the-art production facilities, cutting-edge technology and growth potential provide a highly potent platform to seize opportunities in the form of newer markets, new segments of customers, new channels of distribution, organised retail, cultural diversity and rich heritage of country offers good inspiration base for designers etc.

On the other hand, increasing interest costs, labour shortage, sharp increase in raw material prices, continued weakness in developed geographies and prospect of higher domestic inflation and interest rates are some of the challenges facing the textile industry at large.

Your Company is fully sensitive to the growing challenges of textile business and we have a strong resolve to grow through the present difficult period. We are using the present difficult time as a learning period to identify areas of improvement by fine tuning systems, strengthening processes and building on areas of strength i.e. superior quality, reliable delivery and economies of scales.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company believes in formulating adequate and effective internal control systems and implementing the same strictly to ensure that assets and interests of the Company are safeguarded and reliability of accounting data and accuracy are ensured with proper checks and balances. The Internal control system is improved and modified continuously to meet the changes in business conditions, statutory and accounting requirements.

RISK MANAGEMENT

The Company is exposed to risks from market fluctuations of foreign exchange, interest rates, commodity prices, business risk etc.

HUMAN RELATIONS AND INDUSTRIAL DEVELOPMENT

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. Various HR initiatives are taken to align the HR Policies to the growing requirements of the business. The Company has a structured induction process and management development programmes/training to upgrade skills of its human capital. Technical and safety training programmes are given periodically to workers of the Company as & when required. Industrial relations remained generally cordial.

CAUTIONARY STATEMENT

The statement contained in the 'Management Discussion and Analysis' describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.

By order of the Board

Place : Chandigarh
Dated : 27.05.2010

SATISH BAGRODIA
Chairman

TO THE MEMBERS OF WINSOME TEXTILE INDUSTRIES LTD.

We have audited the attached Balance Sheet of Winsome Textile Industries Limited as at 31st March 2010, the Profit and loss Account and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 ('The Order') as amended by the Companies (Auditor's Report) Order, 2004 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 ('The Act'), we enclose in the Annexure a statement on the matters specified in the paragraphs 4 & 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that:
 - a) We have 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 appears from our examination of those books.
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956.
 - e) On the basis of written representation received from the directors of the Company and taken on the Record by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31.03.2010 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Attention is drawn on *note no.3 of schedule 15B regarding depreciation on certain Plant & Machinery is provided as per the rates applicable to the continuous process plant for the reasons as stated in the said note.*
 - g) Further Attention is invited to:
 - (i) *Note no.7 of schedule 15B regarding non provision for shortfall in recovery (amount unascertained) against overdue debt for which legal and other persuasive action for recovery has been initiated, as in the opinion of the management these debts are good and recoverable as stated in the said note and our inability to comment thereon.*
 - (ii) *Note no. 19 (B) of schedule 15B regarding remuneration paid to a director as stated in the said note is subject to the approval of the Central Government.*

We further report that the profit for the year, the balance in reserve and surplus and debtors are without considering items mentioned above, the effect of which could not be determined.

Subject to para (g) above, In our opinion and to the best of our information and according to the explanations given to us, the said account subject to and read with note no. 17 of schedule 15B, Significant Accounting Policies and read together with other notes on accounts give the information as required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of Balance Sheet, of the State of Affairs of the Company as at 31st March, 2010;
- (ii) in the case of Profit and Loss Account, of the profit of the Company for the year ended on that date; and
- (iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Lodha & Co.
Chartered Accountants
Firm Regn. No. 301051E

Place : New Delhi
Date : 27.05.2010

N.K. LODHA
Partner
Membership No.: 85155

(Referred to in paragraph 1 of our Report of even date on **Winsome Textile Industries Limited** for the year ended 31st March, 2010)

- i. (a) The Company has maintained records in respect of fixed assets showing full particulars including quantitative details and situation of fixed assets except in respect of certain fixed assets, where the same are in process of compilation updation.
(b) As per information & explanations given to us, physical verification of the certain fixed assets are in process, according to the regular programme of physical verification once in every three years, in phased manner, which in our opinion is reasonable having regard to the size of the company and the nature of its fixed assets.
(c) As per the records and information and explanation given to us, fixed assets disposed off during the year were not substantial.
- ii. (a) As explained to us, the inventories of the Company (except stock lying with the third parties, job workers and in transit) have been physically verified by the management during the year.
(b) In our opinion and according to information & explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
(c) According to the information and explanation given to us, we are of the opinion that the company is maintaining proper records of inventories (In case of process stock, records are updated on monthly physical verification of stock). As per records and information made available the discrepancies noticed on verification between the physical stock and the book records were not material in relation to the operation of the company.
- iii. As per the information and explanations given to us the Company has neither granted nor taken during the year any loans, secured or unsecured to and from companies, firms or other parties listed in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4 (iii) (b) to (d) and (f) & (g) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the items purchased are of special nature and suitable alternative sources do not exist for obtaining comparable quotation or where user department has shown specific preference, *where, as explained, rates were determined considering the quality, volume, nature of the items and market conditions prevailing at that time, there are internal control system commensurate with size of the company and nature of its business with regard to the purchase of inventory, fixed assets, services and for the sale of goods and services which needs to be further strengthened (read with note no. 12 & 17 of schedule 15B)*. Based on the audit procedure performed and information & explanation provided by the management, during the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system nor been identified by the management.
- v. (a) According to the information and explanations provided by the management and based on the audit procedure performed, we are of the opinion that the particulars of the contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section; and
(b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of such contracts or arrangements (exceeding the value of Rs. 5 Lacs in respect of each party during the financial year) have been made at prices which are generally reasonable having regard to the prevailing market prices at the relevant time.
- vi. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA Act and the rules framed there under and directives issued by the Reserve bank of India and other relevant provisions of the Act. We have been informed that no order has been passed by the company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.
- vii. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business *which needs to be further strengthened*.
- viii. We have broadly reviewed the books of account maintained by the company as prescribed by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed records have been made and maintained. We have, however, not made a detailed examination of the said records with view to determine whether they are accurate and complete.
- ix. (a) According to the records of the company, the company in generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed statutory dues payable for a period more than six months from the date they became payable as at 31.03.2010.

- (b) According to the records and information and explanations given to us, there are no dues in respect of Income Tax, Custom Duty, Wealth Tax, Service Tax and Cess that have not been deposited on account of any dispute. In our opinion and according to the information and explanations given to us, the dues in respect of Sales Tax and Excise duty that have not been deposited with the appropriate authorities on account of dispute and the forum where the disputes are pending are given below:

Name of Statute#	Nature of Dues	Amount (Rs. in Lacs)	Period to which amount relates	Forum where dispute is pending
Central Excise Act	Cenvat Credit	0.95	1995-96	Commissioner (A)
	Cenvat Credit	1.44	1995-96	Asstt. Commissioner
	Cenvat Credit	68.04	2003-04, 2004-05, 2005-06	CESTAT
	Excise Duty	96.23	2002-03, 2003-04 2004-06, 2006-07	CESTAT
	Excise Duty	0.63	2006-07	Commissioner (A)
	Excise Duty	33.87	2008-09	High Court
	Excise Duty	91.26	2008-09	Additional Commissioner
Finance Act 1994	Service Tax	4.62	2005-06	CESTAT

#(excluding excise show cause notices)

This para is to be read with note no. 1 of Schedule 15B.

