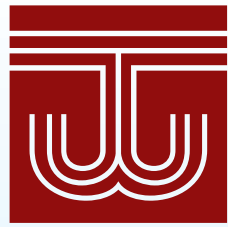


*33rd  
Annual Report  
2013-14*



**Winsome Textile Industries Limited**

## **BOARD OF DIRECTORS**

Shri Satish Bagrodia	Chairman
Shri Ashish Bagrodia	Managing Director
Shri Chandra Mohan	Director
Shri Satish Girotra	Director
Shri Amrit Lal Batra	Director

## **PRESIDENT & CHIEF EXECUTIVE OFFICER (CEO)**

Shri Anil Sharma

## **CHIEF FINANCIAL OFFICER (CFO)**

Shri Sanjay Kedia

## **COMPANY SECRETARY**

Shri Sourabh Gupta

## **AUDITORS**

M/s. Lodha & Co.  
Chartered Accountants  
12, Bhagat Singh Marg,  
New Delhi - 110001

## **BANKERS**

UCO Bank  
Central Bank of India  
Andhra Bank  
Bank of India  
Canara Bank  
Vijaya Bank  
Punjab National Bank  
Dena Bank  
Axis Bank

## **REGISTERED OFFICE**

1, Industrial Area, Baddi,  
Distt. Solan (H.P.) - 173205

## **CORPORATE OFFICE**

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

## **SHARE TRANSFER AGENT**

Link Intime India (P) Ltd.  
44, Community Centre, 2nd Floor,  
Naraina Industrial Area, Phase-I,  
Near PVR, Naraina,  
New Delhi-110 028

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## NOTICE

CIN No. L17115HP1980PLC005647

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

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

website: www.winsomegroup.com, email: cswtil@winsomegroup.com

**NOTICE** is hereby given that the **33rd Annual General Meeting of the Members of Winsome Textile Industries Limited**, will be held on Monday, the 29th September, 2014 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 Statement of Profit & Loss Account for the year ended 31st March 2014, 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 Ashish Bagrodia (DIN 00047021), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:  
**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of Companies Act 2013 read with Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s Lodha & Co., Chartered Accountants, (Firm Registration No.301051E), be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this 33rd Annual General Meeting of the Company till the conclusion of 36th Annual General Meeting of the Company, subject to the ratification of their appointment by members at every subsequent Annual General Meeting, at a remuneration to be decided by the Board of Directors."

### **SPECIAL BUSINESS:**

4. **To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**  
**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of Companies Act 2013, read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Satish Girotra (DIN01112511), Director of the Company, whose period of office is liable to be determination by retirement of directors by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years with effect from 29th September 2014 up to 28th September 2019 and not liable to retire by rotation.  
**RESOLVED FURTHER THAT** the Board of Directors, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution".
5. **To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**  
**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of Companies Act 2013, read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Chandra Mohan (DIN00017621), Director of the Company, whose period of office is liable to be determination by retirement of directors by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years with effect from 29th September 2014 up to 28th September 2019 and not liable to retire by rotation.  
**RESOLVED FURTHER THAT** the Board of Directors, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution".
6. **To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**  
**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of Companies Act 2013, read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Amrit Lal Batra (DIN00399728), Director of the Company, whose period of office is liable to be determination by retirement of directors by rotation, be and is hereby appointed as an Independent

Director of the Company to hold office for five consecutive years with effect from 29th September 2014 up to 28th September 2019 and not liable to retire by rotation.

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

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of Companies Act 2013, read with Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), the payment of remuneration of Rs. 65,000/- (Rupees Sixty Five Thousand Only) including out of pocket expenses, to M/s Aggarwal Vimal & Associates, Cost Accountants, Chandigarh, (Firm Registration No.000350), appointed by the Board of Directors as Cost Auditor of the Company, for conducting the audit of cost accounts of the Company for the financial year 2014-15, be and is hereby ratified and confirmed.

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

8. **To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions, if any, of Companies Act 2013, and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of members of the Company, be and is hereby accorded to amend/alter the existing Clause 127(1) of Articles of Association of Company as follows:

“Subject to the provisions of Section 152 of Companies Act, 2013 and other applicable provisions, if any, of Companies Act 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), a Managing Director and/or a Whole-time Director shall, while he/she continues to hold that office, be subject to retirement by rotation and shall be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire and he/she shall not cease to be a Managing Director and/or as Whole Time Director, if he/she retires as a Director and is re-elected and/or re-appointed as a Director in the same meeting and it shall not be considered as a break in his/her fixed term of appointment/re-appointment as Managing Director and/or as Whole Time Director”.

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

9. **To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of section 152 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the period of office of Shri Ashish Bagrodia (DIN 00047021), Managing Director of the Company, who is a non-retiring Director in terms of the erstwhile provisions of the Companies Act, 1956, shall henceforth be made liable to retire by rotation.”

10. **To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of section 152 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the period of office of Shri Satish Bagrodia (DIN00638647), Chairman and Whole time Director of the Company, who is a non-retiring Director in terms of the erstwhile provisions of the Companies Act, 1956, shall henceforth be made liable to retire by rotation”.

By order of the Board

Place : Chandigarh  
Dated: 28.05.2014

SATISH BAGRODIA  
Chairman

**NOTES :**

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

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

2. Corporate Members intending to send their authorized representative(s) are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote at the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 03.09.2014 to 05.09.2014 (both days inclusive).
4. Item No. 2: Detail of Director seeking re-appointment: Shri Ashish Bagrodia, Director (DIN 00047021), Date of Birth 19.06.1970, is B. E. (Mech.) Hons. He is a distinguished person having two decades of core experience in Textile Industry & in various operational matters like projects developments, corporate planning, leadership and corporate advisory/management. He holds coveted position in industrial parlance and in his dynamic leadership Company has received TEXPROCIL awards for export of processed yarns etc. several times. He has served various prestigious organizations, associations as Director and member etc.. Besides Winsome Textile Ind. Ltd., he is also a Director of Ethos Limited, Engineering Innovations Limited, IDS Infotech Limited, Vogue Commercial Co. Limited, Inde Dutch Engg.& Aerospace Services Limited, Confederation of Indian Textile Industry (Director/Committee Member) & PHD Chamber of Commerce & Industry (Director/Committee Member). He is holding 49220 shares in the Company. He is member of Shareholders/Investor Grievance Committee of Company. Except Shri Ashish Bagrodia, Shri Satish Bagrodia and their relatives, none of the other Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested in the proposed resolution as set out in Item No. 2 of this Notice.
5. According to section 205(A)(5) of the Companies Act, 1956, the unclaimed dividend for the year 2006-07 is due to be transferred to Investor Education and Protection Fund, in the month of October/November, 2014, unclaimed dividend for the year 2007-2008 is due to be transferred to Investor Education and Protection Fund, in the month of October/November,2015 and the unclaimed dividend for the year 2010-2011 is due to be transferred to Investor Education and Protection Fund, in the month of August/September 2018. The shareholders who have not claimed their dividend for the aforesaid years are requested to claim the same from the Company immediately.
6. Members desiring any information, as regards Accounts, are requested to write to the Company at its Registered Office at least ten days before the date of Annual General Meeting so as to enable to keep the information ready.
7. Members/proxies should fill the attendance slip for attending the Meeting.
8. 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.
9. Relevant documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and Public holidays

up to the date of the Annual General Meeting.

- 10 The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Registrar & Share Transfer Agent of the Company.
- 11 The notice of AGM along with Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members who have so far not registered their email addresses & changes therein, are requested to register the same with their Depository through their Depository Participant in case of electronic holdings under intimation to Registrar & Share Transfer Agent. In case of shares in physical form, members may register their email addresses & changes therein with Registrar & Share Transfer Agent of the Company.
- 12 Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Registrar & Share Transfer Agent of the Company.
- 13 M/s Link Intime India Private Limited, having its office located at 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR, New Delhi - 110028 (Tel. 011-41410592-94, Fax No. 011-41410591) is acting as Common Agency (Registrar & Share Transfer Agent) for dematerialisation and physical transfers of shares of the Company. The members should send their physical shares for transfers, transmissions, communications for change of address, issue of duplicate shares, bank details, ECS details, bank Mandates etc. directly to the aforesaid Registrar & Share Transfer Agent.
- 14 Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the items nos. 3 to 10 to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
- 15 Voting through electronic means :-  
In compliance with the provisions of section 108 of the Act and the Rule 20 of the Companies (Management and Administration) Rules 2014, the Company is pleased to provide the members to exercise their right to vote at the 33rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Limited (NSDL.)

**The instructions for e-voting are as under :-**

A. In case a Members receives an e-mail from NSDL [for Members whose e-mail addresses are registered with the Company/Depository Participant(s)] :-

- (i) Open the e-mail and also open the attached PDF file namely "**Winsome e-voting. Pdf**" with your Client ID (in case you are holding shares in demat mode) OR Folio No. (in case you are holding shares in physical mode) as password. The said PDF file contains your "User ID" and "Password" for e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the URL **<https://www.evoting.nsdl.com>**
- (iii) Click on "Shareholder Login".
- (iv) If you are already registered with NSDL for e-voting then you can use your existing User ID and password and Click Login.
- (v) If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
- (vi) Password Change Menu appears. Change the password with a new password of your choice with

minimum 8 digits/characters or combination thereof. Please keep a note of the new Password. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

- (vii) Home page of " e-Voting" opens. Click on e-Voting-Active Voting Cycles.
  - (viii) Select "**EVEN**" (E-Voting Event Number) of **Winsome Textile Industries Limited**.
  - (ix) Now you are ready for e-Voting as "Cast Vote" page opens.
  - (x) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted.
  - (xi) Upon confirmation, the message "vote cast successfully" will be displayed.
  - (xii) Once you have voted on the resolution, you will not be allowed to change/modify your vote.
  - (xiii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter copy etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail gmadan1959@gmail.com with a copy marked to evoting@nsdl.co.in.
- B. In case a Members receives physical copy of the Notice of AGM [for Members whose e-mail addresses are not registered with the Company/Depository Participant(s)] :-
- (i) Initial password is provide in the enclosed 'Instruction for e-voting' for the AGM.  
**EVEN** (E-Voting Event Number)      **USER ID**      **PASSWORD/PIN**
  - (ii) Please follow all steps from Sr. No. (ii) to Sr. No. (xiii) above, to cast vote.
- II In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com>.
- III The e-voting period commences on Monday, 22nd September 2014 (9:00 A.M. IST) and ends on Wednesday, 24th September 2014 (6:00 P.M. IST). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut off date (i.e. the record date) 22nd August 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Shareholder, the Shareholder shall not allowed to change it subsequently.
- IV The voting right of the Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut off date (i.e. the record date) 22nd August 2014.
- V Mr. Girish Madan, Practicing Company Secretary (Membership No. FCS-5017) has been appointed as the Scrutinizer to Scrutinize the e-voting process in fair and transparent manner.
- VI The Scrutinizer shall, within a period of not exceeding 3 (three) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least 2 (two) witness not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- VII The Result shall be declared on or after the AGM. The Result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.winsomegroup.com](http://www.winsomegroup.com) and on the website of NSDL within 2(two) days of the passing of the resolution at the AGM of the Company and communication to the Stock Exchanges, where the shares of the Company are listed.

By order of the Board

Dated: 28.05.2014  
Place : Chandigarh

SATISH BAGRODIA  
Chairman

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**ITEM NO. 3**

Although not required, this explanatory statement is being given in respect of Item No. 3 of the notice. M/s Lodha & Co., Chartered Accountants (Firm Registration No.301051E), are Statutory Auditors of the Company for auditing accounts of the Company for the financial year 2013-14 and their term of office is upto the conclusion of the forthcoming Annual General Meeting of the Company. The provisions of Section 139 of Companies Act, 2013 and Rule 6 of Companies (Audit and Auditors) Rules, 2014 provides that in case an audit firm which has completed two terms of five consecutive years, such firm shall be eligible to be re-appointed as Statutory Auditors for a maximum period of three years. M/s Lodha & Co., Chartered Accountants have been auditors of the Company for more than 10 years, therefore, they can be re-appointed as Statutory Auditors of the Company for a period of three years only.

Therefore, Board of Directors of the Company, after considering the recommendations of Audit Committee, have proposed to re-appoint M/s Lodha & Co, Chartered Accountants, as Statutory Auditors of the Company, for a period of three years i.e. from the conclusion of this 33rd Annual General Meeting of the Company till the conclusion of 36th Annual General Meeting of the Company, subject to the ratification of their appointment by the members in every subsequent Annual General Meeting in accordance with the provisions of Section 139 of the Companies Act 2013 read with Companies (Audit & Auditors) Rules 2014.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested in this resolution as set out at Item No. 3 of this Notice. In view of the above, Board recommends this resolution at Item No. 3 for approval by the shareholders.

**ITEM NOS. 4 to 6**

The Company had, pursuant to the provisions of clause 49 of Listing Agreements entered with the Stock Exchanges, appointed Shri Satish Girotra, Shri Chandra Mohan and Shri Amrit Lal Batra, as Non Executive Independent Directors, in compliance with the requirements of the said clause.

Although pursuant to the provisions of section 149 of Companies Act 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014, which came in to effect from April 1, 2014, every listed public Company is required to have at least one-third of the total number of directors as Independent directors, who are not liable to retire by rotation. The Nomination and Remuneration Committee in their meeting held on 28.05.2014 has recommended the appointment of these directors as Independent Directors with effect from 29th September 2014 up to 28th September 2019.

Shri Satish Girotra, Shri Chandra Mohan and Shri Amrit Lal Batra, Non Executive Independent Directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of Companies Act 2013. In the opinion of the Board, each of these Independent Directors fulfill the conditions specified in Sections 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) and such Independent Directors are independent of the management. Besides this, Board also considers that their continued association would be of immense benefit to the Company.

A brief profile of the Independent Directors to be appointed is given below:-

Shri Satish Girotra, (DIN01112511): Shri Satish Girotra, Director, Date of Birth 08.01.1940, is a Post Graduate in Education and Management having overall experience of about 49 years in the field of banking, finance, management etc.. He is holding 250 shares of the Company. Presently, he is Director of Winsome Textile Ind. Ltd., S. Girotra Consultants (P) Ltd., Puru Sepricon Pvt. Ltd., Newby Teas Overseas Pvt. Ltd., Anamika Sugar Mills Pvt. Ltd., Hamara Financial Services Pvt. Ltd., Delhi Golf Club Ltd., OVD Kinegram India Pvt. Ltd. and PHD Chamber of Commerce and Industry. He is also the Chairman of Audit Committee, Shareholders/Investors Grievance Committee and Remuneration Committee of Winsome Textile Ind. Ltd. as on 31st March 2014.

Shri Chandra Mohan, (DIN00017621): Padamshree Shri Chandra Mohan, Director, Date of Birth 30.12.1932, is 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 not holding any shares of the Company. Presently, he is Director of Winsome Textile Ind. Ltd., Engineering Innovations Ltd., Sandhar Technologies Ltd., DCM Engineering Ltd., KDDL Ltd., IOL Chemicals & Pharmaceuticals Ltd. and Nextgen Telesolutions (Pvt) Ltd.. Shri Chandra Mohan, is the member in Audit Committee of Winsome Textile Ind. Ltd., KDDL Ltd. and DCM Engineering Ltd.. He is member in



Remuneration Committee of Winsome Textile Ind. Ltd., DCM Engineering Ltd. and KDDL Ltd.. He is also the member in Shareholder's/Investors Grievance Committee of Winsome Textile Ind. Ltd. as on 31st March 2014.

Shri Amrit Lal Batra, (DIN00399728): Sh. Amrit Lal Batra, Director, Date of Birth 08.02.1942, is a Chartered Accountant and has 45 years of rich experience in the areas of Banking, Finance, Audit, Operations & Strategic Management. He has served various prestigious organizations, companies, financial institutions as Chairman, Director, President & Member etc.. Sh. Amrit Lal Batra does not hold any share in the Company. He is the member of Audit Committee, Shareholder's/Investors Grievance Committee and Remuneration Committee of Winsome Textile Ind. Ltd. as on 31st March 2014.

Other than Shri Satish Girotra, Shri Chandra Mohan, Shri Amrit Lal Batra and their respective relatives, none of the other Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested in these resolutions as set out in Item Nos. 4 to 6 of this Notice. In view of above, Board recommends these resolutions at Item No. 4 to 6 for approval by the shareholders. This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement.

**ITEM NO. 7**

The Board of Directors after considering the recommendations of Audit Committee have appointed M/s Aggarwal Vimal & Associates, Cost Accountants, as Cost Auditor of Company for the Financial Year 2014 - 2015 to conduct the Cost Audit of Cost Accounts of the Company on a total remuneration of Rs. 65,000/- (Rupees Sixty Five thousand only) including out of pocket expenses. According to provisions of section 148 of Companies Act 2013 read with Companies (Audit & Auditors) Rules 2014, the remuneration of Cost Auditor is subject to the ratification of members of the Company. None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested in this resolution as set out at Item No. 7 of this Notice. In view of above, Board recommends this resolution at Item No. 7 for approval by the shareholders.

**ITEM NO. 8 to 10**

The provisions of Section 152 of the Companies Act, 2013 provide that not less than two-thirds of the total number of directors of a public Company shall be persons whose period of office is liable to determination by retirement of directors by rotation, where the term "total number of directors" shall not include Independent Directors whether appointed under the Companies Act, 2013 or any other law for the time being in force.

The present composition of Board of Directors of the Company comprises of three Non-Executive Independent Directors and two Executive Directors i.e. a Whole-time Director and a Managing Director. The shareholders of the Company in 31st Annual General Meeting of the Company held on 24th September 2012 have approved the re-appointment of Shri Ashish Bagrodia, as Managing Director of Company, for a period of three years w.e.f. 01.02.2013. The shareholders of Company in 32nd Annual General Meeting of the Company held on 27th September 2013 have also approved the re-appointment of Shri Satish Bagrodia, as Chairman and Whole Time Director of the Company for a period of five years w.e.f. 01.08.2013. Both these Executive Directors are not liable to retire by rotation pursuant to existing Clause 127(1) of Article of Association of the Company and also their respective period(s) of office(s) was not liable to determination by retirement of directors by rotation in terms of the erstwhile provisions of Companies Act 1956.

Therefore in the light of above referred provisions of the Companies Act, 2013 it is desirable to amend/alter the existing Clause 127(1) of Articles of Association of Company and to make the period of office of Sh. Ashish Bagrodia, Managing Director of Company and Sh. Satish Bagrodia, Chairman and Whole Time Director of Company, liable to retire by rotation.

Except Sh. Ashish Bagrodia, Sh. Satish Bagrodia and their relatives, none of the other Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested in these resolutions as set out at Item No. 8 to 10 of this Notice. In view of above, Board recommends these resolutions at item No. 8 to 10 for approval by the shareholders.

By order of the Board

Place : Chandigarh  
Dated: 28.05.2014

SATISH BAGRODIA  
Chairman

Dear Shareholders,

Your Directors have pleasure in presenting the 33rd Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended 31st March, 2014.

<b>Financial Highlights</b>	<b>Year ended 31.3.2014 (Rs.in lacs)</b>	<b>Year ended 31.3.2013 (Rs. in lacs)</b>
<b>Sales</b>	<b>49882.79</b>	<b>35179.98</b>
Profit before Interest & Depreciation	<b>9488.14</b>	6651.80
Less : Interest	<b>4388.19</b>	3735.76
Profit/(Loss) before Depreciation	<b>5099.95</b>	2916.04
Less : Depreciation	<b>1624.10</b>	1173.35
Profit/ (Loss) before Tax	<b>3475.85</b>	1742.69
Less : Provision for Taxation - Current Tax(MAT)	<b>606.80</b>	378.59
- MAT Credit	<b>(606.80)</b>	(378.59)
- Deferred Tax Liability/(Assets)	<b>1647.28</b>	207.51
- Tax for earlier years	<b>-</b>	23.74
Net Profit/ (Loss) after Tax	<b>1828.57</b>	1511.44
Add : Surplus brought from previous year	<b>3128.99</b>	1617.55
	<b>4957.56</b>	3128.99
<b>Appropriations :</b>		
Proposed Dividend	<b>NIL</b>	NIL
Corporate Dividend Tax	<b>NIL</b>	NIL
Surplus Carried to Balance Sheet	<b>4957.56</b>	3128.99
	<b>4957.56</b>	3128.99

#### **OPERATIONAL & PERFORMANCE REVIEW**

During the year under review, your Company has achieved a sales turnover of Rs. 49882.79 lacs as against sales turnover of Rs. 35179.98 lacs during the previous year and a net profit (after tax) of Rs. 1828.57 lacs for the year as against net profit (after tax) of Rs. 1511.44 lacs during the previous year. Although there was a good monsoon, but the commodity prices stayed at high levels and manufacturing indices declined which ultimately lead to rise in inflation and slow GDP growth. The profits of the Company could have been huger had it not been the higher cotton prices during the second half of the current financial year. The export volume of your Company is far better than the last financial year. It is expected that the economic scenario will change in coming months with overall sustainable development and controlled inflation index which will help the Company further boost its topline and bottomline.

Your Company has been continuously striving to increase the percentage of value added products in its portfolio of manufactured products. Keeping this in mind, I am pleased to announce that during the year under review, the Company has commenced commercial production of its new Spinning unit, successfully completed the expansion of its yarn and fibre dyeing facility and its knit fabric unit. All these expansions have helped your Company to offer more melange yarns, dyed yarns and special value added blended yarns to its customers in the domestic and export markets.

We are delighted to inform you that once again your Company has been presented with the GOLD PLAQUE by 'The Cotton Export Promotion Council of India' for the highest exports of processed yarns for the year 2012-13 in the category I (Rs. 10 Cr. to 50 Cr.).

#### **EXPANSION PROJECTS OF COMPANY**

In furtherance of progressive move towards expansion, the New Spinning Unit of Company (Unit II) located at Village Kaundi, Baddi, Distt. Solan, Himachal Pradesh with the capacity of 41088 spindles has successfully started its commercial production w.e.f. 15th November 2013. In the Circular Knitting unit of the Company at existing unit (Baddi, H.P.) out of total 25 machines 18 machines has commenced commercial production w.e.f. 1st November 2013. The expansion in the dyehouse to increase production capacities for dyeing yarn and fibre has also been completed. These positive initiatives will foster the demand for value added products of the Company in domestic market as well in overseas and will support the expansion of its existing line of products and launch of new products.

Hitherto, the construction of Company's upcoming Hydro Power Project at Dharamshala, Distt. Kangra, Manuni Khad (H.P.) has been completed and the commissioning of said Hydro Power Project is expected within the financial year 2014-2015, subject to completion of requisite procedural formalities/permissions.

The year 2013-2014 was an important year of the Company in which the Company made significant additions in its capacity. Your Company is persistently striving to build a distinguished and sustainable position among its customers and stakeholders.

## **SUBSIDIARY COMPANY**

The Wholly Owned Subsidiary of Company i.e. "Winsome Textile Industries FZE" has been closed down. However pursuant to provisions of section 212 of Companies Act 1956, the holding Company is required to attach the balance sheet & profit & loss account etc. of its subsidiary Company along with its balance sheet. Although, the Ministry of Corporate Affairs vide its general circular no. 2/2011 dated 08.02.2011 has provided general exemption from complying with the provisions of section 212 of Companies Act 1956. Accordingly, the Annual Accounts of Winsome Textile Industries FZE are not being attached with the balance sheet of the Company but the same will be made available to the shareholders for inspection at the head office of the Company during business hours on working days.

## **CONSOLIDATED ACCOUNTS**

In accordance with the Accounting Standard AS -21 on Consolidated Financial Statements, your Directors provide the Audited Consolidated Financial Statements of Winsome Textile Industries Limited and Winsome Textile Industries FZE in this Annual Report.

## **IS/ISO CERTIFICATIONS**

Your Directors are pleased to inform you that during the year under review, your Company continues to be holder of certification of IS18001:2007 for Occupational Health & Safety Management Systems Certification (OHSMS), IS/ISO 9001:2008 Quality Management Systems Certification and IS/ISO 14001:2004 Environmental Management System (EMS) Certification, issued by Bureau of Indian Standards. The Company also holds various other certifications such as OCS Certification (Organic Content standard), GOTS Certification (Global Organic Textile Standards), GRS Certification (Global Recycle Standard) and SUPIMA licensee (special type of PUMA COTTON) etc..

## **FIXED DEPOSITS**

The Company has not accepted or renewed any deposit from the public during the year under review pursuant to the provisions of Section 58A of the Companies Act, 1956 and rules made thereunder.

## **DIVIDEND**

Keeping in view to conserve the resources, your Directors do not recommend any dividend for the year under review.

## **APPOINTMENT OF KEY MANAGERIAL PERSONS (KMPs)**

The Board of Directors of the Company in their meeting held on 28th May 2014 have re-designated and appointed Shri Anil Sharma as President and Chief Executive Officer (CEO) of the Company and Shri Sanjay Kedia as Chief Financial Officer (CFO) of the Company with effect from 01st April 2014 under the provisions of Section 203 of the Companies Act 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## **DIRECTORS**

During the year under review, Shri Manish Bagrodia has resigned from Board of Directors of the Company with effect from 28.09.2013. Your Directors places on record their deep appreciation and wish to thank him for his immense and fruitful contribution during his tenure as Director on the Board.

Pursuant to the provisions of Section 152 of Companies Act 2013 read with Companies (Appointment and Qualification of Directors) Rules 2014, Shri Ashish Bagrodia, Director, retire by rotation and being eligible, offer himself for re-appointment.

Although in terms of provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, an Independent Director can hold office for a term up to five (5) consecutive years on the Board of a Company and shall be eligible for re-appointment for another term upto five (5) consecutive years, only after passing of a special resolution by the Company and no Independent Director shall hold office for more than two consecutive terms of five years each. Further, the Independent Directors shall not be liable to retire by rotation. The Company has received declarations from all independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges. Accordingly, Board of Directors of Company, after considering the recommendations of Nomination and Remuneration Committee, have proposed to appoint Shri Satish Girotra, Shri Chandra Mohan and Shri Amrit Lal Batra as Independent Directors of Company for five consecutive years with effect from 29th September 2014 upto 28th September 2019 and not liable to retire by rotation.

## **AUDITORS**

M/s Lodha & Co, Chartered Accountants, Statutory Auditors of the Company, hold office upto the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has obtained a Letter of Eligibility in terms of provisions of Section 139 of the Companies Act 2013 read with Companies (Audit & Auditors) Rules 2014 from M/s Lodha & Co., Chartered Accountants, to the effect that their re-appointment, if made, would be in accordance of provisions of Section 141 of the Companies Act 2013 and Rules made thereunder and that they are not disqualified for such appointment within the meaning of section 141 of the Companies Act, 2013, the Chartered Accountants Act 1949 and rules & regulations made thereunder.

Therefore, it is proposed to re-appoint M/s Lodha & Co, Chartered Accountants, as Statutory Auditors of the Company, for a period of three years i.e. from the conclusion of this 33rd Annual General Meeting of the Company till the conclusion of 36th Annual General Meeting of the Company, subject to the ratification of their appointment by the members in every subsequent Annual General Meeting in accordance with the provisions of Section 139 of the

Companies Act 2013 read with Companies (Audit & Auditors) Rules 2014.

#### **COST AUDIT**

Pursuant to provisions of Section 233B of Companies Act, 1956 read with provisions of Section 148 of and other applicable provisions, if any, of the Companies Act 2013 & Rules made thereunder, your Company carries out an audit of cost records every year. The Company has obtained written confirmations from M/s Aggarwal Vimal & Associates, Cost Accountants, to the effect that their appointment, if made, would be in accordance of provisions of Section 148 of Companies Act 2013 and that they are not disqualified for such appointment within the meaning of section 141 of Companies Act, 2013 read with Companies (Audit & Auditors) Rules 2014.

Therefore, after considering the recommendations of Audit Committee, Board of Directors of the Company have appointed M/s Aggarwal Vimal & Associates, Cost Accountants, as Cost Auditor of Company for the Financial Year 2014 - 2015 to conduct Cost Audit of Cost Accounts of the Company on a total remuneration of Rs. 65,000/- (Rupees Sixty Five thousand only) including out of pocket expenses. Although according to provisions of section 148 of Companies Act, 2013 read with Companies (Audit & Auditors) Rules 2014, the remuneration of Cost Auditor is subject to the ratification of members of the Company. The Cost Audit Report for the Financial Year 2012-13 was due to be filed with the Ministry of Corporate Affairs on 30.09.2013 was filed on 19.09.2013.

#### **AUDITOR'S REPORT**

Observations made in the Auditor's Report are self explanatory and therefore do not call any further explanation.

#### **PARTICULARS OF EMPLOYEES**

None of the employees is covered under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended.

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

Energy conservation continues to be an area of major emphasis in your Company. Efforts are made to optimize the energy cost while carrying out manufacturing operations. As required 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.

#### **STATUTORY DISCLOSURES**

None of the Directors of the Company are disqualified under the provisions of Section 274(1)(g) of the Companies Act 1956. The Directors have made the requisite disclosures, as required under the Companies Act, 1956 and 2013 and Clause 49 of the Listing Agreement.

#### **CORPORATE GOVERNANCE**

The Company is committed to maintain the good standards of Corporate Governance. The Company has complied with the Corporate Governance requirements as stipulated under Clause 49 of the Listing Agreement. Pursuant to clause 49 of the Listing Agreement with the Stock Exchanges, the Report on Corporate Governance together with Auditor's Certificate regarding compliance of Corporate Governance is annexed to this report.

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

Pursuant to the provisions of 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, 2014, 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 31st March, 2014 and of the profit or loss 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;
- IV. the annual accounts have been prepared on a going concern basis.

#### **ACKNOWLEDGEMENT**

Your Directors take this opportunity to express their deep sense of gratitude to the Government of Himachal Pradesh and various other Central & State Government Departments, Financial Institutions, Bankers, customers & vendors and look forward for same support & confidence in our endeavors.

The Board of Directors expresses its deep gratitude and record its sincere appreciation of the dedicated efforts and commitment of all the employees. The Directors are also thankful to the esteemed shareholders for their continuous support and the confidence reposed in the Company.

By order of the Board

Place : Chandigarh

Dated : 28.05.2014

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 DIRECTOR'S REPORT FOR THE PERIOD ENDED 31ST MARCH, 2014.**

**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. 7.16 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 :**

<b>A) Power and Fuel consumption</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>1. Electricity</b>		
a) Purchased Unit (KW)	<b>66392786</b>	52713800
Total amount (Rs. in lacs)	<b>3776.72</b>	2594.61
Rate/Unit (Rs.)	<b>5.69</b>	4.29
b) Own Generation through		
FO/Diesel Generator Unit (KW)	<b>751646</b>	1844941
Units/Ltr.of Diesel Oil/FO	<b>3.33</b>	3.54
Cost/Unit(Rs./KW)	<b>13.72</b>	10.98
<b>2. Coal (Specify quality and where used) KG</b>		
<b>Pet Coke for Boiler</b>	<b>5056405</b>	4288701
<b>3. HSD &amp; Furnace Oil Qty. (MT)</b>		
Total amount (Rs.in lacs)	<b>NIL</b>	NIL
Average rate (Rs.per M.T.)	<b>NIL</b>	NIL
<b>4. Gas</b>		
Total amount (Rs.in lacs)	<b>NIL</b>	NIL
Average rate( Rs.per Kg)	<b>NIL</b>	NIL
<b>B) Consumption per Unit of Production</b>		
Electricity /Own Generation (KW)	<b>3.39</b>	3.83
HSD & Furnace Oil (Lts)	<b>NIL</b>	NIL
Gas (Kgs)	<b>NIL</b>	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	NIL
Revenue	59.78
<b>Total</b>	<b>59.78</b>
Total R&D Expenditure as a percentage of Total Turnover	= 0.12%

## 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 markets for products and services and export plans.

Sustained efforts have helped the Company to achieve Exports (including Deemed Exports) of Rs. 20436.66 lacs in 2013-14 against Rs.11137.83 lacs in 2012-13. The Company proposes to increase exports through the introduction of new products in the markets.

- b) Total foreign exchange used and earned.

	<u>Current Year</u>	<u>Previous Year</u>
Earnings	19685.75	10175.98
Outgo	2999.36	1110.75

By order of the Board

Place : Chandigarh

SATISH BAGRODIA

Dated : 28.05.2014

Chairman

## ADDENDUM TO THE DIRECTORS' REPORT

Pursuant to Section 217(3) of the Companies Act 1956, following explanation is given on remarks contained in the Auditor's Report :

Auditor's observation has been explained in detail in Note No. 27.7(i) of Explanatory Notes read with Accounting Policies and Notes on Accounts, the explanations of the Directors are that the Company has taken legal and other persuasive actions for recovery of certain overdue debtors aggregating to Rs. 85.15 Lacs (previous year Rs.232.70 Lacs) {(including overdue overseas debtors of amounting to Rs. 26.47 Lacs) (previous year Rs. 94.09 Lacs)}. In the opinion of the management, these debts are good and fully recoverable, hence no provision there against is considered necessary.

**CORPORATE GOVERNANCE REPORT****1. Company's philosophy on code of Governance**

The Company firmly believes in and has consistently endeavoured to practice good Corporate Governance. The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, professionalism and accountability, in all facets of its operations so that Company's goal of creation and maximisation of wealth of the shareholders/stakeholders could be achieved.

**2. Board of Directors**

The Board of Directors of your Company has an optimum combination of Executive and Non-Executive Directors so as to have a balanced structure. The Board of Directors presently consists of five Directors, out of which two are Promoter Directors (one Executive Chairman, one Executive Managing Director) and three are Non-Executive Independent Directors. 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 all the Directors. The Non-Executive Independent Directors fulfill the conditions of independence specified in Section 149 of Companies Act, 2013 and rules made thereunder and meet with requirements of Clause 49 of Listing Agreement.

During the financial year 2013-14, five board meetings were held. The meetings were held on 06th May 2013, 29th May 2013, 14th August 2013, 14th November 2013 and 13th February 2014.

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*	5	Yes	4	-	-	-
Shri Chandra Mohan	INED	5	No	6#	7	-	7
Shri Satish Girotra	INED	1	Yes	8#	-	3	3
Shri Amrit Lal Batra	INED	4	No	-	3	-	3
Shri Ashish Bagrodia	MD	5	Yes	7	1	-	1
** Shri Manish Bagrodia	NED	3	Yes	8 ^	1	-	1

INED : Independent Non Executive Director

NED : Non Executive Director

MD : Managing Director (Executive)

\* Executive

# Directorship includes Private Limited Companies.

^ Directorship includes Foreign Companies.

\*\* Shri Manish Bagrodia has resigned from Directorship of the Company w.e.f. 28.09.2013.

**3. Code of Conduct**

In terms of 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. A declaration signed by the Managing Director of the Company to this effect is enclosed at the end of this report.

**4. Subsidiary Company**

The Wholly Owned Subsidiary of the Company i.e. "Winsome Textile Industries FZE" has been closed down. Although the Consolidated Financial Statement of Winsome Textile Industries Limited and Winsome Textile Industries FZE is provided in the Annual Report.

## 5. CEO/ CFO Certification

The Chief Financial Officer (CFO) & Chief Executive Officer (CEO) 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 the year ended on 31st March 2014, 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.

## 6. Audit Committee

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

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

During the financial year, Four Audit Committee meetings were held on 29th May 2013, 14th August 2013, 14th November 2013 and 13th February 2014.

S. No.	Name of Members	Category	No. of meetings attended during the year 2013-2014
1.	Shri Satish Girotra, Chairman	Independent/Non-Executive	1
2.	Shri Chandra Mohan	Independent/Non-Executive	4
3.	Shri Amrit Lal Batra	Independent/Non-Executive	4

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

## 7. Remuneration Committee :

During the financial year 2013-2014, two meetings of remuneration committee were held on 29th May 2013 and 14th August 2013.

S. No.	Name of Members	Category	No. of meetings attended during the year 2013-2014
1.	Shri Satish Girotra, Chairman	Independent/Non-Executive	1
2.	Shri Chandra Mohan	Independent/Non-Executive	2
3.	Shri Amrit Lal Batra	Independent/Non-Executive	2

The details of remuneration paid to the Directors during the year 2013-14 are given below:

## Remuneration Policy

### i) For Non-Executive Directors

The Non-Executive Directors are paid remuneration by way of Sitting Fees. The Non-Executive Directors are entitled to Sitting fees of Rs. 5,000/- for each Board Meeting attended. The aforesaid sitting fees is within the limits prescribed under the Companies Act, 1956.

The details of remuneration paid to the Non-Executive Directors during the year 2013-14 are given below:



<b>Non-Executive</b>		<b>(Amount in Rs.)</b>	
<b>Name of Directors</b>	<b>Sitting Fees</b>	<b>Total</b>	
Shri Chandra Mohan	25000	25000	
Shri Satish Girotra	5000	5000	
* Shri Manish Bagrodia	15000	15000	
Shri Amrit Lal Batra	20000	20000	

\* Resigned from Directorship w.e.f. 28.09.2013.