- x. The Company does not have accumulated losses at the end of financial year and in the current financial year Company has not incurred cash losses, however Company had incurred cash loss in the immediate preceding financial year.
- xi. In our opinion, based on the audit procedures and according to information & explanation given to us, the Company has generally not defaulted in repayment of dues to financial institution, except in the first quarter where debt restructuring was under consideration and read with note no 6 (i) of schedule 15B.
- xii. Based on our examination of the records and the information and explanation given to us, the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. Clause (xiii) of the order is not applicable to the company as the company is not a Chit Fund Company or nidhi/mutual benefit fund/society.
- xiv. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investment.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institution.
- xvi. According to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.
- xvii. On the basis of information and explanations given to us and on overall examination of the balance sheet of the Company, we are of the opinion that *prima facie* no fund raised on short-term basis, which have been used for long term investment.
- xviii. According to the information and explanations given to us, during the year Company has made preferential allotment of 94,00,000 equity shares to 2 (two) Companies namely M/s Roselab Commodities Private Limited and M/s Kailashpati Vinimay Private Limited covered in the register maintained under Section 301 of the Act (read with note no. 5 (A) (i) of Schedule 15B).
- xix. No debenture has been issued /outstanding during the year hence the provision of clause 4 (xix) of the said order are not applicable.
- xx. The Company has not raised any money through a public issue during the year.
- xxi. To the best of our knowledge and belief, based on the audit procedure performed and on the basis of information and explanations provided by the management, no material fraud on or by the Company has been noticed or reported during the course of the audit.

For Lodha & Co.
Chartered Accountants
Firm Regn. No. 301051E

Place : New Delhi
Date : 27.05.2010

N.K. LODHA
Partner
Membership No.: 85155

BALANCE SHEET
AS AT 31ST MARCH, 2010

Winsome Textile Industries Ltd.

PARTICULARS	SCHEDULE	AS AT	
		31.03.2010 (Rs. in lacs)	AS AT 31.03.2009 (Rs. in lacs)
SOURCES OF FUNDS			
Share Holders' Funds			
Share Capital	1	731.00	587.00
Convertible Warrants	1A	644.88	180.00
Reserves & Surplus	2	2435.41	2211.65
Loan Funds			
Secured Loans	3	20165.41	15516.90
Deferred Tax Liability		1121.32	1105.56
	Total	25098.02	19601.11
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	4	23467.48	22774.20
Less : Depreciation		7329.10	6330.43
Net Block		16138.38	16443.77
Capital work-in-progress		352.46	471.35
		16490.84	16915.12
Investments	5	0.01	0.01
Current Assets, Loans & Advances			
Inventories	6	7091.89	3024.07
Sundry Debtors		2738.52	2090.61
Cash and Bank Balances		475.34	389.60
Loans & Advances		2526.75	2102.64
		12832.50	7606.92
Less : Current Liabilities and Provisions	7		
Liabilities		4020.45	4620.66
Provisions		204.88	326.87
		4225.33	4947.53
Net Current Assets		8607.17	2659.39
Miscellaneous Expenditure (to the extent not Written Off/Adjusted)	8	-	26.59
	Total	25098.02	19601.11
Accounting Policies & Notes on Accounts	15		

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

N.K. Lodha
Partner
FRN : 301051E

Sourabh Gupta
Company Secretary

Ashish Bagrodia
Managing Director

Satish Bagrodia
Chairman

Directors : Chandra Mohan
Manish Bagrodia
Rajeev Kumar
Satish Girotra

PLACE : Chandigarh
DATED : 27.05.2010

PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2010

Winsome Textile Industries Ltd.

PARTICULARS	SCHEDULE	2009-2010 (Rs. in lacs)	2008-2009 (Rs. in lacs)
INCOME FROM OPERATIONS			
Sales	9	21964.05	17098.71
Increase/(Decrease) in Stocks	10	785.97	(552.82)
Other Income	14	93.39	282.97
		22843.41	16828.86
COST OF OPERATIONS			
Raw Materials consumed	11	12219.19	9294.25
Expenses	12	7469.31	6349.82
		19688.50	15644.07
PROFIT BEFORE INTEREST & DEPRECIATION		3154.91	1184.79
Less: Financial Expenses	13	2005.86	2005.27
		1149.05	(820.48)
Less : Depreciation		1101.91	1053.03
Net Profit/(Loss) before Tax		47.14	(1873.51)
Less : Provision for Taxation			
— Current Tax (MAT)		7.85	-
— Fringe Benefit Tax		-	8.43
— MAT Credit		(7.85)	-
— Deferred Tax Liability		15.76	(532.75)
— Tax for earlier Year		4.09	-
Net Profit/(Loss) after Tax		27.29	(1349.19)
Balance brought forward from previous year		1387.89	2737.08
Balance available for appropriation		1415.18	1387.89
APPROPRIATIONS			
Balance carried to Balance Sheet		1415.18	1387.89
		1415.18	1387.89
Earning Per Share - Basic (Rs.)		0.05	(2.30)
- Diluted (Rs.)		0.03	(2.30)
Accounting Policies & Notes on Accounts	15		

As per our report of even date.

For LODHA & CO.

Chartered Accountants

N.K. Lodha
Partner
FRN : 301051E

Sourabh Gupta
Company Secretary

Ashish Bagrodia
Managing Director

Satish Bagrodia
Chairman

Directors : Chandra Mohan
Manish Bagrodia
Rajeev Kumar
Satish Girotra

PLACE : Chandigarh
DATED : 27.05.2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	2009-2010		2008-2009	
	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT/(LOSS) BEFORE TAX AND EXTRAORDINARY ITEMS		47.14		(1873.51)
Adjustment for :				
Depreciation	1101.91		1053.03	
Miscellaneous Expenditure Written off	26.59		8.86	
Provision for Doubtful Debts	—		47.19	
Provision for Doubtful Advances	—		8.88	
Profit on sale of fixed assets (Net)	(1.30)		(43.34)	
Leasehold land Written off	0.08		0.08	
Interest Paid	1883.71		1870.27	
Interest income	(28.85)	2982.14	(24.09)	2920.88
		3029.28		1047.37
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES				
Adjustment for :				
Trade & other receivable	(1413.83)		(838.36)	
Inventories	(4067.82)		569.00	
Trade & other Payables	(560.13)	(6041.78)	817.71	548.35
CASH GENERATED FROM OPERATIONS		(3012.50)		1595.72
Direct Taxes Paid		(13.55)		(39.67)
NET CASH FLOW FROM OPERATING ACTIVITIES		(3026.05)		1556.05
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets	(497.40)		(931.12)	
Capital Subsidy Received	—		84.53	
Sale of fixed assets	48.98		117.29	
Sale of Investments	—		—	
Interest Received	28.85	(419.57)	24.09	(705.21)
NET CASH USED IN INVESTING ACTIVITIES		(419.57)		(705.21)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of Share Capital/Convertible Warrants	810.48		180.00	
Interest Paid	(2055.60)		(1845.86)	
Dividend including Dividend Tax	—		(13.74)	
Unclaimed Dividend	—		0.62	
Proceeds from borrowings	5516.12		1196.86	
Repayment of borrowings	(739.64)	3531.36	(318.80)	(800.92)
NET CASH USED IN FINANCING ACTIVITIES		3531.36		(800.92)
Net Increase/(decrease) in cash and cash equivalents		85.74		49.92
Cash & Cash equivalents being cash & bank balances as at 31.03.2009 (opening balance)		389.60		339.68
Cash & Cash equivalents being cash & bank balances as at 31.03.2010 (closing balance)		475.34		389.60