#### ii) For the Executive Directors

The details of remuneration paid to the Executive Directors during the year 2013-14 are given below:

<b>(Rs. in lacs)</b>				
<b>Name of Directors</b>	<b>Salary</b>	<b>Perquisites*</b>	<b>Commission**</b>	<b>Total</b>
Shri Satish Bagrodia	29.00	6.46	28.84	64.30
Shri Ashish Bagrodia	24.00	15.51	28.84	68.35

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

\*\* Commission @ 1% of Net Profit of the Company computed in the manner laid down in Section 198 & 309 of the Companies Act, 1956.

#### 8. Shareholder's/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 2013-14, four Shareholders/ Investors Grievance Committee meetings were held on 29th May 2013, 14th August 2013, 14th November 2013 and 13th February 2014. The composition, names of the members, chairperson, particulars of the meetings and attendance of the members during the year are as below:

<b>S. No.</b>	<b>Name of members</b>	<b>Category</b>	<b>No. of meetings attended during the year 2013-2014</b>
1.	Shri Satish Girotra, Chairman	Independent/Non-Executive	1
2.	Shri Chandra Mohan	Independent/Non-Executive	4
3.	Shri Amrit Lal Batra	Independent/Non-Executive	4
4.	Shri Ashish Bagrodia	Executive Director	4

During the financial year, the request for transfer/demat/remat of shares, change of address etc. have been duly effected. During the year, no complaint was received 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..

#### 9. General Body Meetings

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

<b>Year</b>	<b>Venue</b>	<b>Date</b>	<b>Time</b>
2010-2011	1, Industrial Area, Baddi, Distt- Solan (H.P.)	04/07/11	10.00 A.M.
2011-2012	1, Industrial Area, Baddi, Distt- Solan (H.P.)	24/09/12	10.00 A.M.
2012-2013	1, Industrial Area, Baddi, Distt- Solan (H.P.)	27/09/13	10.00 A.M.

**Extra Ordinary General Meeting**

No Extra-ordinary General Meeting was held during the year 2013-2014.

During the last three years, three special resolutions on 04.07.2011, one special resolution on 24.09.2012 and one special resolution on 27.09.2013 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.

**10. 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 Explanatory Note No. 27.20 read with Accounting Policies and Notes on 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.

**11. Details for Unclaimed Suspense Account for Unclaimed Shares**

As per Clause 5A of the Listing Agreement, the details of "Winsome Textile Industries Limited - Unclaimed Suspense Account" are as under:-

Outstanding at the beginning of the year i.e. April 1, 2013		No. of shareholders claimed during the year	No. of shareholders claim transferred during the year	Outstanding at the end of the year i.e. March 31, 2014	
No. of Shareholders	No. of Shares			No. of Shareholders	No. of Shares
13	1210	NIL	NIL	13	1210

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

**12. Means of Communications**

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

**13. General Shareholders' Information**

Annual General Meeting at 10.00 A.M. on Monday, 29th September 2014 at the Registered Office of the Company at 1, Industrial Area, Baddi, Distt. Solan, Himachal Pradesh.

Financial Calendar	: 1st April to 31st March
Date of Book Closure	: 03.09.2014 to 05.09.2014 (both days inclusive)
Dividend Payment Date	: NA
Listing on Stock Exchanges	: Bombay Stock Exchange Limited (BSE)
Scrip Code	: 514470
Global Depository Receipts (GDRs) listed on	: Luxembourg Stock Exchange/ LuxSE
ISIN & Trading Code of GDRs	: US97550T1060
Demat ISIN Number in NSDL & CDSL	: INE837B01031

Annual listing fee for the year 2014-2015 has duly been paid to Bombay Stock Exchange. 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. The Company has also paid the Annual Custodial Fee to NSDL & CDSL for the year 2014-2015. The annual listing fees has also paid to Luxembourg Stock Exchange for the Calendar year 2014.

**Market price data** : High and Low during each month on BSE in the financial year 2013-14. Stock code - 514470  
(Source: www.bseindia.com).

Months	High	Low	Closed	Shares
April, 2013	64.00	54.50	64.00	10156
May, 2013	62.50	44.00	44.00	9674
June, 2013	44.70	32.00	44.70	3512
July, 2013	NIL	NIL	NIL	NIL
August, 2013	44.80	44.70	44.80	57945
September, 2013	47.50	45.00	47.50	53555
October, 2013	51.25	48.00	51.25	135867
November, 2013	53.65	51.05	53.65	281182
December, 2013	55.55	53.70	55.55	306194
January, 2014	61.60	54.00	56.50	266462
February, 2014	60.00	46.15	51.95	243197
March, 2014	56.00	46.40	54.00	406409

Registrar and Share Transfer Agent : Link Intime India Pvt. Ltd.  
44, Community Centre, 2nd Floor  
Naraina Industrial Area, Phase-I  
Near PVR, New Delhi - 110028  
Tele. No. 011-41410592-94, Fax No. 011-41410591  
E-mail : delhi@linkintime.co.in  
sunil.mishra@linkintime.co.in

Share Transfer System : Shares lodged in physical form with the RTA directly or through Company, are processed and returned, duly transferred, within 15 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, 2014.

Range of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
001 - 500	1038	87.97	116160	0.59
501 - 1000	50	4.24	41671	0.21
1001 - 2000	34	2.88	52041	0.26
2001 - 3000	11	0.93	28550	0.14
3001 - 4000	7	0.59	23308	0.12
4001 - 5000	5	0.42	23072	0.12
5001 - 10000	6	0.51	38904	0.20
10001 and above	29	2.46	19496294	98.36
<b>Total</b>	<b>1180</b>	<b>100.00</b>	<b>19820000</b>	<b>100.00</b>

Shareholding Pattern as on 31st March, 2014.

Category	No. of shares	Percentage
Promoters/Promoter Group	6689659	33.75
FI's/FII's/ Banks/ Mutual Funds	522303	2.64
NRIs	7529	0.04
Bodies Corporates	5670397	28.61
Indian Public	480112	2.42
Shares held by Custodian & against which Depository Receipts have been issued	6450000	32.54
<b>Total</b>	<b>19820000</b>	<b>100.00</b>

Details of shareholding of Directors in the Company as on 31.03.2014.

Name of Director	No. of shares held
Shri Satish Bagrodia	44770
Shri Chandra Mohan	--
Shri Satish Girotra	250
* Shri Manish Bagrodia	46220
Shri Ashish Bagrodia	49220
Shri Amrit Lal Batra	--

\* Resigned from Directorship w.e.f. 28.09.2013.

Dematerialisation of shares and liquidity	:	99.82% of the shares issued by the Company have been dematerialised upto 31st March, 2014.
Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity shares	:	During the year under review, the Company has not issued any GDRs/ ADRs/ Warrants or any convertible instruments. Although during the year 2010-11, Company had issued and allotted 12,90,000 nos. GDRs entitling 6,45,00,000 (now 64,50,000 equity shares of Rs. 10/- each) nos. of equity shares of Re. 1/- each at a price of Rs. 6.94/- per share (including premium of Rs. 5.94/-,now premium is Rs. 59.40/-on Rs.10/- per share).
Plant(s) Location	:	Plot No. 1, Industrial Area, Baddi, Distt. Solan, Himachal Pradesh-173205, Village Kaundi, Baddi, Distt. Solan, Himachal Pradesh-173205
Address for correspondence	:	Company Secretary Winsome Textile Industries Limited, SCO 191-192, Sector 34-A, Chandigarh-160022 (U.T.)
E-mail ID	:	cswtil@winsomegroup.com

Place : Chandigarh

By order of the Board

Dated : 28.05.2014

SATISH BAGRODIA  
Chairman**Declaration**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, it is hereby declared that all the Board Members and Senior Management have affirmed compliance with the Code of Conduct for the year ended 31st March 2014.

Place:Chandigarh  
Date: 28.05.2014ASHISH BAGRODIA  
Managing Director

**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, 2014, 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 : 28.05.2014

N.K. Lodha  
Partner  
M. No. 85155

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****OVERVIEW OF INDIAN COTTON & TEXTILE INDUSTRIES**

India is the second largest producer of cotton in the world after China accounting for about 18% of the world cotton production. It has the distinction of having the largest area under cotton cultivation in the world of about 12.2 million hectares and constituting about 25% of the world area under cotton cultivation. The yield per hectare is however, the lowest against the world average, but over the last two years have shown a promising potential to reach near the world average production level in near future. India's textile industry is one of the leading textile industries in the world, exporting to over 100 countries. It contributes a significant 17 percent to India's overall export earnings and employs over 35 million people directly and indirectly, making it the second largest source of employment after agriculture.

The domestic textile industry is one of the largest industry in the country and has witnessed a phenomenal growth in the last two decades in terms of installed spindlage and yarn production of different varieties. The significant features of this development include installation of open-end rotors and setting up of export-oriented units. Technology-wise, Indian spinning industry has been able to keep pace with the international technology trends to a fair degree.

**COTTON SCENARIO DURING THE YEAR UNDER REVIEW**

According to Cotton Advisory Board, the country's cotton production is expected to be around 375 lakh bales while consumption is likely to be around 297 lakh bales in the year 2013-2014. Cotton exports is projected to be 90 lac bales leaving a surplus of 12 lac bales for the current crop year. But as per market reports, export registrations of cotton have already crossed 105 lac bales which actual leaves a shortfall of about 3 lac bales in the current year. The increase in 2013-14 cotton output estimate is mainly owing to a rise in production in the central Indian state of Gujarat. In Gujarat, cotton production is likely to increase from previous season's 93 lac bales to 116 lac bales this season.

This scenario has led to tightening of the cotton scenario in India and consequently to higher cotton prices.

**SUPPORTIVE INITIATIVES BY GOVERNMENT IN INTERIM BUDGET 2014-2015**

The Interim Budget of 2014-2015 has provided different supportive initiatives in the forms of different schemes, benefits for boosting the textile industry and allied activities. The Government of India has increased the allocation under the Technology Upgradation Fund Scheme (TUFS), to boost modernization of the textile industry. Some of the major benefits/schemes are as hereunder:-

- ◆ Textile Labour Rehabilitation Schemes
- ◆ Procurement of Cotton by Cotton Corporation of India under Price Support
- ◆ Scheme for Integrated Textile Parks (SITP)
- ◆ Scheme for promoting of Agro-textiles in North Eastern Region
- ◆ Scheme for usage of Geo-textiles in North Eastern Region
- ◆ Common Compliance Code
- ◆ Integrated Processing Development Scheme (SPP)
- ◆ Sericulture related Schemes
- ◆ Flatted Factory cum Incubators etc.

The persistent progressive steps of the Government will certainly provide a positive boost for accelerating overall development of textile sector in terms of expansion, capacity utilization & modernization.

**SWOT ANALYSIS****STRENGTHS & OPPORTUNITIES**

The health of textile units is primarily dependent on adequate availability of quality cottons at competitive prices. The domestic market continues to offer huge opportunity to the Indian textile and apparel industry. With growing urbanization and increasing size of the organized market the scope for good quality textile products has increased. The domestic market is also very promising for home textile and technical textile also. China, a major textiles producer for about two decades is now focusing on other sectors, which should open up opportunities for other textiles producing countries such as India and Bangladesh. The global buyers, therefore, are looking at India as one of the major sourcing destinations because India is among the few textiles manufacturing countries, which is fully integrated from fibre to finished products. The textile sector in the country is expected to witness improvement as the export demand has begun to pick up. Revival of demand from the US and EU markets is expected to aid in higher export realization.

The year 2013-2014 has shown good demand for our products both with in India and for overseas market. The major export was made of raw white, melange, dyed yarn in the asian, east european and south american countries. The increase in demand has lead to both growth in sales and margins during the financial year. Also as our strength has been in value added yarn, this year we have introduced many new innovative products which helped us in improving our bottom line. In furtherance of the same, some of the fancy value added yarn which has done well has been flake, neps and jaspe yarns. We are planning to come out with more new products for the benefits and requirements of our customers.

### **WEAKNESS AND THREATS**

Unavailability of skilled manpower, high labour cost prevailing in the Country, increased cost of input materials, increased rates of interest, levy of direct and indirect taxes/duties, volatile foreign exchange, logistic & freight cost, lack of proper irrigation in growing crops are some of the major areas of concern and weakness for most of the Textile Industry in India. Besides this, increased capacities of textile units in terms of their spindles, technology, advancement in same product segment may also lead to cut throat competition and which itself demand more investment for enhancement of their own production capacity, latest techniques and technology platform and also for optimum utilization of all resources. Special incentives being given to new companies in the textile industry in their respective states is going to lead to increased competitiveness. This poses a challenge for the textile Industry as well as for your Company.

We are striving hard to cope up with such challenges through continuous cost reduction, process improvements, imparting training to the workforce on a continued basis, process improvements and improved customer services to mitigate the growing cost pressure. To sum up, the Industry needs to move swiftly and to frame its strategies for future sustainability and growth by considering the advantages & challenges. It is apparent that the opportunities are heavier than the challenges and the industry must make most of it.

### **FUTURE OUTLOOK**

Our Company has a competitive edge in terms of quality, price and innovative products. We expect much better performance in the coming years on the back of revival in the world economy including India. Even otherwise, the Company has started to reap benefit through its new spinning unit of 41088 spindles located at Village Koundi, Distt. Solan, Himachal Pradesh by commencing its commercial production w.e.f. 15.11.2013. Therefore the Company look forward for its bright future for its business & stakeholders.

### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company is committed to maintain adequate internal control systems as a part of efficient corporate governance. The Company's internal audit system is geared towards ensuring adequate internal controls to meet the increasing size and complexity of business, for safeguarding the assets of the Company, identifying weaknesses and areas of improvement and to meet with all compliances. The internal audit program focuses primarily on checks and controls on systems and processes, monitoring compliances, continuous upgrade of controls and economical & efficient use of all resources. Internal controls are reviewed by Internal Audit on a periodical basis. All significant and material observations emerging out of internal audit are regularly reported to the Audit Committee of the Board and follow-up measures are taken.

### **POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACES**

The Company is an equal employment opportunity Company and it respects the dignity of all employees working for the Company irrespective of their gender or position. The Company is committed to create harmonious working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. Sexual harassment at the workplace or other than work place, if involving employees, is a grave offence and is therefore punishable. Hon'ble Supreme Court has also directed companies to lay down guidelines and a forum for redressal of grievances related to Sexual Harassment. Therefore in compliance of the same, Company has adopted a policy on Prevention of Sexual Harrassment of Employees at Workplaces which extends to all employees of the Company. The Management of the Company has also constituted Internal Complaint Committees at its workplaces to consider and redress complaints of Sexual Harrassment

### **RISK MANAGEMENT**

The Company is exposed to different kinds of risks like fluctuations in foreign exchange, interest rates risks, business risk, commodity price risk, human capital risk, inflation, stiff competition etc. Some of them are mentioned below:-

#### **a) Foreign Exchange Risk**

Volatility in foreign currency exchange rates vis-a-vis Indian Rupee is another area of concern since a sizeable production is exported by your Company. The Company has already laid down its efficient framework & strategy

for actively managing its foreign exchange risk. In the international market, cost competitiveness is crucial. Any adverse policy measures could impact the Company's exports performance. A stronger Rupee could also erode our realization as well as margins. The Company continues to strengthen its strategy to minimize the risk involved due to adverse movement of exchange rates.

b) Interest Rate Risk

For the interest rate fluctuations, the Company has adopted a potent and conservative risk mitigating strategy to minimize the interest costs properly.

c) Commodity Price Risk

Company is exposed to the risk of price fluctuations in the domestic market as well as in overseas market on account of raw materials as well as finished goods. The Company smoothly manages these risks in inputs through forward booking, inventory management, proactive management of vendor development and relationships.

d) Human Capital Risk

Human capital is one of the major factor of every organization which includes to retain the existing and to attract the best talent and new manpower. In the textile industry it is also an major area of risk & concern. The Company has initiated various measures to mitigate this risk by providing various regular management workshops & professional development programmes periodically in the areas of integration of learning activities/skills sharpening/ team building which helps to identify, nurture and groom managerial talent. Apart from above risks, Company is also exposed to certain operating business risks, which are managed through regular monitoring and corrective actions.

#### **HEALTH AND SAFETY MEASURES**

The Company attaches utmost importance to safety standards at all its installations. Necessary steps are regularly undertaken to ensure the safety of employees and equipments. The Company has environmental, health and workplace safety programmes in place and has already laid down established policies and procedures aimed at ensuring compliance with applicable legislative requirements. The Company's training programmes on health and safety reach out to all the workers as well as employees and ensure their commitment to follow best practices in their day to day activities & procedures.

Adhering to same, the Company continues with the certification of IS18001:2007 for Occupational Health & Safety Management Systems Certification (OHSMS), IS/ISO 9001:2008 Quality Management Systems Certification and IS/ISO 14001:2004 Environmental Management System (EMS) Certification, issued by Bureau of Indian Standards.

#### **HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

The permanent employee strength of Company as on 31st March 2014 was 1795. The Company recognizes the importance and contribution of its human resources for its growth and development and is committed to the development of its people at all levels. The Company has been adopting methods and practices for Human Resources Development. With utmost respect to human values, the Company continues to develop its human resources, persistently by providing appropriate training programmes, workshops and employee welfare activities. Industrial relations remained cordial during the year.

#### **CAUTIONARY STATEMENT**

The statements made in this report mentioning the Company's projections, estimates, perspectives or predictions may be 'forward looking predictions' within the meaning of applicable securities laws and regulations. Actual result may differ from such estimates, projections, etc. whether expressed or implied. Factors which would make a significant impact on the Company's operations/business include availability of good quality of raw cotton, fluctuation in market prices in domestic as well as in overseas markets, volatility in foreign exchange, changes in Government rules/regulations/policies, incidental factors and tax laws, economic conditions affecting demand / supplies and other environmental factors over which the Company does not have any control.

Place : Chandigarh  
Dated : 28.05.2014

By order of the Board

SATISH BAGRODIA  
Chairman



**Independent Auditors' Report to the members of WINSOME TEXTILE INDUSTRIES LIMITED**  
**Report on the financial statements**

We have audited the accompanying financial statements of **Winsome Textile Industries Limited**, which comprise the balance sheet as at 31st March 2014, and the statement of the profit and loss and the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's responsibility for the financial statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Basis for Qualified Opinion:-**

*Attention is drawn to :*

*Note no. 27.7(i) regarding non provision for shortfall in recovery (amount unascertainable) against overdue debt of Rs. 85.15 lacs as stated in the said note for which legal and other persuasive action for recovery has been initiated, in the opinion of the management these debts are good and recoverable as stated in the said note and our inability to comment thereon.*

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

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described under the head "Basis for Qualified Opinion" paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. In the case of the balance sheet, of the state of the affairs of the Company as at 31st March 2014,
- b. In case of the statement of the profit and loss, of the profit for the year ended on that date, and
- c. In case of the cash flow statement, of the cash flows for the year ended on that date.

**Emphasis of Matter**

Note no. 27.7(ii) regarding balances of certain receivables, loans and advances (including capital advances), trade and other payables are subject to confirmation/reconciliation.

**Report on other legal and the regulatory requirements:**

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give the Annexure a statement on the, matters specified in the paragraphs 4 and 5 of the order.
2. As required by section 227(3) of the Act, 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 Sleet, Statement of Profit & Loss and Cash Flow Statement referred to in this report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
  - e. On the basis of the written representations received from the Directors and taken on records by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31st March 2014 from being appointed as a Director of the Company in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.

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

Place : New Delhi  
Date : 28.05.2014

**N.K. LODHA**  
(Partner)  
Membership No.: 85155

**ANNEXURE TO THE AUDITORS' REPORT**

(Referred to in paragraph 1 of our Report of even date on Winsome Textile Industries Limited for the year ended 31st March, 2014)

- 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 (and also at new project location), where the same are in process of compilation /update.  
(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; 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 strengthen (read with note no. 27.2, 27.7 and 27.11). 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, having regard to para iv above, 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.
- 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 is generally regular in depositing with appropriate authorities undisputed statutory dues (excepts Sales Tax read with note no. 27.7(ii)) including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income 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 31.03.2014.
- (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, Sales 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 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	Excise Duty	1.44	1995-96	Asst. Commissioner
	Excise Duty	62.92	2003-04, 2005-06	CESTAT
	Excise Duty	3.57	2003-04, 2004-05	CESTAT
	Excise Duty	1.67	2004-05, 2008-09	Commissioner Appeal

- x. The Company does not have accumulated losses at the end of the financial year and has not incurred any cash losses during the current and immediately preceding previous 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 and banks.
- 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 and according to the information and explanations provided to us, 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. According to the information and explanations given to us and on an overall examination of the financial statements, we are of the opinion that no funds raised on short term basis have been used for long term investment.
- xviii. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Act in the current year.
- 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. According to the information and explanations given to us, during the year the Company has not raised fund through public issue.
- 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 Registration No. 301051E

Place : New Delhi  
Date : 28.05.2014

**N.K. Lodha**  
(Partner)  
Membership No.: 85155

**BALANCE SHEET**  
AS AT 31ST MARCH, 2014

**Winsome Textile Industries Ltd.**

PARTICULARS	NOTE NO.	AS AT 31-Mar-14 (Rs. in lacs)	AS AT 31-Mar-13 (Rs. in lacs)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	1982.00	1982.00
(b) Reserves and Surplus	3	10480.00	8660.32
		<u>12462.50</u>	<u>10642.32</u>
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	4	23129.56	23095.46
(b) Deferred tax liabilities (Net)	5	3454.23	1806.95
(c) Other Long term liabilities	6	7.78	387.33
(d) Long term provisions	7	50.66	36.05
		<u>26642.23</u>	<u>25325.79</u>
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	8	15151.20	10916.93
(b) Trade payables	9	16992.91	10863.23
(c) Other current liabilities	10	5513.86	4290.76
(d) Short-term provisions	11	713.45	559.11
		<u>38371.42</u>	<u>26630.03</u>
<b>Total</b>		<u><u>77476.15</u></u>	<u><u>62598.14</u></u>
<b>II.Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	12	35044.87	16464.09
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		4591.53	15454.25
(b) Non-current investments	13	3.10	7.39
(c) Long term loans and advances	14	177.39	3097.92
		<u>39816.89</u>	<u>35023.65</u>
<b>(2) Current assets</b>			
(a) Current investments	15	-	4147.07
(b) Inventories	16	19281.12	11595.82
(c) Trade receivables	17	5838.77	4013.45
(d) Cash & Bank Balances	18	1844.74	979.01
(e) Short-term loans and advances	19	10694.63	6839.14
		<u>37659.26</u>	<u>27574.49</u>
<b>Total</b>		<u><u>77476.15</u></u>	<u><u>62598.14</u></u>

Significant Accounting Policies & explanatory notes are an integral part of the Financial Statement **1 & 27**

**As per our report of even date.**

**For LODHA & CO.**

**Chartered Accountants**

**FRN : 301051E**

N.K. Lodha  
Partner  
M. No. 85155  
(New Delhi)

Sourabh Gupta  
Company Secretary

Ashish Bagrodia  
Managing Director

Satish Bagrodia  
Chairman

Directors Chandra Mohan  
Amrit Lal Batra  
Satish Girotra

Sanjay Kedia  
Chief Financial Officer

PLACE : Chandigarh  
DATED : 28.05.2014

STATEMENT OF PROFIT & LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH, 2014

Winsome Textile Industries Ltd.

PARTICULARS	NOTE NO.	31-Mar-14 (Rs. in lacs)	31-Mar-13 (Rs. in lacs)
Net Revenue from operations	20	49882.79	35179.98
Other income	21	753.64	400.56
<b>Total Revenue</b>		<b>50636.43</b>	<b>35580.54</b>
<b>Expenses:</b>			
Cost of materials consumed	22	24409.54	16359.76
Purchase of Stock in Trade		4802.79	1670.11
Change in inventories of finished goods, work-in-progress and Stock-in-trade	23	(2613.99)	435.23
Employee benefit expense	24	3196.60	2229.31
Finance Cost	25	4388.19	3497.16
Depreciation and amortization expense	12	1624.10	1173.35
Other expenses	26	11353.35	8472.93
<b>Total Expenses</b>		<b>47160.58</b>	<b>33837.85</b>
Profit before tax		<b>3475.85</b>	<b>1742.69</b>
Tax expense:			
- Current Tax		606.80	378.59
- MAT Credit		(606.80)	(378.59)
- Deferred Tax		1647.28	207.51
- Tax for earlier Year		-	23.74
<b>Profit(Loss) from the period from continuing operations</b>		<b>1828.57</b>	<b>1511.44</b>
Profit/(Loss) from discontinuing operations		-	-
Tax expense of discounting operations		-	-
Profit/(Loss) from Discontinuing operations		-	-
Profit/(Loss) for the period		<b>1828.57</b>	<b>1511.44</b>
Earning per equity share:(Refer Note No. 27.21)			
- Basic		9.23	7.63
- Diluted		9.23	7.63

Significant Accounting Policies & explanatory notes are an integral part of the Financial Statement **1 & 27**

As per our report of even date.

For LODHA & CO.

Chartered Accountants

FRN : 301051E

N.K. Lodha

Partner

M. No. 85155

(New Delhi)

PLACE : Chandigarh

DATED : 28.05.2014

Sourabh Gupta  
Company Secretary

Ashish Bagrodia  
Managing Director

Sanjay Kedia  
Chief Financial Officer

Satish Bagrodia  
Chairman

Directors Chandra Mohan  
Amrit Lal Batra  
Satish Girotra

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

PARTICULARS	2013-2014		2012-2013	
	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>NET PROFIT/(LOSS) BEFORE TAX AND EXTRAORDINARY ITEMS</b>		<b>3475.85</b>		<b>1742.69</b>
<b>Adjustment for:</b>				
Depreciation	1624.10		1173.35	
Liability Written Back	-		(0.49)	
Effect of Exchange Fluctuation	172.63		(176.72)	
Profit on sale of Investment	(38.30)		-	
Bad debt written off	125.97		-	
Effect of Exchange Fluctuation on translation of foreign currency cash & Cash equivalents	-		(0.85)	
Profit on sale of fixed assets ( Net)	(11.90)		(26.99)	
Leasehold land Written off	-		0.08	
Interest paid	4388.19		3497.16	
Interest income	(217.18)		(107.41)	
Capital Subsidy charged to Profit & Loss Account	(8.39)		(8.39)	
		<b>6035.12</b>		<b>4349.74</b>
		<b>9510.97</b>		<b>6092.43</b>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>				
<b>Adjustment for:</b>				
Trade & other receivable	(5211.14)		(1154.43)	
Inventories	(7685.30)		(980.86)	
Trade & other Payables	5983.25	(6913.19)	3055.31	920.02
<b>CASH GENERATED FROM OPERATIONS</b>		<b>2597.78</b>		<b>7012.45</b>
Direct Taxes Paid		(500.76)		(6.94)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>2097.02</b>		<b>7005.51</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of fixed assets	(6743.60)		(17253.87)	
Capital Subsidy Received	-		0.00	
Sale of fixed assets	80.26		55.66	
Cost Sharing in Fixed Assets	-		0.00	
Purchase of Investments	4189.66		(3887.25)	
Interest Received	217.18	(2256.50)	107.41	(20978.05)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(2256.50)</b>		<b>(20978.05)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest paid	(4390.46)		(3500.03)	
Dividend Paid	-		(0.02)	
Repayment of Long Term Borrowings	(2357.12)		(1892.45)	
Proceeds from Long Term Borrowings	3606.51		15006.67	
Net proceeds from Short term Borrowings	4166.29	1025.22	(613.02)	9001.15
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>1025.22</b>		<b>9001.15</b>
<b>Net Increase/(decrease) in cash and cash equivalents</b>		<b>865.74</b>		<b>(4971.39)</b>
<b>Balances as at 01.04.13 ( opening balance)</b>				
Cash & Cash Equivalents	121.16		650.53	
Others	857.85	979.01	5299.02	5949.55
Effect of Exchange Fluctuation on translation of foreign currency cash & Cash equivalents			-	0.85
<b>Balances as at 31.03.2014 (Closing Balance)</b>				
Cash & Cash Equivalents	414.82		121.16	
Others	1429.92	1844.74	857.85	979.01

As per our report of even date.

For LODHA &amp; CO.

Chartered Accountants

FRN : 301051E

N.K. Lodha  
Partner  
M. No. 85155  
(New Delhi)

Sourabh Gupta  
Company Secretary

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Amrit Lal Batra  
Satish Girotra

Sanjay Kedia  
Chief Financial Officer

PLACE : Chandigarh

DATED : 28.05.2014

**ACCOUNTING POLICIES AND NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2014 AND THE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON THAT DATE.**

**Note 1**

**SIGNIFICANT ACCOUNTING POLICIES:-**

**1.1 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 as per Company (Accounting Standard) Rules, 2006.

**1.2 REVENUE RECOGNITION**

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

**1.3 VALUATION OF INVENTORIES**

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

**1.4 INVESTMENTS**

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

**1.5 FIXED ASSETS**

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

**1.5 DEPRECIATION/AMORTISATION/IMPAIRMENT LOSS**

- (a) Depreciation on fixed assets is provided on Straight Line Method by applying rates given in Schedule XIV of the Companies Act, 1956. (except leasehold land which is amortized over the period of lease).
- (b) Depreciation on certain plant & machinery is provided as per the rates applicable to the continuous process plant on the basis of technical evaluation.
- (c) Depreciation on addition/sale is provided Pro-rata with reference to the month of addition/sale.
- (d) In case, the recoverable amount of the fixed assets is lower than its carrying amount a provision for the impairment loss, depreciation on impaired assets is provided based on the reassessed balance life of the assets.
- (e) Capital Expenditure on assets not owned are written off over the duration of contract or ten years, whichever is lower.
- (f) Fixed assets costing Rs.5000 or less has been depreciated fully in the year of purchase.

**1.6 BORROWING COST**

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



**1.7 GOVERNMENT GRANTS**

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

**1.8 FOREIGN CURRENCY TRANSACTIONS**

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

**1.9 EXPENDITURE DURING CONSTRUCTION PERIOD**

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

**1.10 EMPLOYEE BENEFITS:-**

**(I) Defined Contribution Plan**

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

**(II) Defined Benefit Plan**

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

**(III) Other short term absences are provided based on past experience of leave availed.**

Actuarial gain/losses, if any, are immediately recognised in the Statement of Profit and Loss Account.

**1.11 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.

**1.12 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.

PARTICULARS	AS AT	AS AT
	31.03.2014 (Rs. in lacs)	31.03.2013 (Rs. in lacs)
<b>NOTE - 2</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
2,49,50,000 (P.Y.: 2,49,50,00,000 Equity Shares of Re.10/- each)	2495.00	2495.00
Equity Shares of Rs.10/- each		
5,000 (P.Y.: 5000) Preference Share of Rs. 100/- each	5.00	5.00
	<u>2500.00</u>	<u>2500.00</u>
<b>ISSUED,SUBSCRIBED &amp; FULLY PAID UP</b>		
1,98,20,000 (P.Y.: 1,98,20,000 Equity Shares of Rs.10/- each)	1982.00	1982.00
Equity Shares of Rs.10/- each	<u>1982.00</u>	<u>1982.00</u>

**2.1 Rights & Restrictions of Shareholders:**

2.1.1 The Company has only one class of Equity Shares having face value of Rs. 10/- each (Previous Year Re. 10/- each) in its issued, subscribed and paid up Equity share capital. Each shareholder is entitled to one vote per share (except GDR shareholding mentioned at point no. 2.1.2 below). Each shareholder have the right in profit/surplus in proportion to amount paid up with respect to share holder. This is to be read with note no. 27.3.

2.1.2 The GDR shareholding (12,90,000 nos. of GDRs. Representing Equity shares of Rs. 10 each are 64,50,000) which is standing in the name of Bank of New York Mellon, as Depository, has right to dividend, do not have any right to vote.

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

**2.2 Details of each shareholder holding more than 5% shares:-**

Name of Shareholder	No. of Shares held	No. of Shares held
Bank of New York Mellon, DR (Shares held by Custodians and against which Depository Receipts have been issued)	6450000	6450000
Roselab Commodities Pvt. Ltd.	3490121	3410498
Kailashpati Vinimay Pvt. Ltd.	3005031	3005031
Landscape Traders Pvt. Ltd.	1332092	1332092
Arpit Agencies Pvt Ltd.	1290799	1290799

**2.3 Reconciliation of Equity Share Capital**

	As on 31.03.2014	As on 31.03.2013
	No. of Shares	No. of Shares
Shares Outstanding at the beginning of the year	19820000	19820000
Issued during the year	-	-
Buy Back during the year	-	-
Shares Outstanding at the end of the year	19820000	19820000

2.4 No bonus/Buy back/Issue of shares otherwise than receipt of cash during the preceeding five years.

PARTICULARS	AS AT 31.03.2014 (Rs. in lacs)	AS AT 31.03.2013 (Rs. in lacs)
<b>NOTE 3</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>Capital Reserve</b>		
As per last Balance Sheet	46.68	46.68
Add: Addition during the year	-	-
Less: Adjustments	<u>-</u>	<u>-</u>
	<b>46.68</b>	46.68
<b>Investment Allowance (Utilized) Reserve</b>		
As per last Balance Sheet	184.00	184.00
Add: Addition during the year	-	-
Less: Adjustments	<u>-</u>	<u>-</u>
	<b>184.00</b>	184.00
<b>Securities Premium Reserve</b>		
As per last Balance Sheet	5131.46	5131.46
Add: Addition during the year	-	-
Less: Adjustments	<u>-</u>	<u>-</u>
	<b>5131.46</b>	5131.46
<b>General Reserve</b>		
As per last Balance Sheet	68.55	68.55
Add: Addition during the year	-	-
Less: Adjustments	<u>-</u>	<u>-</u>
	<b>68.55</b>	68.55
<b>Capital Subsidy Under Tuffs</b>		
As per last Balance Sheet	100.64	109.03
Add: Addition during the year	-	-
Less: Transfer from P&L	<u>8.39</u>	<u>8.39</u>
	<b>92.25</b>	100.64
<b>Surplus in Profit and Loss Statement from Previous Year</b>		
Profit /(Loss) for the year	<u>3128.99</u>	1617.55
Surplus in Profit and Loss Statement carried to Balance Sheet	<u>1828.57</u>	1511.44
	4957.56	3128.99
	<b><u>10480.50</u></b>	<b><u>8660.32</u></b>

	Non Current		Current	
	31.03.2014 (Rs. in Lacs)	31.03.2013 (Rs. in Lacs)	31.03.2014 (Rs. in Lacs)	31.03.2013 (Rs. in Lacs)

**NOTE-4**  
**LONG TERM BORROWINGS**

**SECURED LOANS**

Term Loan				
- From Banks	<b>23079.90</b>	22556.60	<b>2887.51</b>	1674.64
Working Capital Term Loan	<b>0.00</b>	495.50	<b>495.27</b>	500.25
Vehicle Loans	<b>49.66</b>	43.36	<b>41.33</b>	33.93
	<b>23129.56</b>	23095.46	<b>3424.11</b>	2208.82
Less : Current maturities of long term, borrowings (Disclosed under Other Current Liabilities under Note No. 10)	-	-	<b>3424.11</b>	2208.82
	<b>23129.56</b>	23095.46	-	-

**Notes:**

1. Term Loans and Working Capital Term Loans from Banks of Rs. 26462.68 Lacs (P.Y. Rs. 25226.99 Lacs) are secured by Joint Equitable Mortgage by deposit of title deeds on Company's immovable properties (present and future) which shall be on first charge basis, shall rank pari-passu with all banks and a charge by way of hypothecation of all movable fixed assets subject to prior charge on specified equipments to banks for term loan. Above Term loans are further secured by pari-passu second charge on entire current (present and future) assets of the Company. The loan is repayable in quarterly installments and maturity profile is as follows:

Repayment	0 – 1 years	1-2 years	2-3 years	after 3 years
(in lacs)	3382.78	3821.29	4123.51	15135.10

2. Vehicle Finance from banks carrying interest of Rs. 90.99 Lacs (P.Y. Rs. 77.29 Lacs) which is secured by hypothecation of specific assets purchased under such arrangements and is repayable in equated monthly installments and maturity profile is as follows:

Repayment	0 – 1 years	1-2 years	2-3 years	after 3 years
(in lacs)	41.33	30.15	16.95	2.56

3. The aforesaid credit facilities mentioned above in point no. 1 are also guaranteed by Chairman & Whole Time Director and Managing Director.