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

N.K. Lodha
Partner
FRN : 301051E

Sourabh Gupta
Company Secretary

Ashish Bagrodia
Managing Director

Satish Bagrodia
Chairman

Chandra Mohan
Directors : Manish Bagrodia
Rajeev Kumar
Satish Girotra

PLACE : Chandigarh
DATED : 27.05.2010

SCHEDULES**Winsome Textile Industries Ltd.**

PARTICULARS	AS AT	AS AT
	31.03.2010 (Rs. in lacs)	31.03.2009 (Rs. in lacs)
SCHEDULE - 1 : SHARE CAPITAL		
AUTHORISED		
19,95,00,000 (Previous Year 1,99,50,000 Equity Shares of Rs. 10/- each) Equity Shares of Re. 1/- each	1995.00	1995.00
5,000 (Previous Year 5,000) Preference Shares of Rs. 100/- each	5.00	5.00
	<u>2000.00</u>	<u>2000.00</u>
ISSUED, SUBSCRIBED & PAID-UP		
7,31,00,000 (Previous Year 58,70,000 Equity Shares of Rs. 10/- each) Equity Shares of Re. 1/- each*	731.00	587.00
(out of above 7,00,000 (Previous Year 70,000 shares of Rs. 10/- each) equity shares had been allotted pursuant to scheme of amalgamation without payment being received in cash)	731.00	587.00
*Refer Note No. 5 of Schedule 15 (B)		
SCHEDULE - 1A		
Convertible Warrants [(Money received on 6,06,00,000 warrants (Previous Year 7,50,000 shares of Rs. 10/- each)]	644.88	180.00
	<u>644.88</u>	<u>180.00</u>
*Refer Note No. 5 (A) of Schedule 15 (B)		
SCHEDULE - 2 : RESERVES & SURPLUS		
CAPITAL RESERVE		
As per last Balance Sheet	46.68	46.68
INVESTMENT ALLOWANCE (UTILISED) RESERVE		
As per last Balance Sheet	184.00	184.00
SHARE PREMIUM		
As per last Balance Sheet	435.00	435.00
Add : Addition during the year	201.60	—
	<u>636.60</u>	<u>435.00</u>
CAPITAL SUBSIDY UNDER TUFS		
As per last Balance Sheet	89.53	94.66264
Less : Transferred to Profit and Loss Account	5.13	5.13372
	<u>84.40</u>	<u>89.53</u>
GENERAL RESERVE		
As per last Balance Sheet	68.55	68.55
SURPLUS		
As per annexed Profit & Loss Account	1415.18	1387.89
	<u>2435.41</u>	<u>2211.65</u>
SCHEDULE - 3 : SECURED LOANS		
FROM BANKS		
Term Loans	11962.62	11341.61
Working Capital Term Loan	2000.00	2000.00
Cash Credit/Packing Credit/Working Capital Demand Loan	6162.99	2015.33
Equipment Finance	2.06	5.67
Vehicle Finance	37.74	26.32
Interest accrued and due	—	127.97
	<u>20165.41</u>	<u>15516.90</u>

NOTES :

- Term Loans and Working Capital Term Loans from Banks of Rs. 13962.62 Lacs (PY. Rs. 13469.58) are secured by Joint Equitable Mortgage by deposit of title deeds on company's immovable properties (present and future) which shall be on first charge basis, shall rank pari-passu with all banks and a charge by way of hypothecation of all movable fixed assets subject to prior charge on specified equipments to banks for term loan. Above Term loans are further secured by pari-passu second charge on entire current (present and future) assets of the company.
- Cash Credit, Packing Credit and Working Capital Demand Loan from Banks are secured by First Charge by Hypothecation of Raw Material, Stock in Process, Finished Goods, Consumable Store and Spares, Goods in Transit, Book Debts and by Second Charge on entire Fixed Assets of the Company on Pari-passu basis with Working Capital lenders.
- All the aforesaid credit facilities mentioned at point no. 1 to 2 here in above are also guaranteed by Chairman & Whole Time Director and Managing Director(s).
- Equipment Finance Loan is secured against the respective equipment financed. Amount repayable within one year Rs 2.06 lacs (PY Rs 3.63 lacs).
- Vehicle Finance is secured by hypothecation of specific assets purchased under such arrangements. Amount repayable within one year Rs 13.39 lacs (PY Rs 15.27 lacs).

Particulars	SCHEDULE - 4 : FIXED ASSETS										(Rs. in Lacs)	
	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at 01.04.2009	Additions during year	Sales/ adjustment	As at 31.03.2010	Upto 31.03.2009	For the year	Sale/ Adjustment	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009		
Leasehold Land	6.15	—	0.08	6.07	—	—	—	—	6.07	6.15		
Freehold Land	13.89	—	—	13.89	—	—	—	—	13.89	13.89		
Building**	2508.84	38.38	—	2547.22	625.60	75.18	—	700.78	1846.44	1883.24		
Plant & Machinery	19880.17	750.38	144.72	20485.83	5500.70	1005.68	100.25	6406.13	14079.70	14379.47		
Furniture & Fixtures	102.19	7.49	—	109.68	65.53	4.86	—	70.39	39.29	36.66		
Office Equipments	156.15	5.92	—	162.07	96.36	6.35	—	102.71	59.36	59.79		
Vehicle*	106.81	42.11	6.20	142.72	42.24	9.84	2.99	49.09	93.63	64.57		
Total	22774.20	844.28	151.00	23467.48	6330.43	1101.91	103.24	7329.10	16138.38	16443.77		
Capital Work in Progress									352.46	471.35		
Previous Year	21917.17	1107.23	250.20	22774.20	5453.58	1053.03	176.18	6330.43	16443.77	16463.59		

Note :

*Vehicle includes assets of Rs. 78.31 Lacs (Previous Year Rs.64.55 Lacs) acquired under Hire Purchase Finance.