**NOTE-5**  
**DEFERRED TAX**

	Rs. in Lacs As at <b>31.03.2014</b>	Rs. in Lacs As at <b>31.03.2013</b>
<b>Deferred Tax Liability</b>		
Depreciation	<b>4268.84</b>	2726.06
<b>Deferred Tax Assets</b>		
Unabsorbed Depreciation	<b>599.47</b>	766.76
Other items	<b>215.14</b>	152.35
	<b>814.61</b>	919.11
<b>Deferred Tax Liability (Net)</b>	<b>3454.23</b>	1806.95

PARTICULARS	AS AT 31.03.2014 (Rs. in lacs)	AS AT 31.03.2013 (Rs. in lacs)
<b>NOTE 6</b>		
<b>OTHER LONG TERM LIABILITIES</b>		
Employees Advance	7.78	20.98
Capital Payable	0.00	366.35
	<u>7.78</u>	<u>387.33</u>
<b>NOTE 7</b>		
<b>LONG TERM PROVISIONS</b>		
Provision for Employees Benefits	50.66	36.05
	<u>50.66</u>	<u>36.05</u>
<b>NOTE 8</b>		
<b>SHORT TERM BORROWINGS</b>		
<b>SECURED LOANS</b>		
Working Capital Demand loan from bank	3696.23	2992.80
Cash Credit	2944.89	2131.58
Packing Credit	8510.08	5792.55
	<u>15151.20</u>	<u>10916.93</u>

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

<b>NOTE 9</b>		
<b>TRADE PAYABLES</b>		
Acceptances	12473.97	6880.34
Others (Refer Note No. 27.11)	4518.94	3982.89
	<u>16992.91</u>	<u>10863.23</u>

<b>NOTE 10</b>		
<b>OTHER CURRENT LIABILITES</b>		
Current Maturities of long term borrowings	3424.11	2208.82
Interest accrued but not due on borrowings	0.53	2.80
Advance from customers	219.15	80.88
Advance from subsidiary	-	488.70
Unclaimed dividends*	1.05	1.05
Others Payable		
- Capital Payable (Refer Note No. 27.11)	114.75	0.00
- Statutory Dues	317.72	247.80
- Other Liability (Refer Note No. 27.11)	1436.55	1260.71
	<u>1869.02</u>	<u>1508.51</u>
	<u>5513.86</u>	<u>4290.76</u>

\*Shall be credited to Investor's Education and Protection Fund when due.

<b>NOTE 11</b>		
<b>SHORT TERM PROVISIONS</b>		
Employees Benefits	270.54	222.24
Others		
- Provision for Taxation (Net of Advance payment of Taxes)	442.91	336.87
	<u>442.91</u>	<u>336.87</u>
	<u>713.45</u>	<u>559.11</u>

**NOTE -12  
FIXED ASSETS**

(Rs. in Lacs)

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT	
	As at 31.03.2013	Additions/ Adjustments	Sales/ Adjustments	As at 31.3.2014	Upto 31.03.2013	For the year	Sale/ Adjustments	Upto 31.3.2014	As at 31.3.2014	As at 31.3.2013
(i) <b>Tangible Asset</b>										
Land -Freehold & Site Development	1690.28	52.87 *	-	1743.15	-	-	-	-	1743.15	1690.28
- Leasehold	5.83	-	0.08	5.75	-	-	-	-	5.75	5.83
Buildings **	2638.15	3660.62	-	6298.77	933.72	130.20	-	1063.92	5234.85	1704.43
Plant & Equipments***	22060.07	16309.25	59.62	38309.70	9286.11	1431.60	3.93	10713.78	27595.92	12773.96
Furniture and Fixtures	131.00	74.16	-	205.16	78.00	18.64	-	96.64	108.52	53.00
Vehicles #	253.96	75.07	25.47	303.56	78.02	25.67	12.88	90.81	212.75	175.94
Office Equipments	188.22	101.27	-	289.49	127.57	17.99	-	145.56	143.93	60.65
	<b>26967.51</b>	<b>20273.24</b>	<b>85.17</b>	<b>47155.58</b>	<b>10503.42</b>	<b>1624.10</b>	<b>16.81</b>	<b>12110.71</b>	<b>35044.87</b>	<b>16464.09</b>
<b>Previous Year</b>	<b>25267.90</b>	<b>1906.92</b>	<b>207.31</b>	<b>26967.51</b>	<b>9508.71</b>	<b>1173.35</b>	<b>178.64</b>	<b>10503.42</b>	<b>16464.09</b>	<b>15759.19</b>

**Note:**

\* Freehold Land includes Site Development amounting to Rs. 52.87 lacs (Previous year Rs. Nil)

\*\* Building includes capital expenditure incurred on assets not owned by the Company Rs.8.90 lacs ( Previous Year Rs. 8.90 lacs) and net Rs. 5.12 Lacs ( Previous Year Rs.6.01 lace).

\*\*\* During the year an amount of Rs.53.66 lacs has been received against Terminal Excise Duty towards Machineries purchased during last year which is adjusted from the cost of respective Plant and Machinery.

# Vehicle includes assets of Rs.235.61 lacs ( Previous Year Rs.197.30 lacs) acquired under Hire Purchase Finance.

PARTICULARS	AS AT 31.03.2014 (Rs. in lacs)	AS AT 31.03.2013 (Rs. in lacs)
<b>NOTE 13</b>		
<b>NON CURRENT INVESTMENTS</b>		
<b>Trade Investments(At cost)</b>		
Unquoted		
Investment in Subsidiary Company	-	4.29
1 Equity Share of 35000 UAE Dirhams in Winsome Textile Industries FZE (Previous year 1 Equity Share of 35000 UAE Dirhams)		
<b>Other Investment</b>		
Unquoted		
31000 Equity Shares of Rs. 10/- each in Shivalik solid waste management Ltd. (Previous year 31000 Equity Shares of Rs. 10/- each)	3.10	3.10
	<u>3.10</u>	<u>7.39</u>
<b>Aggregate amount of unquoted investment</b>	<b>3.10</b>	<b>7.39</b>
<b>NOTE 14</b>		
<b>LONG TERM LOANS &amp; ADVANCES (Refer Note No. 27.13(1))</b>		
Unsecured considered Good:		
Capital Advances	109.00	3027.52
Deposits with Government Authorities & others	64.76	70.40
Others	3.63	-
	<u>177.39</u>	<u>3097.92</u>
<b>NOTE 15</b>		
<b>CURRENT INVESTMENTS</b>		
<b>Unquoted</b>		
Investment in Money Market	-	4147.07
Nil (Previous Year 7568 non-voting redeemable participating shares of USD 1000/- each in Aries Money Market Fund Ltd.)		
	<u>-</u>	<u>4147.07</u>
<b>NOTE 16</b>		
<b>INVENTORIES</b>		
<b>As taken, valued and certified by the management</b>		
Raw Materials	10131.09	6583.98
Stock in Process	3790.77	2465.98
Stores & Spares	914.42	509.11
Finished Goods (Including GIT amounting Rs. 603.42 Lacs (P.Y: Rs. 262.85 Lacs)	4397.26	1974.51
Waste (At net realizable value)	47.58	62.24
(Including scrap of Rs. 2.33 Lacs (Previous year Rs. 1.74 lacs))	<u>19281.12</u>	<u>11595.82</u>
<b>NOTE 17</b>		
<b>TRADE RECEIVABLES (Refer Note no. 27.13(i))</b>		
(Unsecured, considered good, unless otherwise stated)		
Exceeding six months from due date		
- Good	127.89	239.49
- Doubtful	<u>-</u>	<u>-</u>
	127.89	239.49
Other Debts	5710.88	3773.96
	<u>5838.77</u>	<u>4013.45</u>

PARTICULARS	AS AT 31.03.2014 (Rs. in lacs)	AS AT 31.03.2013 (Rs. in lacs)
<b>NOTE 18</b>		
<b>CASH &amp; BANK BALANCES</b>		
<b>Cash &amp; Cash Equivalents</b>		
- Cash on hand (As certified by management)	-	-
<b>Balances with Bank</b>		
- on Current Accounts	414.82	121.16
<b>Earmarked balances</b>		
- In United Arab Bank@	-	13.35
- on Fixed Deposit*	88.08	105.57
- on Unclaimed Dividend Account	1.05	1.05
<b>Other Bank Balances</b>		
- on Fixed Deposit \$	1340.79	737.88
	<u>1844.74</u>	<u>979.01</u>

@ To be read with note no. 27.3

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

\$ Includes FDR's maturity of more than 12 months Rs. Nil (P.Y. Rs. 121.94 lacs)

**NOTE 19****SHORT TERM LOANS & ADVANCES (Considered Good)**

(Unsecured, unless otherwise stated)

Advances to suppliers	6728.43	4393.44
Advances to subsidiary Companies	0.00	4.39
Interest Subsidy on Term Loans Receivable	664.76	315.22
Balance with Excise and Sales tax Authorities	357.98	351.03
Export Incentives Receivables	1060.71	525.44
MAT Credit Entitlements (Refer no. 27.22)	1395.78	788.97
Others	486.97	460.65
	<u>10694.63</u>	<u>6839.14</u>

**NOTE 20****REVENUE FROM OPERATION**

Sale of Products			
- Yarn#	41035.72	31588.67	
- Others	2442.78	725.95	
- Trading Sale	5002.99	1746.80	34061.42
Sale of Services			
- Processing Income	0.16		0.52
Other operating revenues:			
- Waste & Scrap Sales	1390.63	1021.05	
- Insurance Claim	2.12	88.60	
- Pro-rata Capital Subsidy	8.39	8.39	1118.04
(Read with Significant Accounting Policies in Note no. 1.7(iii))	<u>49882.79</u>	<u>35179.98</u>	

# including Export Incentives of Rs.1055.96 Lacs (P.Y. Rs. 543.54 lacs)



PARTICULARS	AS AT 31.03.2014 (Rs. in lacs)	AS AT 31.03.2013 (Rs. in lacs)
<b>NOTE 21</b>		
<b>OTHER INCOME</b>		
Interest Income	217.18	107.41
Profit on sale of Investment	38.30	-
Liabilities Written back	0.00	0.49
Exchange Rate Variation Gain	483.34	262.82
Miscellaneous Income	1.93	1.77
Profit/(Loss) on sale of Assets (Net)	11.90	26.99
Rent Received	0.99	1.08
	<u>753.64</u>	<u>400.56</u>
<b>NOTE 22</b>		
<b>COST OF MATERIAL CONSUMED</b>		
Raw Material	23805.35	15870.49
Packing Material	604.19	489.27
	<u>24409.54</u>	<u>16359.76</u>
<b>NOTE 23</b>		
<b>CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Closing Stock</b>		
Finished Goods	4397.26	1974.51
Work in progress	3790.77	2465.98
	<u>8188.03</u>	<u>4440.49</u>
<b>Stock Under Trial Run as on 14.11.13</b>		
Finished Goods	700.67	0.00
Work in progress	432.88	0.00
	<u>1133.55</u>	<u>0.00</u>
<b>Opening Stock</b>		
Finished Goods	1974.51	2959.30
Work in progress	2465.98	1916.42
	<u>4440.49</u>	<u>4875.72</u>
(Increase)/Decrease In Stocks (C+B) - (A)	<u>(2613.99)</u>	<u>435.23</u>
<b>NOTE 24</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, Wages & Other allowances	2875.44	1981.82
Contribution to Provident and other Funds	295.11	223.04
Employees' Welfare and other Benefits	26.05	24.45
	<u>3196.60</u>	<u>2229.31</u>
<b>NOTE 25</b>		
<b>FINANCE COST</b>		
Interest Charges	4388.19	3497.16
(Net of reimbursement under TUFF Rs. 1114.73 Lacs (Previous year Rs. 665.35 lacs))	<u>4388.19</u>	<u>3497.16</u>
<b>NOTE 26</b>		
<b>OTHER EXPENSES</b>		
Conversion Charges	101.32	69.89
Consumption of Stores and spares	3112.55	2497.83
Power and Fuel	4369.69	3275.83
Rent	61.50	54.44
Repairs to Buildings	38.92	22.76
Repairs to Machinery	82.04	50.90
Insurance	81.17	73.43
Rates & Taxes	86.88	43.35
Freight & Handling Charges	1025.53	581.92
Advertisement and sales promotion	1.76	2.41
Directors Fee	0.65	0.75
Commission	956.57	484.12
Bad Debts	125.97	-
Bank Charges	133.33	70.56
Exchange Loss/(Gain)	314.76	467.79
Printing & Stationery, Postage, Telephone, Traveling, and other Miscellaneous Expenses	860.71	776.95
	<u>11353.35</u>	<u>8472.93</u>

**27. EXPALANATORY NOTES****27.1 (A) Contingent Liabilities, not provided for in respect of (as certified by the management):****(Rs. in lacs)**

	<b>Particulars</b>	<b>2013-14</b>	<b>2012-13</b>
(i)	Bills discounted with banks	3854.63	2503.58
(ii)	Excise / Service Tax Matters	83.34	81.67
(iii)	Outstanding Bank Guarantees	554.17	170.17

(iv) Custom duty saved of Rs. 7648.45 Lacs (Previous year Rs. 5460.96 Lacs) for import of capital good made against EPCG license against which export obligations amounting to Rs. 56695.51 Lacs (Previous year Rs. 25710.83 Lacs) is pending.

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

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

**27.2** Estimated amount of contracts remaining to be executed on capital account and not provided for {(net of advances Rs. 109.00 Lacs) (Previous year Rs. 3027.52 Lacs)} Rs. 867.00 Lacs (Previous year Rs. 5405.43 Lacs).

**27.3** During the year 2010-11, the Company had issued and allotted 12,90,000 nos. GDR's entitling 6,45,00,000 (now 64,50,000 equity shares of Rs. 10/- each) nos. equity shares of Re.1/- each at a price of Rs. 6.94/- per share (including premium of Rs. 5.94/-, now premium is Rs. 59.40/- on Rs. 10/- per share). As on 31.03.2013, balance Rs. 4,160.43 lacs which was invested outside India (including balance in bank Rs. 13.35 lacs)

During the year the Company have received in India balance amounting to Rs. 4626.54 lacs (including exchange gain of Rs 479.47 lacs) and the same have been utilized for the purpose the issue was made.

**27.4** The Company's new spinning unit (Unit II) comprising of 41088 nos. of spindles located at Village: Kaundi, Baddi, Dist.: Solan H.P. have commenced commercial production from 15.11.2013. In Knitting Unit (Unit III), 18 machines out of Total 25 machines has commenced commercial production from 01.11.2013.

**27.5** The Company has filed an application for the rebate claim which is disputed and is pending at the office of Joint Secretary, New Delhi under export promotion scheme of Rs. 26.39 lacs.

**27.6** During the year, Company's 100% wholly owned subsidiary, M/s Winsome Textile Industries, FZE have discontinued its all business operations and filed an application for termination of its license with Hamriyah Free Zone Authority, UAE.

**27.7** (i) The Company has taken legal and other persuasive actions for recovery of certain overdue debtors aggregating to Rs. 85.15 Lacs (Previous Year Rs.232.70 Lacs) {(including overdue overseas debtors of amounting to Rs. 26.47Lacs) (Previous Year Rs. 94.09 Lacs)}. In the opinion of the management, these outstanding are good and fully recoverable and hence considered good.

(ii) Balance of certain receivables (including associate Company Rs. 1088.19) Lacs), loans and advances (including capital advance), trade payables and other liabilities are in the process of confirmation / reconciliation.

**27.8** In accordance with the Accounting Standards (AS-28) on "Impairment of Assets" as notified under Company (Accounting Standard) Rules, 2006, during the year the Company has assessed useful life of fixed assets in use and is of the view that no impairment is considered to be necessary in view of its expected realizable value/ value in use.

**27.9** Since it is not possible to ascertain with reasonable certainty/ accuracy the amount of accrual in respect of certain insurance and other claims, the same are continued to be accounted for on settlement/ acceptance basis.

- 27.10** (A) Capital work in progress including civil work under construction, electric installation and fittings, machinery under installation/erection and following pre-operative expenditure pending allocation/capitalization :

		(Rs.in lacs)
<b>Particulars</b>	<b>2013-14</b>	2012-13
Opening Balance	<b>1,434.96</b>	666.66
Raw material consumed	<b>6,522.79</b>	
Stores & Spares consumed	<b>315.71</b>	
Power and Fuel	<b>675.76</b>	
Salary, Wages & Allowances	<b>381.17</b>	154.95
Insurance	<b>13.21</b>	
Interest (Net of subsidy)	<b>1,379.72</b>	511.29
Other Borrowing Costs (Include Loan processing fees, etc.)	<b>48.66</b>	2.15
Miscellaneous and other expenses	<b>154.88</b>	137.38
<b>Total</b>	<b>10,926.87</b>	1,472.43
Less: Trial Run Sales	<b>7,188.90</b>	
Less: Scrap Sales	<b>630.89</b>	
Less: Trial Run Stock	<b>1,133.55</b>	
Less: Allocated/Appropriated	<b>1,034.19</b>	37.47
<b>Closing balance</b>	<b>939.34</b>	1,434.96

- (B) The Company is in process of implementation of 3.5 MW hydro power project in the state of Himachal Pradesh and expenses incurred for the same till 31st March, 2014 have been included under the CWIP.

- 27.11** 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:-

<b>Sr. No.</b>	<b>Particulars</b>	<b>2013-14</b>	<b>2012-13</b>
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 along with amount of payment made to the supplier beyond the appointed date.	-	-
c)	The amount of interest accrued and remaining unpaid at the end of financial year	-	-
d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding interest specified under this act.	-	-
e)	The amount of further interest due and payable in succeeding year, until such interest is fully paid.	-	-

- 27.12** As per the past practice exchange fluctuation on loan/liability for acquisition of capital assets continues to be charged to the statement of profit & loss.

- 27.13** (i) 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.
- (ii) As estimated and assessed by the management certain tax deductions have been and considered accordingly Net Deferred Tax Liability of Rs. 1647.28 Lacs (Previous year Rs. 207.51 Lacs Net Deferred Tax Liability) have been accounted.

**27.14 Employees Benefits:****Defined Benefit Plan:**

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

I. Amount to be recognized in the balance sheet.

Particulars	(Rs In Lacs)			
	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2014	2013	2014	2013
<b>I. Amount to be recognised in the balance sheet.</b>				
Present Value of Obligation as at 31st March 2014	<b>318.48</b>	254.16	<b>67.77</b>	47.50
Fair value of plan assets as at 31st March 2014	<b>65.05</b>	43.37	-	-
Funded Status [Surplus/(Deficit)]	<b>(253.43)</b>	(210.79)	<b>(67.77)</b>	(47.50)
Net Assets/(Liability) Recognized in Balance Sheet	<b>(253.43)</b>	(210.79)	<b>(67.77)</b>	(47.50)
<b>II. Expenses recognized during the period</b>				
Current Service Cost	<b>51.75</b>	35.31	<b>38.89</b>	25.97
Interest Cost	<b>22.87</b>	16.52	<b>4.27</b>	2.31
Expected Return on Plan Assets	<b>(4.65)</b>	(3.38)	-	-
Actuarial (gain)/loss	<b>13.16</b>	19.56	<b>25.75</b>	21.47
Net Expenses Recognized	<b>83.14</b>	68.00	<b>68.92</b>	49.75
<b>III. Reconciliation of opening and closing balance of Defined Benefit Obligation</b>				
Present Value of Obligation at the beginning of the period	<b>254.16</b>	206.50	<b>47.50</b>	28.95
Current Service Cost	<b>51.75</b>	35.31	<b>38.88</b>	25.97
Interest Cost	<b>22.87</b>	16.52	<b>4.27</b>	2.32
Actuarial (gain)/loss on obligations	<b>13.30</b>	20.02	<b>25.76</b>	21.47
Benefit Paid	<b>(23.61)</b>	(24.19)	<b>(48.65)</b>	(31.20)
Present Value of Obligation as at the end of the period	<b>318.48</b>	254.16	<b>67.77</b>	47.50
<b>IV. Reconciliation of opening and closing balance of fair value of plan assets</b>				
Fair value of plan assets at the beginning of the period	<b>43.37</b>	44.86	-	-
Expected Return on Plan Assets	<b>4.65</b>	3.37	-	-
Contributions	<b>40.50</b>	18.86	-	-
Actuarial gain/(loss) on obligations	<b>0.14</b>	0.46	-	-
Benefit Paid	<b>(23.61)</b>	(24.19)	-	-
Fair value of plan assets at the end of the period	<b>65.05</b>	43.37	-	-
<b>V. Reconciliation of opening and closing balance of fair value of plan assets</b>				
Fair value of plan assets at the beginning of the period	<b>43.37</b>	44.86	-	-
Actual Return on Plan Assets	<b>4.79</b>	3.84	-	-
Contributions	<b>40.50</b>	18.86	-	-
Benefit Paid	<b>(23.61)</b>	(24.19)	-	-
Fair value of plan assets at the end of the period	<b>65.05</b>	43.37	-	-
Funded Status	<b>(253.43)</b>	(210.79)	<b>(67.77)</b>	(47.50)
<b>VI. Investment Detail</b>				
All Investments are made with through LIC.				
<b>VII. Actuarial/Demographic assumptions</b>	<b>2013-14</b>	2012-13	<b>2013-14</b>	2012-13
Indian Assure Lives Mortality Table (LIC)	<b>1994-96</b>	1994-96	<b>1994-96</b>	1994-96
Discount rate (Per annum)	<b>9.00%</b>	8.00%	<b>9.00%</b>	8.00%
Expected Return on Plan Assets (Per annum)	<b>9.00%</b>	8.00%	<b>9.00%</b>	8.00%
Estimated rate of increase in compensation level	<b>6.00%</b>	5.00%	<b>6.00%</b>	5.00%
Retirement Age	58 Years			
Withdrawal Rate (All ages)	10.00%			
Disability	No explicit allowance			
Average accumulated leave per employee (in days)	8	5	8	5

- (i) Contribution to defined contribution plan, recognized as expenses during the year is Rs. 149.81 Lacs (P.Y. Rs. 121.25 Lacs) & as transferred to Capital Work-in-progress is amounting Rs 8.39 Lacs (P.Y. Nil).
- (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) The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of assets management, historical results of return on plan assets and the policy for plan assets management.

**27.15** Research and Development expenditure amounting to Rs.59.78 Lacs (Previous year Rs. 48.55 Lacs) have been charged to Statement of Profit and Loss in respective head of the accounts (As certified by the management).

**27.16 (a)** Auditors Remuneration (including Service Tax)

(Rs. In Lacs)

Particulars	2013-14	2012-13
Audit Fee	4.10	2.65
Tax Audit Fee	0.40	0.39
Certification Fees	0.67	1.25
Reimbursement of expenses	1.83	1.13
<b>Total</b>	<b>7.00</b>	<b>5.42</b>

Particulars	2013-14	2012-13
Cost Audit Fee	0.62	0.50

**27.17 (a)** Profit /Loss on sale of stores and raw materials remains adjusted in their respective consumption accounts.

**(b)** Prior period adjustment (net) Rs. 28.47 Lacs (Previous year Rs.18.20 Lacs) include Quality Claims Rs. Nil (Previous year Rs. 9.11 Lacs), legal & professional Rs. Nil (Previous year Rs. 5.06 Lacs), Rent Rs. Nil (Previous year Rs. 4.03 Lacs) Testing charges- Rs 1.36 Lacs, Freight & Commission-Rs 0.39 Lacs, Fee & Subscription Rs. 1.97 Lacs, Employee Welfare-Rs 0.89 Lacs, Postage & Telegram- Rs 0.096 Lacs, Repair to building & Machinery- Rs 3.53 Lacs, Recruitment Expenses Rs.0.02 Lacs and loss on sale of licenses Rs. 20.22 Lacs.

**27.18 Managerial Remuneration to Chairman & Whole time Director and Managing Director**

(Rs. In Lacs)

Particulars	2013-14	2012-13
(i) Salary & HRA	62.60	49.00
(ii) Contribution to Provident Fund & Family Pension Funds	6.36	4.92
(iii) Perquisites & Other Benefits	6.01	3.16
(iv) Commission	57.68	Nil
<b>Total</b>	<b>132.65</b>	<b>57.08</b>

Note: Gratuity not included since funded with LIC along with other employees of the Company. Leave encashment not been included, payable at the end of the tenure.

**27.19 Segment Reporting**

(i) The Company is only in one line of business namely Textile (Yarn, Fabric and allied activities).

(ii) The segment revenue in geographical segments considered for disclosure is as follow:

(a) Revenue inside India includes sales to customers located within India.

(b) Revenue outside India includes sales to customers located outside India.

Information about geographical segments ( by location of customers)

(Rs. In lacs)

	Particulars	India	Outside India	Total
(i)	External Revenue-Sales	29436.32	20436.66	49872.98
	Less: Excise duty	0.71	0.00	0.71
	External Revenue-Sales (Net)	29435.61	20436.66	49872.27
		(23945.16)	(11137.83)	(35082.99)
(ii)	Carrying amount of segment assets by location of assets	73378.40	4097.75	77476.15
		(54938.08)	(6871.10)	(61809.18)
(iii)	Capital Expenditure	9410.51	(Nil)	9410.51
		(15586.75)	(Nil)	(15586.75)

**27.20 Related party disclosures**

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

**1. (a) Associate Company:-**

- Winsome Yarns Limited

**(b) Wholly owned Subsidiary Company:-**

- Winsome Textile Industries FZE UAE

**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 &amp; Brother of MD

(Resigned from directorship w.e.f. 28th Sept., 2013)

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

- Star point Financial Services (Pvt.) Ltd.

**4. Amounts due from/to enterprises under the same management:**

(Rs. In lacs)

	2013-14		2012-13	
	Maximum Amount Due at any time during the year	Balance as at 31.03.2014	Maximum Amount Due at any time during the year	Balance as at 31.03.2013
Winsome Yarns Limited (Net Receivable)	1088.93	1088.19	1093.07	1093.07
Winsome Textile Industries FZE, UAE (Payable)	485.17	NIL	484.31	484.31

**Transactions with the Related Parties during the year ended 2013-14**

(Rs. In lacs)

Particulars	2013-14	2012-13
<b>Winsome Yarns Ltd.</b>		
Sale of material & goods and services	0.00	6.37
Expenses reimbursed to others	1.19	8.26
Expenses reimbursed by others	3.81	7.99
Balance outstanding (Receivable) at year end	1088.19	1093.07
<b>Sh. Satish Bagrodia</b>		
Remuneration	35.46	25.03
Commission	28.84	Nil
Balance Outstanding	21.20	1.20

<b>Sh. Ashish Bagrodia</b>		
Remuneration	<b>39.51</b>	32.05
Commission	<b>28.84</b>	Nil
Balance Outstanding	<b>21.69</b>	2.18
<b>Sh. Manish Bagrodia</b>		
Director Sitting Fees	<b>0.15</b>	0.25
<b>Starpoint Financial Services (P) Ltd</b>		
-Rent Paid	<b>24.96</b>	27.19
<b>Winsome Textile Industries FZE, UAE</b>		
Investment realized during the year	<b>6.51</b>	
Advances made during the year	<b>NIL</b>	0.82
Advances taken during the year	<b>NIL</b>	488.70
Balance outstanding at year end	<b>NIL</b>	(484.31)

Note: Chairman and Managing Director have given personal guarantees to secured lenders against loans taken by the Company (Refer notes of Note -4 & 8)

### 27.21 Earning per share

Basis for calculation of basic and diluted Earning Per Share is as under:

<b>(a) BASIC EARNING PER SHARE</b>		<b>(Rs. in lacs)</b>
<b>Particulars</b>	<b>2013-14</b>	<b>2012-13</b>
Net Profit/(Loss) attributable to Equity Shareholders (Rs. in lacs)	<b>1828.57</b>	1511.44
Weighted average number of equity shares	<b>19820000</b>	19820000
Nominal Value per equity share (Rs.)	<b>10.00</b>	10.00
Basic EPS (Rs.)	<b>9.23</b>	7.63
Diluted EPS (Rs.)	<b>9.23</b>	7.63

**27.22** Based upon Future plans, expected sales and profitability as assured by the management in near future (in next twelve months) which will enable Company to utilise MAT credit entitlement of Rs.1395.78 Lacs and accordingly the same is shown under "Short Term Loans & Advances".

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

**27.24** The Company has filed a writ petition before Hon'ble Himachal Pradesh High Court at Shimla challenging levy of certain charges and additional free supply of power under "supplementary implementation agreement" to be executed by the Company with Government of Himachal Pradesh for its power project-Manuni Hydro Electric Project (3.5 MW). On Company's application, Hon'ble High Court have granted interim stay on 11 Sept, 2013 and currently the matter is sub-judice. Management is confident that there will not be any material impact of above on final settlement/decision.

### 27.25 (a) Raw Material & Packing Material Consumed (Rs. in lacs)

<b>Particulars</b>	<b>2013-14</b>	<b>2012-13</b>
Cotton	<b>22712.81</b>	13379.00
Packing Material	<b>604.19</b>	489.27
Others	<b>1092.54</b>	2491.49
<b>Total</b>	<b>24409.54</b>	<b>16359.76</b>

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

(Rs. in Lacs)

Particulars	Raw Material				Stores & Spares			
	2013-14	%	2012-13	%	2013-14	%	2012-13	%
Imported	81.17	0.33	186.39	1.15	208.75	6.71	125.52	5.03
Indigenous	24328.37	99.67	16173.37	98.85	2903.80	93.29	2372.31	94.97
<b>Total</b>	<b>24409.54</b>	<b>100</b>	<b>16,359.76</b>	<b>100.00</b>	<b>3112.55</b>	<b>100</b>	<b>2497.83</b>	<b>100.00</b>

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

(Rs. in Lacs)

Particulars	2013-14	2012-13
	Amount	Amount
Fleece	1860.58	1338.47
Roving	524.89	216.97
Yarn	1405.30	910.54
<b>Total</b>	<b>3790.77</b>	<b>2465.98</b>

(d) Detail of Traded Goods \*

(Rs. in Lacs)

Particulars	2013-14		2012-13	
	Purchases	Sales	Purchases	Sales
Yarn	4802.79	5002.99	1670.11	1746.80
Cotton	NIL	NIL	NIL	NIL
<b>Total</b>	<b>4802.79</b>	<b>5002.99</b>	<b>1670.11</b>	<b>1746.80</b>

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

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

(Rs. in Lacs)

Particulars	2013-14	2012-13
Raw Material	113.50	80.15
Capital goods	2278.57	531.86
Spare Parts & Components	216.42	125.51
<b>Total</b>	<b>2608.49</b>	<b>737.52</b>
<b>Earnings in Foreign Exchange</b>		
Exports of goods on FOB basis (excluding export through export houses & EOU)	19685.75	10175.98

(Rs. in lacs)

(f) Expenditure in Foreign currency:

Particulars	2013-14	2012-13
Foreign Traveling	62.04	32.69
Commission and other expenses	99.38	94.77
Expenses on GDR	NIL	0.00
Bank Charges	0.35	0.58
Interest paid	229.10	245.19



**27.26 (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)	
		2013-14	2012-13	2013-14	2012-13
Sundry Debtors	USD	6644961.35	2020240.80	4036.69	1087.39
	Euro	28116.90	111945.42	23.94	69.94
Advances from Customers	USD	273861.73	970646.09	166.59	512.63
	Euro	5550.53	NIL	4.65	NIL
Sundry Creditors	USD	91873.00	72080.80	47.36	35.12
	CHF	26026.56	NIL	15.85	NIL
	Euro	16491.32	10927.08	10.04	6.45
	GBP	NIL	NIL	NIL	NIL
Investment in Money Market	USD	NIL	7637303.50	NIL	4147.07
Foreign Currency Loan	USD	4947876.16	5521493.32	3043.20	2930.92
Loans PCFC	USD	NIL	23361.67	NIL	12.51
Balance with Banks					
- Other	USD	NIL	24610.61	NIL	13.35
Foreign Commission Payable	USD	152245.70	87849.96	91.23	47.71
	Euro	1856.07	NIL	1.53	NIL

**(B)** Forward Contracts of Rs. 815.98 Lacs US \$12.46 Lacs (Previous Year Rs. 1936.52 Lacs US \$35.58 Lacs) taken for the purpose of hedging of debtors are outstanding as at 31.03.14.

**27.27** Figure for the previous year have been re-grouped where ever necessary to make them comparable with current year.

As per our report of even date.

For & On Behalf of Board of Directors

For LODHA & CO.  
Chartered Accountants  
Firm Registration No. : 301051E

N.K. Lodha  
Partner  
M No. 85155

Sourabh Gupta  
Company Secretary

Ashish Bagrodia  
Managing Director

Satish Bagrodia  
Chairman

Directors: Chandra Mohan  
Amrit Lal Batra  
Satish Girotra

Sanjay Kedia  
Chief Financial Officer

PLACE : Chandigarh  
DATED : 28.05.2014

**SECTION 212****Statement Pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary Company**

Name of Subsidiary Company	Number of Shares in the Subsidiary Company held by Winsome Textile Industries Limited at the financial year ending date		The net aggregate of profit/(losses) of the Subsidiary Companies so far as they concern the members of Winsome Textile Industries Limited			
			For Current Financial Year		For Previous Financial Year	
	Equity (Nos.)	Extent of holding (% age)	Dealt with in the accounts of Winsome Textile Industries Limited for the year ended 31st March, 2014	Not dealt with in the accounts of Winsome Textile Industries Limited for the year ended 31st March, 2014	Dealt with in the accounts of Winsome Textile Industries Limited for the year ended 31st March, 2013	Not dealt with in the accounts of Winsome Textile Industries Limited for the year ended 31st March, 2013
Winsome Textile Industries FZE	NIL	NIL	Rupees in Lacs	Rupees in Lacs	Rupees in Lacs	Rupees in Lacs
			-17.39	-	-	8.33

**Note:**

The financial year of Winsome Textile Industries FZE is 1st April, 2013 to 31st March, 2014

**INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

**TO THE BOARD OF DIRECTORS OF WINSOME TEXTILE INDUSTRIES LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENT OF WINSOME TEXTILE INDUSTRIES LIMITED, IT'S SUBSIDIARIES AND ASSOCIATE**

We have audited the accompanying consolidated financial statements of **Winsome Textile Industries Limited** and its subsidiary (collectively referred to as "the Group"), which comprises the Consolidated Balance Sheet as at 31st March 2014, and the statement of the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

**Basis for Qualified Opinion:-**

Attention is drawn to:

Note no. 27.7(i) regarding non provision for shortfall in recovery (amount unascertainable) against overdue debt of Rs. 85.15 lacs as stated in the said note for which legal and other persuasive action for recovery has been initiated, in the opinion of the management these debts are good and recoverable as stated in the said note and our inability to comment thereon.

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

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described under the head "Basis for Qualified Opinion" paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;
- (b) In the case of consolidated Statement of Profit & Loss, of the Profit for the year ended on that date; and
- (c) In the case of consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

**Emphasis of Matter**

Note no. 27.7(ii) regarding balances of certain receivables, loans and advances (including capital advances), trade and other payables are subject to confirmation/reconciliation.

Our report is not qualified in respect of above matters.

**Other Matters**

We did not audit the financial statements of a subsidiary. Its financial statements reflect total assets of Rs.Nil as at 31st March 2014, total revenue of Rs.346.53 lacs and total cash flow of Rs. 4.92 lacs for the year then ended (read with note no. 27.6). These financial statements have been audited by other auditor whose reports have been furnished to us by the management and our opinion is solely based on the report of the other auditor.

**For Lodha & Co.**  
Chartered Accountants  
Firm Registration No. :- 301051E

Place : New Delhi  
Date : 28.05.2014

**N.K. LODHA**  
Partner  
M. No.: 85155

**CONSOLIDATED BALANCE SHEET**  
AS AT 31ST MARCH, 2014

**Winsome Textile Industries Ltd.**

PARTICULARS	NOTE NO.	AS AT 31-Mar-14 (Rs. in lacs)	AS AT 31-Mar-13 (Rs. in lacs)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	1982.00	1982.00
(b) Reserves and Surplus	3	<u>10480.50</u>	<u>8679.00</u>
		<u>12462.50</u>	<u>10661.00</u>
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	4	23129.56	23095.46
(b) Deferred tax liabilities (Net)	5	3454.23	1806.95
(c) Other Long term liabilities	6	7.78	387.33
(d) Long term provisions	7	<u>50.66</u>	<u>36.05</u>
		<u>26642.23</u>	<u>25325.79</u>
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	8	15151.20	10916.93
(b) Trade payable	9	16992.91	11388.16
(c) Other current liabilities	10	5513.86	3803.90
(d) Short-term provisions	11	<u>713.45</u>	<u>559.11</u>
		<u>38371.42</u>	<u>26668.10</u>
<b>Total</b>		<u><u>77476.15</u></u>	<u><u>62654.89</u></u>
<b>II.Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	12	35044.87	16464.09
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		4591.53	15454.25
(b) Non-current investments	13	3.10	3.10
(c) Long term loans and advances	14	<u>177.39</u>	<u>3097.92</u>
		<u>39816.89</u>	<u>35019.36</u>
<b>(2) Current assets</b>			
(a) Current investments	15	-	4147.07
(a) Inventories	16	19281.12	11595.82
(b) Trade receivables	17	5838.77	4074.42
(c) Cash & Bank Balances	18	1844.74	983.47
(d) Short-term loans and advances	19	<u>10694.63</u>	<u>6834.75</u>
		<u>37659.26</u>	<u>27635.53</u>
<b>Total</b>		<u><u>77476.15</u></u>	<u><u>62654.89</u></u>

Significant Accounting Policies & explanatory notes are an integral part of the Financial Statement **1 & 27**

**As per our report of even date.**  
**For LODHA & CO.**  
**Chartered Accountants**  
**FRN : 301051E**

N.K. Lodha  
Partner  
M No. 85155

Sourabh Gupta  
Company Secretary

Ashish Bagrodia  
Managing Director

Satish Bagrodia  
Chairman

Directors Chandra Mohan  
Amrit Lal Batra  
Satish Girotra

Sanjay Kedia  
Chief Financial Officer

PLACE : Chandigarh  
DATED : 28.05.2014

**CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31ST MARCH, 2014**

Winsome Textile Industries Ltd.