** Building includes capital expenditure incurred on assets not owned by the company Rs.8.90 lacs (Previous Year Rs. Nil) and net Rs. 8.68 Lacs (Previous Year Rs. Nil)

SCHEDULES**Winsome Textile Industries Ltd.**

PARTICULARS	AS AT	AS AT
	31.03.2010 (Rs. in lacs)	31.03.2009 (Rs. in lacs)

SCHEDULE - 5 : INVESTMENTS**(At cost Less Diminution other than temporary)****Long Term Investments - Fully Paid up**

Quoted

a) 200 Equity Shares of Rs. 10/- each in The IFCI Ltd.	0.01	0.01
	<u>0.01</u>	<u>0.01</u>
Aggregate Market Value of Quoted Investments	0.10	0.04

SCHEDULE - 6 : CURRENT ASSETS, LOANS & ADVANCES**CURRENT ASSETS****Inventories****As taken, valued and certified by the management****(At lower of Cost and Net Realisable Value)**

Raw Materials	4003.09	743.10
Stock in Process	1196.58	1038.35
Stores & Spares	384.87	363.94
Finished Goods	1427.65	825.15
Waste (At net realisable value)	79.70	53.53
[including scrap of Rs. 1.67 Lacs (Previous Year Rs. 0.74 Lacs)]		
	<u>7091.89</u>	<u>3024.07</u>

Sundry Debtors (Unsecured, considered Good, unless otherwise stated)

Debts over six months:

Good	379.42	388.93
Doubtful		49.80
Less : Provision for bad and doubtful debts	—	<u>49.80</u>
Other Debtors	2359.10	1701.68
	<u>2738.52</u>	<u>2090.61</u>

Cash & Bank Balances

Cash in hand (As certified by management)

Bank Balances with scheduled Banks

In Current Accounts	184.56	140.06
In Fixed Deposits*	290.16	248.92
On Unclaimed Dividend Account	0.62	0.62
	<u>475.34</u>	<u>389.60</u>

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

Loans & Advances**(Unsecured, considered good unless otherwise stated)**

Advance recoverable in cash or in kind or for value to be received

- Considered Good	848.23	559.07
- Doubtful		8.88
Less : Provided	—	<u>8.88</u>
Interest Subsidy on Term Loans	366.79	497.31
Refund/Claim Receivable	339.62	323.65
Balance with Excise authorities	51.42	18.54
Export Incentives Receivables	528.40	201.63
Deposits with Government & others	42.67	44.13
MAT Credit Entitlement	214.17	206.32
Advance Tax / Tax deducted by source	135.45	251.99
	<u>2526.75</u>	<u>2102.64</u>

SCHEDULES**Winsome Textile Industries Ltd.**

PARTICULARS	AS AT	AS AT
	31.03.2010 (Rs. in lacs)	31.03.2009 (Rs. in lacs)
SCHEDULE - 7 : CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Acceptances	1779.08	1969.72
Sundry Creditors	—	—
- Due to Micro, Small & Medium Enterprises*	—	—
- Others	1276.02	1706.97
Interest Accrued but not due on Loans	1.58	45.50
Other Liabilities	960.09	894.79
Unclaimed Dividend**	0.62	0.62
Deferred Payments for Land Purchase	3.06	3.06
	<u>4020.45</u>	<u>4620.66</u>
PROVISIONS		
Provision for Taxation	62.17	180.32
Provision for Fringe Benefit Tax	16.04	16.04
Provision for Retirement Benefits	126.67	130.51
	<u>204.88</u>	<u>326.87</u>
	<u>4225.33</u>	<u>4947.53</u>
*To the extent information available. Refer Note No. 12 of Sch. 15B		
**Shall be credited to Investor's Education and Protection Fund when due.		
SCHEDULE - 8 : MISCELLANEOUS EXPENDITURE		
(To the extent not Written Off / Adjusted)		
Opening Balance	26.59	35.45
Less : written off / adjusted during the year@	<u>26.59</u>	<u>8.86</u>
	—	26.59
	—	<u>26.59</u>
@Unamortised balance of transitional provision of Retirement Benefits (AS-15, Revised) fully charged to Profit and Loss Account		
	2009-10	2008-09
SCHEDULE - 9 : SALES AND SERVICES		
	(Rs. in lacs)	(Rs. in lacs)
Yarn***	20769.49	16095.46
Waste	996.39	833.55
Processing Income (Tax deducted at source Rs. Nil Previous Year Rs. 3.17 lacs)	198.17	169.70
	<u>21964.05</u>	<u>17098.71</u>
***Including Export Incentives of Rs. 491.69 Lacs (P.Y. 246.40 Lacs)		
SCHEDULE - 10 : INCREASE/(DECREASE) IN STOCKS		
Closing Stock		
Finished Goods (Yarn)	1427.65	825.15
Stock in Process	1196.58	1038.35
Waste	<u>78.03</u>	<u>52.79</u>
	2702.26	1916.29
Less : Opening Stock		
Finished Goods (Yarn)	825.15	1495.59
Stock in Process	1038.35	915.05
Waste	<u>52.79</u>	<u>58.47</u>
	1916.29	2469.11
	<u>785.97</u>	<u>(552.82)</u>
SCHEDULE - 11 : RAW MATERIALS CONSUMED & PURCHASES		
(i) Raw Material Consumed		
Opening Stock	743.10	938.31
Purchases	14872.47	9099.04
	15615.57	10037.35
Closing Stocks	4003.09	743.10
Raw Materials Consumed	<u>11612.48</u>	<u>9294.25</u>
(ii) Finished Goods Purchased		
	606.71	—
	<u>12219.19</u>	<u>9294.25</u>

SCHEDULES**Winsome Textile Industries Ltd.**

PARTICULARS	2009-2010 (Rs. in lacs)	2008-2009 (Rs. in lacs)
SCHEDULE - 12 : EXPENSES		
PAYMENT & PROVISIONS OF EMPLOYEES		
Salaries, Wages, Bonus, Gratuity and other Allowance	1306.36	1116.77
Contribution to Provident & Other Funds	111.05	104.95
Employees Welfare Expenses	7.04	7.97
	1424.45	1229.69
MANUFACTURING EXPENSES		
Stores & Spares consumed	2495.82	1791.96
Power & Fuel	2077.41	1898.02
Raw Material Handling Charges	74.06	87.03
Repairs to Building	23.75	10.80
Repairs to Plant & Machinery	60.60	27.08
Processing Charges	—	6.05
Other Manufacturing Expenses	38.83	52.33
	4770.47	3873.27
ADMINISTRATIVE AND OTHER EXPENSES		
Vehicles Expenses	19.04	17.86
Rent	25.66	24.01
Lease Premium	0.08	0.08
Printing & Stationery	10.38	9.40
Rates & Taxes	0.12	0.21
Directors Sitting Fees	0.95	1.30
Insurance	27.21	33.13
Provision for Doubtful Debts and Advances	—	56.07
Travelling & Conveyance	124.44	85.75
Postage, Telegrams and Telephones	36.25	24.98
Fees & Subscription	16.36	13.25
Bad Debts / Advances Written Off	58.68	—
Less: Provision for doubtful debts and advances	58.68	—
Prior Period Expenses (Net)	0.17	8.57
Exchange Rate variation Loss (Net)	32.98	—
Miscellaneous Expenses	82.94	83.32
AUDITORS REMUNERATION		
Audit Fees	2.65	2.65
Tax Audit Fees	0.39	0.39
Certification Fee	0.01	0.91
Re-imbusement of expenses	0.48	0.66
Cost Audit Fees	0.28	0.28
	380.39	362.82
SELLING EXPENSES		
Commission on sales	289.59	282.91
Brokerage & Discount	68.30	79.63
Freight & Handling Charges	474.81	468.56
Advertisement & Other Selling Expenses	61.30	52.94
	894.00	884.04
	7469.31	6349.82
SCHEDULE - 13 : FINANCIAL EXPENSES		
Interest on Term Loans	994.94	824.22
Interest on Working Capital	901.79	924.32
Bank Charges	122.15	135.00
	2018.88	1883.54
Add : Exchange Fluctuations Loss/(Gain) on Loans	(13.02)	121.73
	2005.86	2005.27
SCHEDULE - 14 : OTHER INCOME		
Interest Received on Deposits & Others	28.85	24.09
[TDS Rs. 2.97 lacs (Previous Year Rs. 2.15 lacs)]		
Miscellaneous Income	56.49	74.38
Liabilities written back	—	17.87
Profit on Sale of Fixed Assets (Net)	1.30	43.34
Exchange Rate variation gain (Net)	—	104.74
Rent Received	1.62	13.42
Pro-rata Capital Subsidy	5.13	5.13
(Read with significant accounting Policies in Schedule 15-A(8)(iii))		
	93.39	282.97