<b>PARTICULARS</b>	<b>NOTE NO.</b>	<b>31-Mar-14 (Rs. in lacs)</b>	<b>31-Mar-13 (Rs. in lacs)</b>
Net Revenue from operations	20	50229.41	36442.07
Other income	21	753.64	400.56
<b>Total Revenue</b>		<b>50983.05</b>	<b>36842.63</b>
<b>Expenses:</b>			
Cost of materials consumed	22	24409.54	16359.76
Purchase of Stock in Trade		5143.56	2905.37
Change in inventories of finished goods, work-in-progress and Stock-in-trade	23	(2613.99)	435.23
Employee benefit expense	24	3200.02	2232.74
Finance Cost	25	4388.19	3497.16
Depreciation and amortization expense	12	1624.10	1173.35
Other expenses	26	11373.17	8488.00
<b>Total Expenses</b>		<b>47524.59</b>	<b>35091.61</b>
Profit before tax		<b>3458.46</b>	<b>1751.02</b>
Tax expense:			
- Current Tax		606.80	378.59
- MAT Credit		(606.80)	(378.59)
- Deferred Tax		1,647.28	207.51
- Tax for earlier Year		-	23.74
<b>Profit(Loss) from the period from continuing operations</b>		<b>1811.18</b>	<b>1519.77</b>
Profit/(Loss) from discontinuing operations		-	-
Tax expense of discounting operations		-	-
Profit/(Loss) from Discontinuing operations		-	-
Profit/(Loss) for the period		<b>1811.18</b>	<b>1519.77</b>
Earning per equity share:(Refer Note No. 27.13 )			
- Basic		9.14	7.67
- Diluted		9.14	7.67

Significant Accounting Policies & explanatory notes are an integral part of the Financial Statement **1 & 27**

**As per our report of even date.**  
**For LODHA & CO.**  
**Chartered Accountants**  
**FRN : 301051E**

N.K. Lodha  
Partner  
M No. 85155

Sourabh Gupta  
Company Secretary

Ashish Bagrodia  
Managing Director

Satish Bagrodia  
Chairman

Directors Chandra Mohan  
Amrit Lal Batra  
Satish Girotra

Sanjay Kedia  
Chief Financial Officer

PLACE : Chandigarh  
DATED : 28.05.2014

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS	2013-2014		2012-2013	
	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>NET PROFIT/(LOSS) BEFORE TAX AND EXTRAORDINARY ITEMS</b>		<b>3458.46</b>		<b>1751.02</b>
<b>Adjustment for:</b>				
Depreciation	1624.10		1173.35	
Liability Written Back	-		(0.49)	
Profit on sale of Investment	(38.30)		-	
Bad Debts W/off	125.97		-	
Effect of Exchange Fluctuation	172.63		(176.72)	
Effect of Exchange Fluctuation on translation of foreign currency cash & Cash equivalents	-		(0.85)	
Profit on sale of fixed assets ( Net)	(11.90)		(26.99)	
Leasehold land Written off	-		0.08	
Interest paid	4388.19		3497.16	
Interest income	(217.18)		(107.41)	
Capital Subsidy charged to Profit & Loss Account	(8.39)		(8.39)	
		<b>6035.12</b>		<b>4349.74</b>
		<b>9493.58</b>		<b>6100.76</b>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>				
<b>Adjustment for:</b>				
Trade & other receivable	(5154.58)		(1165.35)	
Inventories	(7685.30)		(980.86)	
Trade & other Payables	5945.20		3058.18	
		<b>(6894.68)</b>		<b>911.97</b>
<b>CASH GENERATED FROM OPERATIONS</b>		<b>2598.90</b>		<b>7012.73</b>
Direct Taxes Paid		(500.76)		(6.94)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>2098.14</b>		<b>7005.79</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of fixed assets	(6743.60)		(17253.87)	
Capital Subsidy Received	-		-	
Sale of fixed assets	80.26		55.66	
Cost Sharing in Fixed Assets	-		-	
Sale of Investments	4185.37		(3887.25)	
Interest Received	217.18		107.41	
		<b>(2260.79)</b>		<b>(20978.05)</b>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(2260.79)</b>		<b>(20978.05)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest paid	(4390.46)		(3500.03)	
Dividend Paid	-		(0.02)	
Repayment of Long Term Borrowings	(2357.12)		(1892.45)	
Proceeds from Long Term Borrowings	3606.51		15006.67	
Net proceeds from Short term Borrowings	4166.29		(613.02)	
		<b>1025.22</b>		<b>9001.15</b>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>1025.22</b>		<b>9001.15</b>
<b>(D) CHANGES IN CURRENCY FLUCTUATION RESERVE ARISING ON CONSOLIDATION</b>		(1.29)		1.49
<b>Net Increase/(decrease) in cash and cash equivalents</b>		<b>861.28</b>		<b>(4969.62)</b>
<b>Balances as at 01.04.13 ( opening balance)</b>				
Cash & Cash Equivalents	125.62		653.22	
Others	857.85	983.47	5299.02	5952.24
Effect of Exchange Fluctuation on translation of foreign currency cash & Cash equivalents		-		0.85
<b>Balances as at 31.03.2014 ( Closing Balance)</b>				
Cash & Cash Equivalents	414.82		125.62	
Others	1429.92	1844.74	857.85	983.47

As per our report of even date.

For LODHA &amp; CO.

Chartered Accountants

FRN : 301051E

N.K. Lodha  
Partner  
M No. 85155Sourabh Gupta  
Company SecretaryAshish Bagrodia  
Managing DirectorSatish Bagrodia  
ChairmanDirectors : Chandra Mohan  
Amrit Lal Batra  
Satish GirotraSanjay Kedia  
Chief Financial OfficerPLACE : Chandigarh  
DATED : 28.05.2014

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2014**

**1 PRINCIPLES OF CONSOLIDATION**

- (I) The accounts have been prepared to comply with the requirements of Accounting Standard 21 to include all material items.
- (ii) Consolidated financial statements (CFS) comprised the financial statements of Winsome Textile Industries Limited and its 100% subsidiary namely Winsome Textile Industries Limited FZE.
- (iii) The Consolidated Financial Statements have been prepared based on a line-by-line consolidation using uniform accounting policies for like transactions and other events in similar circumstances. The effects of intra group transactions and balances are eliminated in consolidation.
- (iv) Operations of foreign subsidiary have been considered by management non-integral; thus items of the assets and liabilities, both monetary and non-monetary, have been translated at the exchange rates prevailing at the end of the year and items of income and expenses have been translated at the average rate prevailing during the year. Resulting exchange differences arising on translations of said items have been transferred to Foreign Currency Translation Reserve Account.



PARTICULARS	AS AT	AS AT
	31.03.2014 (Rs. in lacs)	31.03.2013 (Rs. in lacs)
<b>NOTE - 2</b>		
<b>SHARE CAPITAL</b>		
<b>1. AUTHORISED</b>		
2,49,50,000 (P.Y.: 2,49,50,000 Equity Shares of Re.10/- each)	2495.00	2495.00
Equity Shares of Rs.10/- each		
5,000 (P.Y.: 5000) Preference Share of Rs. 100/- each	5.00	5.00
	<u>2500.00</u>	<u>2500.00</u>
<b>ISSUED,SUBSCRIBED &amp; FULLY PAID UP</b>		
1,98,20,000 (P.Y.: 1,98,20,000) Equity Shares of Rs.10/- each)	1982.00	1982.00
Equity Shares of Rs.10/- each	<u>1982.00</u>	<u>1982.00</u>

**2. Rights & Restrictions of Shareholders:**

2.1 The Company has only one class of Equity Shares having face value of Rs. 10/- each (Previous Year Re. 10/- each) in its issued, subscribed and paid up Equity share capital. Each shareholder is entitled to one vote per share (except GDR shareholding mentioned at point no.2.2 below). Each shareholder have the right in profit/surplus in proportion to amount paid up with respect to share holder.

2.2 The GDR shareholding which is standing in the name of Bank of New York Mellon, as Depository, has right to dividend, do not have any right to vote.

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

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

Name of Shareholder	No. of Shares held	No. of Shares held
Bank of New York Mellon, DR (Shares held by Custodians and against which Depository Receipts have been issued)	6450000	6450000
Roselab Commodities Pvt. Ltd.	3490121	3410498
Kailashpati Vinimay Pvt. Ltd.	3005031	3005031
Landscape Traders Pvt. Ltd.	1332092	1332092
Arpit Agencies Pvt. Ltd.	1290799	1290799

**4. Reconciliation of Equity Share Capital**

	As on 31.03.2014	As on 31.03.2013
	No. of Shares	No. of Shares
Shares Outstanding at the beginning of the year	19820000	19820000
Issued during the year	-	-
Buy Back during the year	-	-
Shares Outstanding at the end of the year	19820000	19820000

5. No bonus/Buy Back/Issue of shares otherwise than receipt of cash during the preceeding five years.

PARTICULARS	AS AT 31.03.2014 (Rs. in lacs)	AS AT 31.03.2013 (Rs. in lacs)
<b>NOTE - 3</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>Capital Reserve</b>		
As per last Balance Sheet	46.68	46.68
Add: Addition during the year	-	-
Less: Adjustments	46.68	46.68
	<u>46.68</u>	<u>46.68</u>
<b>Investment Allowance (Utilized) Reserve</b>		
As per last Balance Sheet	184.00	184.00
Add: Addition during the year	-	-
Less: Adjustments	184.00	184.00
	<u>184.00</u>	<u>184.00</u>
<b>Securities Premium Reserve</b>		
As per last Balance Sheet	5131.46	5131.46
Add: Addition during the year	-	-
Less: Adjustments	5131.46	5131.46
	<u>5131.46</u>	<u>5131.46</u>
<b>General Reserve</b>		
As per last Balance Sheet	68.55	68.55
Add: Addition during the year	-	-
Less: Adjustments	68.55	68.55
	<u>68.55</u>	<u>68.55</u>
<b>Capital Subsidy Under Tufts</b>		
As per last Balance Sheet	100.64	109.03
Add: Addition during the year	-	-
Less: Transfer from Profit & Loss Statement	8.39	8.39
	<u>92.25</u>	<u>100.64</u>
<b>Foreign Currency Translation Reserve</b>		
As per last Balance Sheet	2.83	1.34
Add: Addition during the year	-1.29	1.49
Less: Transfer to Profit and Loss Statement (Refer Note No.27.6)	-1.54	-
	<u>-</u>	<u>2.83</u>
<b>Surplus in Profit and Loss Statement from Previous Year</b>	<b>3144.84</b>	1625.07
Profit/(Loss) for the year	1811.18	1519.77
Add: Transfer from Foreign Currency Translation Reserve (Refer Note No.27.6)	1.54	-
	<u>4957.56</u>	<u>3144.84</u>
Surplus in Profit and Loss Statement carried to Balance Sheet	<u>10480.50</u>	<u>8679.00</u>

	Non Current		Current	
	31.03.2014 (Rs. in Lacs)	31.03.2013 (Rs. in Lacs)	31.03.2014 (Rs. in Lacs)	31.03.2013 (Rs. in Lacs)

**NOTE-4**  
**LONG TERM BORROWINGS**

**SECURED LOANS**

Term Loans				
- From Banks	<b>23079.90</b>	22556.60	<b>2887.51</b>	1674.64
Working Capital Term Loan	<b>0.00</b>	495.50	<b>495.27</b>	500.25
Vehicle Loans	<b>49.66</b>	43.36	<b>41.33</b>	33.93
	<b>23129.56</b>	23095.46	<b>3424.11</b>	2208.82
Less : Current maturities of long term, borrowings (Disclosed under Other Current Liabilities under Note No. 10)	-	-	<b>3424.11</b>	2208.82
	<b>23129.56</b>	23095.46	-	-

**Notes:**

1. Term Loans and Working Capital Term Loans from Banks of Rs. 26462.68 Lacs (P.Y. Rs. 25226.99 Lacs) are secured by Joint Equitable Mortgage by deposit of title deeds on Company's immovable properties (present and future) which shall be on first charge basis, shall rank pari-passu with all banks and a charge by way of hypothecation of all movable fixed assets subject to prior charge on specified equipments to banks for term loan. Above Term loans are further secured by pari-passu second charge on entire current (present and future) assets of the Company. The loan is repayable in quarterly installments and maturity profile is as follows:

Repayment	0 – 1 years	1-2 years	2-3 years	after 3 years
(in lacs)	3382.78	3821.29	4123.51	15135.10

2. Vehicle Finance from banks carrying interest of Rs. 90.99 Lacs (P.Y. 77.29 Lacs) which is secured by hypothecation of specific assets purchased under such arrangements and is repayable in equated monthly installments and maturity profile is as follows:

Repayment	0 – 1 years	1-2 years	2-3 years	after 3 years
(in lacs)	41.33	30.15	16.95	2.56

3. The aforesaid credit facilities mentioned above in point no. 1 are also guaranteed by Chairman & Whole Time Director and Managing Director.

**NOTE-5**  
**DEFERRED TAX**

	As at 31.03.2014	As at 31.03.2013
<b>Deferred Tax Liability</b>		
Depreciation	<b>4268.84</b>	2726.06
<b>Deferred Tax Assets</b>		
Unabsorbed Depreciation	<b>599.47</b>	766.76
Other items	<b>215.14</b>	152.35
	<b>814.61</b>	919.11
<b>Deferred Tax Liability (Net)</b>	<b>3454.23</b>	1806.95

PARTICULARS	AS AT 31.03.2014 (Rs. in lacs)	AS AT 31.03.2013 (Rs. in lacs)
<b>NOTE -6</b>		
<b>OTHER LONG TERM LIABILITIES</b>		
Employees Advances	7.78	20.98
Capital Payable	0.00	366.35
	<u>7.78</u>	<u>387.33</u>
<b>NOTE -7</b>		
<b>LONG TERM PROVISIONS</b>		
Provision for Employee Benefits	50.66	36.05
	<u>50.66</u>	<u>36.05</u>
<b>NOTE -8</b>		
<b>SHORT TERM BORROWINGS</b>		
<b>SECURED LOANS</b>		
Working capital demand loan from Banks	3696.23	2992.80
Cash Credit	2944.89	2131.58
Packing Credit	8510.08	5792.55
	<u>15151.20</u>	<u>10916.93</u>
1. Working Capital Demand loans from bank includes Cash Credit, Packing Credit and short term loans 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.		
2. The aforesaid credit facilities mentioned above is also guaranteed by Chairman & Whole Time Director and Managing Director.		
<b>NOTE -9</b>		
<b>TRADE PAYABLES</b>		
Acceptances	12473.97	6880.34
Others	4518.94	4507.82
	<u>16992.91</u>	<u>11388.16</u>
<b>NOTE -10</b>		
<b>OTHER CURRENT LIABILITES</b>		
Current Maturities of long term borrowings	3424.11	2208.82
Interest accrued but not due on borrowings	0.53	2.80
Advance from customers	219.15	81.01
Advance from subsidiary	-	-
Unclaimed dividends*	1.05	1.05
Others Payable		
- Capital Payable	114.75	
- Statutory Dues	317.72	247.80
- Other Liability	1436.55	1262.42
	<u>1869.02</u>	<u>1510.22</u>
	<u>5513.86</u>	<u>3803.90</u>
* Shall be credited to Investor's Education & Protection Fund when due		
<b>NOTE -11</b>		
<b>SHORT TERM PROVISIONS</b>		
Employees Benefits	270.54	222.24
Others		
- Provision for Taxation (Net of Advance payment of Taxes)	442.91	336.87
	<u>442.91</u>	<u>336.87</u>
	<u>713.45</u>	<u>559.11</u>

**NOTE-12 : FIXED ASSETS****(Rs. in Lacs)**

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION			NET CARRYING AMOUNT		
	As at 31.03.2013	Additions/ Adjustments	Sales/ Adjustments	As at 31.03.2014	Upto 31.03.2013	For the Year	Sale/ Adjustments	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
<b>(i) Tangible Asset</b>										
Land -Freehold & Site Development	1690.28	52.87 *	-	1743.15	-	-	-	-	1743.15	1690.28
- Leasehold	5.83	-	0.08	5.75	-	-	-	-	5.75	5.83
Buildings **	2638.15	3660.62	-	6298.77	933.72	130.20	-	1063.92	5234.85	1704.43
Plant & Equipments***	22060.07	16309.25	59.62	38309.70	9286.11	1431.60	3.93	10713.78	27595.92	12773.96
Furniture and Fixtures	131.00	74.16	-	205.16	78.00	18.64	-	96.64	108.52	53.00
Vehicles #	253.96	75.07	25.47	303.56	78.02	25.67	12.88	90.81	212.75	175.94
Office Equipments	188.22	101.27	-	289.49	127.57	17.99	-	145.56	143.93	60.65
	<b>26967.51</b>	<b>20273.24</b>	<b>85.17</b>	<b>47155.58</b>	<b>10503.42</b>	<b>1624.10</b>	<b>16.81</b>	<b>12110.71</b>	<b>35044.87</b>	<b>16464.09</b>
<b>Previous Year</b>	<b>25267.90</b>	<b>1906.92</b>	<b>207.31</b>	<b>26967.51</b>	<b>9508.71</b>	<b>1173.35</b>	<b>178.64</b>	<b>10503.42</b>	<b>16464.09</b>	<b>15759.19</b>

**Notes:**

\* Freehold Land includes Site Development amounting to Rs. 52.87 lacs (Previous year Rs.Nil)

\*\* Building includes capital expenditure incurred on assets not owned by the Company Rs.8.90 lacs ( Previous Year Rs. 8.90 lacs) and net Rs. 5.12 Lacs ( Previous Year Rs.6.01 lace).

\*\*\* During the year an amount of Rs.53.66 lacs has been received against Terminal Excise Duty towards Machineries purchased during last year which is adjusted from the cost of respective Plant and Machinery.