SCHEDULE - 15

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010 AND THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.

A) Significant Accounting Policies

1. General

- i) These accounts are prepared on the historical cost basis and on the accounting principles of a going concern.
- ii) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles and mandatory Accounting Standards.

2. Revenue Recognition

Expenses and income considered payable and receivable respectively are accounted for on accrual basis.

3. Valuation of Inventories

Inventories are valued at lower of Cost and Net Realisable Value except stock of waste, which is valued at Net Realisable Value. The cost for the purpose of valuation is computed as under :

- (i) Raw Materials - Actual Cost of purchase including freight & taxes.
- (ii) Stores and Spare Parts - Weighted Average Method.
- (iii) Finished Goods and Stock in Process is determined by taking material, labour and other related overheads.

4. Investments

Long Term Investments are stated at cost. Where there is a decline other than temporary in their value, the carrying amount is reduced on individual investment basis and is charged to Profit and Loss Account.

5. Fixed Assets

Fixed assets are stated at cost of acquisition (net of cenvat credit) & is inclusive of freight, duties, taxes and installation expenses.

6. Depreciation / Amortisation / Impairment Loss

- (a) Depreciation on fixed assets is provided on Straight Line Methods by applying rates given in Schedule XIV of the companies Act, 1956. (except leasehold land which is amortised over the period of lease).
- (b) Depreciation on addition/sale is provided Pro-rata with reference to the month of addition/sale.
- (c) In case, the recoverable amount of the fixed assets is lower than its carrying amount a provision for the impairment loss, depreciation on impaired assets is provided based on the reassessed life of the assets.
- (d) Capital Expenditure on assets not owned are written off over the duration of contract or ten years, whichever is lower.
- (e) Fixed assets costing Rs.5000 or less has been depreciated fully in the year of purchases.

7. Borrowing Cost

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

8. Government Grants

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

9. Foreign Currency Transactions

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

10. Expenditure during Construction Period

Expenditure during construction period are included under capital work in progress and the same are allocated to the respective fixed assets on the completion of the construction period.

11. Employees Benefits

- (I) **Defined Contribution Plan** : Employee benefits in the form of Provident Fund are considered as defined contribution plan and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due.
- (II) **Defined Benefit Plan** : Retirement benefits in the form of Gratuity is funded every year under Group Policy of life Insurance Corporation of India. Long Term compensated leaves are considered as defined benefit obligations and are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.
- (III) Other short term absences are provided based on past experience of leave availed. Actuarial gain/losses, if any, are immediately recognised in the Profit and Loss Account.

12. Taxes on Income

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

13. Contingent Liabilities, Contingent Assets & Provisions

Contingent liabilities, if material, are disclosed by way of notes, contingent assets are not recognised or disclosed in the financial statements. Provision is recognised when an enterprise has a present obligation as a result of past event(s) and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation(s), in respect of which a reliable estimate can be made for the amount of obligation.

B) NOTES ON ACCOUNTS

	31st March, 2010	31st March, 2009
	(Rs. in lacs)	(Rs. in lacs)
1. (A) Contingent Liabilities not provided for in respect of (As certified by the management):		
(i) Bills discounted with banks	1781.32	887.55
(ii) Excise/Service Tax Matters	334.78	289.26
(iii) Surety Bond executed on behalf of others	80.80	80.80
(iv) Export obligation against Import of Plant & Machinery under concessional duty (EPCG scheme)	13258.29	15726.67
	(US\$288.14 lacs)	(US\$341.39 lacs)
(v) Duty saved on above	1657.28	1965.83
Considering the past experience, management is of the view that there will not be any material impact on accounts on settlement/finalisation of above.		
2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances 76.08 Lacs) (Previous year Rs 304.07lacs) Rs. 1038.86 Lacs (Previous year Rs. 386.12 Lacs).		
3. Depreciation on certain Plant & Machinery is provided by considering it as continuous process plant based on technical assessment.		
4. Capital subsidy received under TUFS has been treated as deferred income which is recognised on systematic/rational basis in proportion of the applicable depreciation over the useful life of the respective assets and is adjusted against the depreciation/credit to the Profit and Loss Account.		
5.(A)(i) In terms of the Resolution passed u/s 81(1A) of the Companies Act, 1956, the Board of Directors of the Company have issued 75,00,000 Nos. Convertible Warrants of Rs. 10/- each at Rs. 24/- each (including premium of Rs. 14/- per warrant) at their meeting held on 10th November, 2008 on receipt of 10% application money (aggregating to Rs. 180 Lacs) out of total amount of Rs. 1800 lacs, pending receipt of balance 90% amount (Total Rs. 1620 Lacs and Rs. 21.60 per Warrant). During the year 1,44,00,000 Nos. fully paid Equity Shares of Rs. 1/- each were allotted on 24th March, 2010 on receipt of Rs. 3,45,60,000/- (including Rs. 2,01,60,000/- on account of premium i.e. Rs. 1.40 per warrant).		
(ii) Subsequent to the Balance sheet date, 6,06,00,000 Nos. fully paid Equity Shares of Rs. 1/- each were allotted on 9th May, 2010 on receipt full amounting to Rs. 14,54,40,000/- (including premium of Rs. 8,48,40,000/- i.e. Rs. 1.40 per warrant). Till 31st March, 2010 received amounting to Rs. 6,44,88,000/- (including 10% received in previous year) is shown as Convertible Warrant.		
5.(B) In terms of the Resolution passed by the shareholders at their meeting held on 11th September, 2009, fully paid Equity Share of Rs. 10/- each of company have been sub-divided into 10 nos. fully paid Equity Shares of Rs. 1/- each.		
6. (i) Debt Restructuring Proposal which have been sanctioned by the respective lenders and is effective from 1st January 2009 interalia includes reschedulement of existing term loans, relaxation in margin for working capital loan, carving out of working capital irregularities and additional finance is in process of implementation. The effect of Debt Restructuring have been accounted for based on sanctions received. As per the Debt Restructuring, additional funding of Rs 1800/- lacs (including premium) have been brought into as Equity Share Capital. (including subsequent to the Balance Sheet date of amounting to Rs.809.52 lacs)		
(ii) Issue proceed utilized for the purpose as stipulated and balance amount have been parked into Working Capital.		
7. The company has taken legal and other persuasive actions for recovery of certain overdue debtors aggregating to Rs. 158.51 lacs (including overdue overseas debtors of amounting to Rs.35.96 lacs), in the opinion of the management, these outstanding are good and fully recoverable.		
8. Since it is not possible to ascertain with reasonable certainty/ accuracy the amount of accrual in respect of certain insurance and other claims, the same are continued to be accounted for on settlement/ acceptance basis.		
9. Advances recoverable in cash or in kind or for value to be received includes advances against capital orders amounting to Rs. 76.08 Lacs (Previous Year Rs.304.07 Lacs).		
10. In accordance with the Accounting Standards (AS-28) on "Impairment of Assets" issued by the Institute of Chartered Accountants of India, during the year the company has reassessed its fixed assets and is of the view that no further impairment/reversal is considered to be necessary in view of its expected realisable value.		
11. (A) Addition to Fixed Assets/Capital work in progress including civil work under construction, electric installation and fittings, machinery under installation/erection and pre-operative expenses pending allocation/appropriation:		(Rs. in lacs)
	2009-10	2008-09
Pre-operative expenditure as follows		
Opening Balance	73.84	27.90
Stores & Spares	41.11	109.97
Power & Fuel	—	20.48
Salary, Wages & Allowances	12.77	72.60
	127.72	230.95
Less : Allocated/Appropriated	42.22	157.11
Closing Balance	85.50	73.84