# Vehicle includes assets of Rs.235.61 lacs ( Previous Year Rs.197.30 lacs) acquired under Hire Purchase Finance.

PARTICULARS	AS AT 31.03.2014 (Rs. in lacs)	AS AT 31.03.2013 (Rs. in lacs)
<b>NOTE 13</b>		
<b>NON CURRENT INVESTMENTS</b>		
<b>Trade Investments (At cost)</b>		
Unquoted		
Other Investment		
31000 Equity Shares of Rs. 10/- each in Shivalik solid waste management Ltd. (Previous year 31000 Equity Shares of Rs. 10/- each)	3.10	3.10
	<u>3.10</u>	<u>3.10</u>
<b>Aggregate amount of unquoted investment</b>	<u><u>3.10</u></u>	<u><u>3.10</u></u>
<b>NOTE 14</b>		
<b>LONG TERM LOANS &amp; ADVANCES {Refer Note No. 27.9(i)}</b>		
Unsecured considered Good:		
Capital Advances	109.00	3027.52
Deposits with Government Authorities & others	64.76	70.40
Others	3.63	-
	<u>177.39</u>	<u>3097.92</u>
<b>NOTE 15</b>		
<b>CURRENT INVESTMENTS</b>		
Unquoted		
Investment in Money Market {Refer Note No. 27.3}	-	4147.07
Nil (Previous Year 7568 non-voting redeemable participating shares of USD 1000/- each in Aries Money Market Fund Ltd.)	<u>-</u>	<u>4147.07</u>
<b>NOTE 16</b>		
<b>INVENTORIES</b>		
<b>As taken, valued and certified by the management</b>		
Raw Materials	10131.09	6583.98
Stock in Process	3790.77	2465.98
Stores & Spares	914.42	509.11
Finished Goods {Including GIT amounting Rs. 603.42 Lacs (P.Y: Rs. 262.85 Lacs)}	4397.26	1974.51
Waste (At net realizable value)	47.58	62.24
{Including scrap of Rs. 2.33 Lacs (Previous year Rs. 1.74 lacs)}	<u>19281.12</u>	<u>11595.82</u>
<b>NOTE 17</b>		
<b>TRADE RECEIVABLES {Refer Note No. 27.9(i)}</b>		
(Unsecured, considered good, unless otherwise stated)		
Exceeding six months from due date		
- Good	127.89	239.49
- Doubtful	-	-
Other Debts	5710.88	3834.93
	<u>5838.77</u>	<u>4074.42</u>

PARTICULARS	AS AT 31.03.2014 (Rs. in lacs)		AS AT 31.03.2013 (Rs. in lacs)
<b>NOTE 18</b>			
<b>CASH &amp; BANK BALANCES</b>			
<b>Cash &amp; Cash Equivalents</b>			
- Cash on hand (As certified by management)	-		1.32
<b>Balances with Bank</b>			
- on Current Accounts	<b>414.82</b>		124.30
<b>Earmarked balances</b>			
- In United Arab Bank@	-	13.35	
- on Fixed Deposit*	<b>88.08</b>	105.57	
- on Unclaimed Dividend Account	<b>1.05</b>	<b>1.05</b>	119.97
<b>Other Bank Balances</b>			
- on Fixed Deposit \$		<b>1340.79</b>	737.88
		<b><u>1844.74</u></b>	<b><u>983.47</u></b>

@ To be read with note no. 27.3

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

\$ Includes FDR's maturity of more than 12 months Rs. Nil (P.Y. Rs. 121.94 lacs)

#### NOTE 19

##### SHORT TERM LOANS & ADVANCES (Considered Good)

(Unsecured, unless otherwise stated)

Advances to suppliers	<b>6728.43</b>		4393.44
Interest Subsidy on Term Loans Receivable	<b>664.76</b>		315.22
Balance with Excise and Sales tax Authorities	<b>357.98</b>		351.03
Export Incentives Receivables	<b>1060.71</b>		525.44
MAT Credit Entitlements ( Refer no. 27.8 )	<b>1395.78</b>		788.97
Others	<b>486.97</b>		460.65
	<b><u>10694.63</u></b>		<b><u>6834.75</u></b>

#### NOTE 20

##### REVENUE FROM OPERATION

<b>Sale of Products</b>			
- Yarn#	<b>41035.72</b>	31588.67	
- Others	<b>2442.78</b>	725.95	
- Trading Sale	<b>5349.61</b>	<b>3008.89</b>	35323.51
<b>Sale of Services</b>			
- Processing Income	<b>0.16</b>		0.52
<b>Other operating revenues:</b>			
- Waste & Scrap Sales	<b>1390.63</b>	1021.05	
- Insurance Claim	<b>2.12</b>	88.60	
- Pro-rata Capital Subsidy	<b>8.39</b>	<b>8.39</b>	1118.04
	<b><u>50229.41</u></b>		<b><u>36442.07</u></b>

# including Export Incentives of Rs.1055.96 Lacs (P.Y. Rs. 543.54 lacs)

PARTICULARS	AS AT 31.03.2014 (Rs. in lacs)	AS AT 31.03.2013 (Rs. in lacs)
<b>NOTE 21</b>		
<b>OTHER INCOME</b>		
Interest Income	217.18	107.41
Profit on sale of Investment	38.30	-
Liabilities Written back	0.00	0.49
Exchange Rate Variation Gain	483.34	262.82
Miscellaneous Income	1.93	1.77
Profit/(Loss) on sale of Assets (Net)	11.90	26.99
Rent Received	0.99	1.08
	<u>753.64</u>	<u>400.56</u>
<b>NOTE 22</b>		
<b>COST OF MATERIAL CONSUMED</b>		
Raw Material	23805.35	15870.49
Packing Material	604.19	489.27
	<u>24409.54</u>	<u>16359.76</u>
<b>NOTE 23</b>		
<b>CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Closing Stock</b>		
Finished Goods	4397.26	1974.51
Work in progress	3790.77	2465.98
	(A) <u>8188.03</u>	<u>4440.49</u>
<b>Stock Under Trial Run</b>		
Finished Goods	700.67	0.00
Work in progress	432.88	0.00
	(B) <u>1133.55</u>	<u>0.00</u>
<b>Opening Stock</b>		
Finished Goods	1974.51	2959.30
Work in progress	2465.98	1916.42
	(C) <u>4440.49</u>	<u>4875.72</u>
(Increase)/Decrease In Stocks (C+B) - (A)	<u>(2613.99)</u>	<u>435.23</u>
<b>NOTE 24</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, Wages & Other allowances	2878.86	1985.25
Contribution to Provident and other Funds	295.11	223.04
Employees' Welfare and other Benefits	26.05	24.45
	<u>3200.02</u>	<u>2232.74</u>
<b>NOTE 25</b>		
<b>FINANCE COST</b>		
Interest Charges {Net of reimbursement under TUFF Rs. 1114.73 Lacs (Previous year Rs. 665.35 lacs)}	4388.19	3497.16
	<u>4388.19</u>	<u>3497.16</u>
<b>NOTE 26</b>		
<b>OTHER EXPENSES</b>		
Conversion Charges	101.32	69.89
Consumption of Stores and spares	3112.55	2497.83
Power and Fuel	4369.69	3275.83
Rent	62.52	55.50
Repairs to Buildings	38.92	22.76
Repairs to Machinery	82.04	50.90
Insurance	81.17	73.43
Rates & Taxes	86.88	43.35
Freight & Handling Charges	1025.53	581.92
Advertisement and sales promotion	1.76	2.41
Directors Fee	0.65	0.75
Commission	956.57	484.12
Bad Debts	125.97	-
Bank Charges	133.40	70.58
Exchange Loss/(Gain)	314.76	467.79
Printing & Stationery, Postage, Telephone, Traveling, and other Miscellaneous Expenses	879.44	790.94
	<u>11373.17</u>	<u>8488.00</u>



**27. Explanatory Notes:-****27.1 (A) Contingent Liabilities not provided for in respect of (as certified by the management):****(Rs. in Lacs)**

<b>S.No.</b>	<b>Particulars</b>	<b>2013-14</b>	<b>2012-13</b>
(i)	Bills discounted with banks	<b>3854.63</b>	2503.58
(ii)	Excise / Service Tax Matters	<b>83.34</b>	81.67
(iii)	Outstanding Bank Guarantees	<b>554.17</b>	170.17

(iv) Custom duty saved of Rs. 7648.45 Lacs (Previous year Rs. 5460.96 Lacs ) for import of capital good made under EPCG scheme against which export obligations amounting to Rs. 56695.51 Lacs (Previous year Rs. 25710.83 Lacs) is pending.

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

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

**27.2** Estimated amount of contracts remaining to be executed on capital account and not provided for {(net of advances Rs. 109.00 Lacs)(Previous year Rs. 3027.52 Lacs) }Rs 867.00 Lacs (Previous year Rs. 5405.43 Lacs).

**27.3** During the year 2010-11, the Company had issued and allotted 12,90,000 nos. GDR's entitling 6,45,00,000 (now 64,50,000 equity shares of Rs. 10/- each) nos. equity shares of Re.1/- each at a price of Rs. 6.94/- per share (including premium of Rs. 5.94/-, now premium is Rs. 59.40/- on Rs. 10/- per share).As on 31.03.2013, balance Rs. 4,160.43 Lacs which was invested outside India (including balance in bank Rs. 13.35 lacs).

During the year the Company has received in India balance amounting to Rs. 4626.54 (including exchange gain of Rs 479.47) and the same have been utilized for the purpose the issue was made.

**27.4** The Company's new spinning unit (Unit II) comprising of 41088 nos. of spindles located at Village: Kaundi, Baddi, Dist.: Solan H.P. have commenced commercial production from 15.11.2013. In Knitting Unit (Unit III), 18 machines out of Total 25 machines has commenced commercial production from 01.11.2013.

**27.5** The Company has filed an application for the rebate claim which is disputed and is pending at the office of Joint Secretary, New Delhi under export promotion scheme of Rs. 26.39 lacs.

**27.6** During the year, Company's 100% wholly owned subsidiary, M/s Winsome Textile Industries, FZE have discontinued its all business operations and filed an application for termination of its license with Hamriyah Free Zone Authority, UAE.

**27.7 (i)** The Company has taken legal and other persuasive actions for recovery of certain overdue debtors aggregating to Rs 85.15 Lacs (Previous Year Rs.232.70 Lacs) {(including overdue overseas debtors of amounting to Rs.26.47Lacs) (Previous Year 94.09 Lacs)}. In the opinion of the management, these outstanding are good and fully recoverable and hence considered good.

**(ii)** Balance of current receivables (including associate Company Rs. 1088.19 Lacs), loans and advances (including capital advance), trade payables and other liabilities are in the process of confirmation / reconciliation.

**27.8** Based upon Future plans, expected sales and profitability as assured by the management in near future (in next twelve months) which will enable Company to utilise MAT credit entitlement of Rs.1395.78 Lacs and accordingly the same is shown under "Short Term Loans & Advances".

**27.9 (i)** 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.

**(ii)** As estimated and assessed by the management certain tax deductions have been considered accordingly and Net Deferred Tax Liability of Rs. 1647.28 Lacs (Previous year Rs. 207.51 lacs Net Deferred Tax Liability) have been accounted.

**27.10** The Company has filed a writ petition before Hon'ble Himachal Pradesh High Court at Shimla challenging levy of certain charges and additional free supply of power under "supplementary implementation agreement" to be executed by the Company with Government of Himachal Pradesh for its power project- Manuni Hydro Electric Project (3.5 MW). On Company's application, Hon'ble High Court have granted interim stay on 11 Sept, 2013 and currently the matter is sub-judice. Management is confident that there will not be any material impact of above on final settlement/decision.

### 27.11 Segment Reporting

(i) The Company is only in one line of business namely Textile (Yarn, Fabric and allied activities).

(ii) The segment revenue in geographical segments considered for disclosure is as follow:

(a) Revenue inside India includes sales to customers located within India.

(b) Revenue outside India includes sales to customers located outside India.

Information about geographical segments (by location of customers)

(Rs. In lacs)

Particulars	India	Outside India	Total
(i) External Revenue-Sales	29436.32	20783.28	50219.60
Less: Excise duty	0.71	0.00	0.71
External Revenue-Sales (Net)	29435.61	20783.28	50218.89
	(23945.16)	(12399.92)	(36345.08)
(ii) Carrying amount of segment assets by location of assets	73378.75	4097.40	77476.15
	54938.08	(6927.86)	(61865.94)
(iii) Capital Expenditure	9410.51	(Nil)	9410.51
	(15586.75)	(Nil)	(15586.75)

### 27.12 Related party disclosures

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

#### 1. (a) Associate Company:-

- Winsome Yarns Limited

#### (b) Wholly owned Subsidiary Company:-

- Winsome Textile Industries FZE UAE

#### 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 & Brother of MD  
(Resigned from directorship w.e.f 28th Sep'2013)
- Ms. Sonal Ghanshaym Wadhwa Manager

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

- Star point Financial Services (Pvt.) Ltd.

#### 4. Amounts due from to enterprises under the same management:

(Rs. In lacs)

	2013-14		2012-13	
	Maximum Amount Due at any time during the year	Balance as at 31.03.2014	Maximum Amount Due at any time during the year	Balance as at 31.03.2013
Winsome Yarns Limited (Net Receivable)	1088.93	1088.19	1093.07	1093.07

**Transactions with the Related Parties during the year ended 2013-14****(Rs. In lacs)**

<b>Particulars</b>	<b>2013-14</b>	<b>2012-13</b>
<b>Winsome Yarns Ltd.</b>		
Sale of material & goods and services	<b>0.00</b>	6.37
Expenses reimbursed to others	<b>1.19</b>	8.26
Expenses reimbursed by others	<b>3.81</b>	7.99
Balance outstanding (Receivable) at year end	<b>1088.19</b>	1093.07
<b>Sh. Satish Bagrodia</b>		
Remuneration	<b>35.46</b>	25.03
Commission	<b>28.84</b>	Nil
Balance Outstanding	<b>21.20</b>	1.20
<b>Sh. Ashish Bagrodia</b>		
Remuneration	<b>39.51</b>	32.05
Commission	<b>28.84</b>	Nil
Balance Outstanding	<b>21.69</b>	2.18
<b>Sh. Manish Bagrodia</b>		
Director Sitting Fees	<b>0.15</b>	0.25
<b>Ms. Sonal Ghanshyam Wadhwa</b>		
Management Fee	<b>2.8</b>	2.58
<b>Starpoint Financial Services (P) Ltd</b>		
Rent Paid	<b>24.96</b>	27.19

Note: Chairman and Managing Director have given guarantees to secured lenders against loans taken by the Company (Refer notes of Note 4 & 8)

**27.13 Earnings per share**

Basis for calculation of basic and diluted Earning Per Share is as under:

**(Rs. In lacs)**

<b>Particulars</b>	<b>2013-14</b>	<b>2012-13</b>
Net Profit/(Loss) attributable to Equity Shareholders (Rs. in lacs)	<b>1811.18</b>	1519.77
Weighted average number of equity shares	<b>19820000</b>	19820000
Nominal Value per equity share (Rs.)	<b>10.00</b>	10.00
Basic EPS (Rs.)	<b>9.14</b>	7.67
Diluted EPS (Rs.)	<b>9.14</b>	7.67

**27.14** Accounting Policies and other notes on accounts are set out in the financial statements of the Company.

**27.15** Figures for the previous year have been re-grouped/recast where ever necessary to make them comparable with those of current year.

**As per our report of even date  
For LODHA & CO.  
Chartered Accountants  
Firm Registration No. 301051E**

**For & On Behalf of Board of Directors**

N.K. Lodha  
Partner  
M No. 85155

Sourabh Gupta  
Company Secretary

Ashish Bagrodia  
Managing Director

Satish Bagrodia  
Chairman

Directors : Chandra Mohan  
Amrit Lal Batra  
Satish Girotra

Sanjay Kedia  
Chief Financial Officer

PLACE : Chandigarh  
DATED : 28.05.2014



Winsome Textile Industries Limited

Registered office : 1, Industrial Area, Baddi, Distt. Solan (H.P) 173205, CIN : L17115HP1980PLC005647, Phone : 01795-244045, Fax : 01795-244287, E- mail : cswtil@winsomergroup.com, website : www.winsomergroup.com

Proxy Form

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

Name of the Member(s) : .....

Registered address : .....

Email Id : .....

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

I/We, being the member(s) of ..... shares of the above named Company , hereby appoint

1. Name:.....Email: .....

Address: .....

Signature:\_\_\_\_\_ or failing him / her

2. Name:.....Email: .....

Address: .....

Signature:\_\_\_\_\_ or failing him / her

3. Name:.....Email: .....

Address: .....

Signature:\_\_\_\_\_ or failing him / her

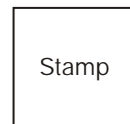
As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company, to be held on Monday, the 29th day of September, 2014 at 10:00 A.M. at regd. office of the Company at 1, Industrial Area, Baddi, Distt. Solan, Himachal Pradesh and at any adjournment thereof in respect of such resolutions as are indicated below :-

S. No.	Resolutions	For	Against
Ordinary Business			
1	Adoption of Statement of Profit & Loss Account, Balance Sheet, Report of Board of Directors and Auditors for the year ended March 31, 2014.		
2	Re-appointment of Shri Ashish Bagrodia who retires by rotation.		
3	Re-appointment of Statutory Auditors of the Company.		
Special Business			
4	Appointment of Shri Satish Girotra as an Independent Director.		
5	Appointment of Shri Chandra Mohan as an Independent Director.		
6	Appointment of Shri Amrit Lal Batra as an Independent Director.		
7	Ratification of remuneration of Cost Auditors.		
8	Alteration of Articles of Association.		
9	To make office of Managing Director liable to retire by rotation.		
10	To make office of Chairman & Whole Time Director liable to retire by rotation.		

Signed this ..... day of ..... 2014.

.....  
Signature of Shareholder

.....  
Signature of proxy holder(s)



Note :

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



**WINSOME TEXTILE INDUSTRIES LIMITED**

Registered office : 1, Industrial Area, Baddi, Distt. Solan (H.P.) 173205

CIN : L17115HP1980PLC005647

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

Website : www.winsomegroup.com

E- mail : cswtil@winsomegroup.com

Please complete the Attendance Slip and hand it over to the authorized 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 shareholders)

I hereby record my presence at the 33rd ANNUAL GENERAL MEETING of the Company being held on Monday the 29th September 2014 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.**



**RADHA MADHAV MANDIR** at Winsome Textile Industries Limited, Baddi (HP)

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

Japnika - 98155 59966