Winsome Textile Industries Ltd.

Above amount is excluding interest on term loan Rs. 48.24 Lacs (P.Y. Rs. 66.25 lacs) net of subsidy Rs. 27.02 Lacs (P.Y. Rs. 45.08 lacs), Interest (others) Rs. Nil (P.Y. Rs. 27.77 lacs)

(B) The company is in process of implementation of 3.5 MW hydro power project in the state of Himanchal Pradesh and expenses incurred till 31st March 2010 have been included in the CWIP.

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

	2009-2010	2008-2009
(a) (i) Principal amount remaining unpaid at the end of the accounting year	-	-
(ii) Interest due on above	-	-
(b) The amount of interest paid by the buyer alongwith amount of payment made to the supplier beyond the appointed date	-	-
(c) The amount of interest accrued and remaining unpaid at the end of financial year	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding interest specified under this act.	-	-
(e) The amount of further interest due and payable in succeeding year, until such interest is fully paid	-	-

13. In view of the Company (Accounting Standard) Rules, issued by the Ministry of Corporate Affairs for treatment of gain/(loss) on account of exchange fluctuation on loan/liability for capital assets, the company continued its policy to charge exchange difference to the profit & loss account.

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

15. Employees Benefits:

Defined Benefit Plan:

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

Particulars	Gratuity		Leave Encashment (Unfunded)	
	2010	2009	2010	2009
I. Amount to be recognised in the balance sheet.				
Present Value of Obligation as at 31st March 2010	130.20	126.89	39.11	39.11
Fair value of plan assets as at 31st March 2010	28.90	35.49	-	-
Funded Status [Surplus/(Deficit)]	(101.30)	(91.40)	(39.11)	(39.11)
Net Assets/(Liability) Recognized in Balance Sheet	(101.30)	(91.40)	(39.11)	(39.11)
II. Expenses recognized during the period				
Current Service Cost	22.98	26.09	16.17	35.65
Interest Cost	10.15	8.14	3.13	1.41
Expected Return on Plan Assets	(2.47)	(1.87)	-	-
Actuarial (gain)/loss	(3.25)	(1.24)	0.51	(10.94)
Net Expenses Recognized	27.41	31.13	19.81	26.12
III. Reconciliation of opening and closing balance of Defined Benefit Obligation				
Present Value of Obligation at the beginning of the period	126.89	108.57	39.11	18.84
Current Service Cost	22.98	26.09	16.17	35.65
Interest Cost	10.15	8.14	3.13	1.41
Actuarial (gain)/loss on obligations	(3.01)	(0.90)	0.51	(10.94)
Benefit Paid	(26.81)	(15.00)	(31.37)	(5.84)
Present Value of Obligation as at the end of the period	130.20	126.89	27.55	39.11
IV. Reconciliation of opening and closing balance of fair value of plan assets				
Fair value of plan assets at the beginning of the period	35.49	16.77	-	-
Expected Return on Plan Assets	2.47	1.87	-	-
Contributions	17.50	31.52	-	-
Actuarial gain/(loss) on obligations	0.25	0.33	-	-
Benefit Paid	(26.81)	(15.00)	-	-
Fair value of plan assets at the end of the period	28.90	35.49	-	-
V. Reconciliation of opening and closing balance of fair value of plan assets				
Fair value of plan assets at the beginning of the period	35.49	16.77	-	-
Actual Return on Plan Assets	2.72	2.20	-	-
Contributions	17.50	31.52	-	-
Benefit Paid	(26.81)	(15.00)	-	-
Fair value of plan assets at the end of the period	28.90	35.49	-	-
Funded Status	(101.30)	(91.40)	(27.55)	(39.11)

VI. Investment Detail

All Investments are made with through LIC.

VII. Actuarial/Demographic assumptions

	<u>2009-10</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2008-09</u>
	<u>1994-96</u>	<u>1994-96</u>	<u>1994-96</u>	<u>1994-96</u>
Indian Assure Lives Mortality Table (LIC)				
Discount rate (Per annum)	8.00%	7.5%	8.00%	7.5%
Expected Return on Plan Assets (Per annum)	8.00%	7.5%	8.00%	7.5%
Estimated rate of increase in compensation level	5.00%	5.00%	5.00%	5.00%
Retirement Age	58 Years	58 Years	58 Years	58 Years
Withdrawal Rate (All ages)	10%	10%	10%	10%
Disability	No explicit allowance	No explicit allowance	No explicit allowance	No explicit allowance
Average accumulated leave per employee (in days)	8	13	8	13

- (i) Contribution to defined contribution plan, recognized as expenses during the year is Rs. 88.82 lacs (Previous Year Rs. 83.93 lacs)
- (ii) The estimate of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.
- (iii) The principal assumptions are the discount rate & salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.
- (iv) Amounts recognised as an expense/(income) and included in the Schedule 12 are as under:

<u>Particulars</u>	<u>Amount (Rs. in lacs)</u>
Salary, wages and Bonus	1232.57
Gratuity	52.87
Leave Encashment	20.92

- (v) The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of assets management, historical results of return on plan assets and the policy for plan assets management.

(vi) Miscellaneous Expenditure of Rs. 26.59 Lacs to the extent not written off have been fully written off during the year.

16. Research and development expenditure amounting to Rs. 43.14 lacs (Previous year Rs. 45.76 lacs) have been debited to Profit and Loss Account.
17. Balance of certain debtors (including associates), loans and advances (including capital advance), creditors, Stock with job worker and other liabilities are in the process of confirmation / reconciliation.
18. (a) Profit or loss on sale of stores/ raw materials remains adjusted in their respective consumption accounts.
- (b) Prior period adjustments (net) of Rs. 0.17 lacs (P.Y. 8.57 lacs) include Processing and Dyeing Charges Rs. 0.12 Lacs (P.Y. Nil) Repairs to Plant & Machinery Rs. 0.05 Lacs (P.Y. Nil), Legal & Professional Charges Rs. Nil (P.Y Rs.5.87 Lacs), Advertisement and Sales Promotion Rs. Nil (P.Y Rs 2.09 Lacs), Postage and Telegram Rs. Nil (P.Y Rs. 0.61 Lacs)

19. Managerial Remuneration to Chairman, Wholetime Director and Managing Director

(Rs. in Lacs)

(a) Particulars	<u>2009-10</u>	<u>2008-09</u>
(i) Salary	43.63	48.03
(ii) Contribution to Provident Fund & Family Pension Funds	4.45	4.82
(iii) Perquisites & Other Benefits	3.02	3.16
Total	*51.10	56.01

Note : In view of inadequacy of profit during the current year, minimum remuneration has been paid. Gratuity not included since funded with LIC alongwith other employees of the Company. Leave encashment not included, payable at the end of the tenure.

- (b) (i) Remuneration amounting to Rs. 25.03 Lacs paid in the year 2008-09 to Chairman & Whole time Director is pending for approval of the Central Government.
- (ii) (*) including Rs. 25.18 lacs is subject to the approval of the Central Government.

20. Segment Reporting

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

Winsome Textile Industries Ltd.

Information about geographical segments (by location of customers)

(Rs. in lacs)

Particulars	India	Outside India	Total
i) External Revenue-Sales	15232.81 (12181.96)	6731.24 (4916.75)	21964.05 (17098.71)
ii) Carrying amount of segment assets by location of assets	28666.30 (24374.44)	657.05 (174.20)	29323.35 (24548.64)
iii) Capital Expenditure	725.39 (1157.61)	(Nil) (Nil)	725.39 (1157.61)

21. Related party disclosures

A. List of "Related party & Relationship disclosures" are given below : (as identified by the management)

1. Associate Company

Winsome Yarns Limited

2. Key Management Personnel and their relatives

- Shri Satish Bagrodia	Chairman cum Whole time Director
- Shri Ashish Bagrodia	Managing Director
- Shri Manish Bagrodia	Son of Chairman cum WTD & Brother of MD
- Smt. Shilpa Bagrodia	Wife of MD

3. Organisations where Key Management Personnel & their relative have significant influence

- Starpoint Financial Services Pvt. Ltd.
- Energetics Investment and Consultants Pvt. Ltd.
- Roselab Commodities Pvt. Ltd.
- Kailashpati Vinimay Private Limited
- Shell Business (P) Limited ceases w.e.f. 24.08.2009
- Satyam Combines (P) Limited ceases w.e.f. 09.09.2009

Amounts due by enterprises under the same management:

	2009-2010		2008-2009	
	Maximum amount due at any time during the year	Balance as at 31st March, 2010	Maximum amount due at any time during the year	Balance as at 31st March, 2009
Winsome Yarns Limited	487.19	487.19	238.26	238.26

B. Transaction with the related parties during the year ended 2009-2010

(Rs. in Lacs)

Particulars	2009-10	2008-09
Winsome Yarns Limited		
Sale of material & goods and services	285.29	286.99
Purchase of material of goods and services	11.33	67.42
Expenses reimbursed to others	0.26	9.94
Expenses reimbursed by others	6.57	94.90
Balance outstanding at year end	487.19	238.26
Sh. Satish Bagrodia		
- Remuneration	25.18	25.03
- Balance Outstanding	1.54	1.54
Sh. Ashish Bagrodia		
- Remuneration	25.92	30.98
- Balance Outstanding	-	1.65
Sh. Manish Bagrodia		
- Directors Sitting Fees	0.25	0.35
Smt. Shilpa Bagrodia		
- Salary	2.39	2.39
Starpoint Financial Services (P) Ltd.		
- Rent	19.32	16.80
Agarsar Commerce Ltd.		
- Rent	-	1.10
Satyam Combines Pvt. Ltd.		
- Advance taken	-	38.00
- Advance refunded	-	38.00
Energetics Investment and Consultants Pvt. Limited		
- Advance taken	-	185.00
- Advance refunded	-	185.00
Shell Business (P) Limited		
- Advance taken	-	162.00
- Advance refunded	-	162.00

Note : Chairman and Managing Director have given guarantees to secured lenders against loans taken by the Company (Refer notes of Schedule-3).

	2009-10	2008-09
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22. Earning per share

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

(a) Basic Earning per share

Net Profit/(Loss) attributable to Equity Shareholders (Rs. in lacs)	27.29	(1349.19)
Weighted average number of equity shares*	59015616	58700000
Nominal Value per equity share (Rs.)	1.00	1.00
Basic EPS (Rs.)	0.05	(2.30)

* Refer Note No. 5(B)

(b) Diluted Earning per Share

Net Profit/(Loss) attributable to Equity Shareholders (Rs. in lacs)	27.29	(1349.19)
Weighted average number of equity shares	59015616	
Add : Dilutive Potential Equity Shares	32276819	129730770
Nominal Value per equity share (Rs.)	1.00	1.00
Diluted EPS (Rs.)	0.03	(2.30)

23. During the year, deferred tax in respect of timing differences has been re-assessed/re-computed and liabilities (net) amounting to Rs. 15.76 lacs (Previous Year Rs. 532.75) lacs for the year has been reversed/credited to Profit & Loss Account.

	2009-10	2008-09
Deferred Tax Liability		
Depreciation	2752.40	2497.41
Deferred Tax Assets		
Unabsorbed Depreciation	1571.92	1318.94
Other Items	59.16	72.91
	1631.08	1391.85
Deferred Tax Liability (Net)	1121.32	1105.56

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

25. Additional information pursuant to the provisions of Paragraphs 3 and 4 of Schedule VI to the Companies Act, 1956.

(a) Licensed & Installed Capacity

	2009-10	2008-09
Licenced/Registered Capacity	70,000 Spindles	70,000 Spindles
Installed Capacity (As Certified by the Management)	64,896 Spindles	64,032 Spindles

(b) Production, Turnover & Stocks (in MT):

(Rs. in lacs)

Particulars	Opening Stock		Production		Purchase		Turnover		Closing Stock	
	Qty. (MT)	Value	Qty.	Qty.	Value	Qty.	Value	Qty.	Value	
Yarn	562.040	825.15	12010.575	600.779	606.71	12285.492	20769.49	887.902	1427.65	
	(1051.926)	(1495.59)	(9681.810)	—	—	(10171.696)	(16095.46)	(562.040)	(825.15)	
Waste	—	52.79	—	—	—	—	996.39	—	78.01	
	—	(58.47)	—	—	—	—	(833.55)	—	(52.79)	

*Including Export Incentives of Rs. 491.69 Lacs (Previous Year : 246.41 Lacs)

(c) Raw Material Consumed

(Rs. in lacs)

	2009-10		2008-09	
	Qty. (MT)	Value	Qty. (MT)	Value
Fibre	16532.701	11612.48	13067.749	9294.25
(Includes semi-finished yarn)	1052.881	1188.45	181.899	235.38

(d) Total Value of Raw Materials and Stores & Spares Consumed

(Rs. in lacs)

	Raw Material				Stores & Spares			
	2009-10 (Value)	%	2008-09 (Value)	%	2009-10 (Value)	%	2008-09 (Value)	%
Imported	85.49	0.74	206.26	2.22	130.00	5.21	69.49	3.88
Indigenous	11526.99	99.26	9087.99	97.78	2365.82	94.79	1766.00	96.12
Total	11612.48	100.00	9294.25	100.00	2495.82	100.00	1791.96	100.00

Winsome Textile Industries Ltd.

(e) Consumption value of Raw Material and Spare parts is derived as net of opening stock plus purchases less closing stock.

	31st March 2010 (Rs. in lacs)	31st March 2009 (Rs. in lacs)
(f) Imports at CIF Value :		
Raw Material	83.01	237.89
Capital Goods	275.43	192.74
Spare Parts & Components	130.00	69.49
Total	488.44	500.12
(g) Earnings in Foreign Exchange :		
Exports of goods on FOB basis (Excluding Export through Export Houses & EOU)	6004.04	4519.88
(h) Expenditure in Foreign currency : (Cash basis)		
Foreign Travelling	34.21	18.04
Commission and other expenses	32.73	42.56
Interest Paid	12.10	Nil

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

Particulars	Document Currency	Amount in Document Currency		Amount (Rs. in lacs)	
		2009-2010	2008-2009	2009-2010	2008-2009
Sundry Debtors	USD	3490697.70	1409035.14	1628.90	679.83
	EURO	49862.50	Nil	30.31	Nil
Foreign Commission Payable	USD	72902.52	87045.04	32.73	44.18

26(B) Forward contracts Rs. 797.72 lacs - US\$ 17.05 Lacs (Previous Year Rs. 156.41 Lacs - US\$ 3.00 Lacs) taken for the purpose of hedging of debtors are outstanding as at 31.03.2010.

27. Figures for the previous year have been re-grouped/recast wherever necessary to make them comparable with those of current year.

28. Schedule 1 to 15 form an integral part of the Balance Sheet and Profit & Loss Account.

As per our report of even date.

For LODHA & CO.

Chartered Accountants

N.K. Lodha
Partner
FRN : 301051E

Sourabh Gupta
Company Secretary

Ashish Bagrodia
Managing Director

Satish Bagrodia
Chairman

Directors : Chandra Mohan
Manish Bagrodia
Rajeev Kumar
Satish Girotra

PLACE : Chandigarh
DATED : 27.05.2010

Balance Sheet abstract and Company's General Business profile information pursuant to Part IV of Schedule VI, of the Companies Act, 1956.

(i) Registration Details

Registration No. (CIN)	L17115HP1980PLC005647	State Code	06
Balance Sheet Date	31-03-2010		

(ii) Capital raised during the year (Amount Rs. in thousands)

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	81048

(iii) Position of Mobilization and Deployment of Funds (Amount Rs. in thousands)

Total Liabilities	2932335	Total Assets	2932335
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Sources of Funds

Paid-up Capital	137588	Reserve & Surplus	243541
Secured Loans	2016541	Unsecured Loans	NIL
		Deferred Tax Liability	112132

Application of Funds

Net Fixed Assets	1649084	Investments	1
Net Current Assets	860717	Misc. Expenditure	NIL
Accumulated Losses	—		

(iv) Performance of Company (Amount Rs. in thousands)

Turnover including other income	2205744	Total Expenditure	2201030
Profit/(Loss) Before Tax	4714	Profit/(Loss) After Tax	2729
Earning per share (Rs.)	0.05	Dividend Rate (%)	Nil

(v) Generic Names of Three Principal Products of Company (as per monetary terms)

Item Code No.	Product Description
520500	Cotton Yarn Containing 85% or more of cotton
520600	Cotton Yarn Containing less than 85% of cotton
550931	Yarn of Synthetic Staple Fibre Containing 85% or more of Acrylic

Sourabh Gupta
Company Secretary

Ashish Bagrodia
Managing Director

Satish Bagrodia
Chairman

Directors : Chandra Mohan
Manish Bagrodia
Rajeev Kumar
Satish Girotra

PLACE : Chandigarh
DATED : 27.05.2010

WINSOME TEXTILE INDUSTRIES LIMITED

Regd. Office : 1, Industrial Area, Baddi, Distt. Solan (H.P.)-173 205

Please complete the Attendance Slip and hand it over to the authorised person(s) of the company at the time of Annual General Meeting. Please also bring your copy of the Annual Report.

ATTENDANCE SLIP

(To be filled by the shareholder/s)

I hereby record by presence at the **29th ANNUAL GENERAL MEETING** of the Company being held on Monday, the 27th September, 2010 at 10.00 a.m. at the Regd. Office of the Company at 1, Industrial Area, Baddi, Distt.Solan, Himachal Pradesh.

REGD. FOLIO NO.	DP. id*
No. of Shares	Client id*
NAME OF SHAREHOLDER (IN BLOCK LETTERS)	
SIGNATURE OF THE SHAREHOLDER OR PROXY	

*If shares are dematerialised.

NOTE : NO GIFTS OR COUPONS WOULD BE GIVEN TO THE SHAREHOLDERS / PROXY FOR ATTENDING THE ANNUAL GENERAL MEETING.

..... Tear Here

WINSOME TEXTILE INDUSTRIES LIMITED

Regd. Office : 1, Industrial Area, Baddi, Distt. Solan (H.P.)-173 205

PROXY FORM

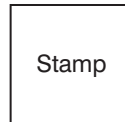
(To be filled by the shareholder/s)

REGD. FOLIO NO.	DP. id*	
No. of Shares	Client id*	

*If shares are dematerialised.

I/We of being a Member/Members of WINSOME TEXTILE INDUSTRIES LIMITED hereby appoint Mr. / Ms resident of or failing him/her Mr./Ms. resident of as my/our Proxy to attend and vote for me/us on my/our behalf at the 29th ANNUAL GENERAL MEETING of the Company to be held on Monday, the 27th September, 2010 at 10.00 a.m. at the Regd. Office of the Company at 1, Industrial Area, Baddi, Distt. Solan, Himachal Pradesh and at any adjournment thereof.

AS WITNESS my/our hand this day of 2010.



.....
Signature of the Proxy

.....
Signature of the first / sole shareholder
(As per the specimen signature registered with the company)

- NOTE :**
1. The proxy form duly signed across the revenue stamp must be deposited at the Registered Office of the company not less than 48 hours before the time for holding the meeting.
 2. Incomplete Proxy Form will not be considered.

BOOK-POST



RADHA MADHAV MANDIR

If undelivered, please return to:
Winsome Textile Industries Limited
Corp. Office: SCO 191-92, Sector-34A,
Chandigarh- 160 022 (India)

Japnika - 98155 59966