

**29th
Annual Report
2018-19**



Winsome Yarns Limited

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri Manish Bagrodia
Mrs. Mridula Goyal
Shri Mukhtar Singh
Shri Tilak Raj Dembla

Chairman and Managing Director
Non-Independent Director
Independent Director
Independent Director

CHIEF FINANCIAL OFFICER

Shri Anand Balkishan Sharma

G.M. (LEGAL) & COMPANY SECRETARY

Shri Khushvinder Singhal

REGISTERED OFFICE

WINSOME YARNS LIMITED
SCO- 191-192, Sector 34-A
Chandigarh – 160022

AUDITORS

M/s Khandelia and Sharma
Chartered Accountants
407, South-Ext. Plaza-II
South Extension-2, New Delhi-110049

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Pvt. Limited
Noble Heights, 1st Floor, Plot NH 2
C-1 Block LSC, Near Savitri Market
Janakpuri, New Delhi - 110058

CORPORATE IDENTITY NO. (CIN)

L17115CH1990PLC010566

ISIN (EQUITY SHARE)

INE784B01035

PERMANENT ACCOUNT NO. (PAN)

AAACW1911H

BSE SECURITY CODE : 514348
NSE SYMBOL : WINSOME

GST NO.- (CHANDIGARH) : 04AAACW1911H2ZR
GST NO.- (PUNJAB) : 03AAACW1911H1ZU
GST NO.- (TAMILNADU) : 33AAACW1911H1ZR

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WINSOME YARNS LIMITED

CIN : L17115CH1990PLC010566

Regd. Office : SCO 191-192, Sector 34-A, Chandigarh-160022

Phone No. : 0172-4612000, 2603966, 2662232, Fax No. 0172-4614000

E-mail : cshare@winsomergroup.com**NOTICE**

NOTICE is hereby given that the 29th Annual General Meeting of the Members of Winsome Yarns Limited, will be held on Saturday, the 14th day of September, 2019 at 11.45 a.m. at PHD Chamber of Commerce and Industry, Regional Office, PHD House, Sector 31-A, Chandigarh to transact the following business:

ORDINARY BUSINESS:**ITEM NO. 1**

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2019 together with the Reports of the Board of Directors and Auditors thereon.

ITEM NO. 2

To appoint a Director in place of Shri Manish Bagrodia (DIN. 00046944), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

ITEM NO. 3

To reappoint Statutory Auditors of the Company and fix their remuneration, and in this regard 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 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) as may be applicable and pursuant to the recommendations of the Board of the Company, M/s. Khandelwa and Sharma, Chartered Accountants (FRN-510525C), having its office at 407, South-Ext. Plaza-II, South Extension-2, New Delhi-110049 be reappointed as statutory auditors of the Company for a period of four years, to hold office from the conclusion of this 29th Annual General Meeting (AGM) until the conclusion of the 33rd AGM at a remuneration to be decided by the Chairman and Managing Director of the Company in consultation with the Auditors plus applicable service tax and reimbursement of out of pocket expenses incurred by them for the purpose of audit."

SPECIAL BUSINESS:**ITEM NO. 4**

To appoint M/s. Satish Dhingra & Company as Cost Auditor of the Company and to fix their remuneration and in this regard 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), and final policy of the Central Government on the subject, M/s Satish Dhingra & Company, Cost Accountants, (Firm registration number 102460), Panchkula, Haryana, be and are hereby appointed as Cost Auditor of the Company to conduct the audit of cost accounts for the financial year 2019-20.

RESOLVED FURTHER THAT pursuant to provisions of section 148(3) of the Companies Act, 2013 and Rules made thereunder, approval of the shareholders be and is hereby accorded for the remuneration of Rs. 75000/- (Rupees Seventy five thousand only) plus taxes and out-of pocket expenses payable to M/s Satish Dhingra & Company, Cost Accountants, appointed by the Board of Directors as cost auditor of the Company for the financial year 2019-20."

ITEM NO. 5

To re-appoint Mr. Manish Bagrodia as Managing Director and to fix his remuneration and to consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Shri Manish Bagrodia (DIN: 00046944) as Chairman and Managing Director of the Company, for a period of 5 (five) years with effect from July 1, 2019 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with

liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and/ or remuneration as it may deem fit and as may be acceptable to Shri Manish Bagrodia, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

FURTHER 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 Mr. Manish Bagrodia, Chairman and Managing Director of the Company shall henceforth be made liable to retire by rotation and the reappointment of Managing Director as such Director of the Company on retirement by rotation shall not be deemed to constitute a break in his office of the Managing Director.

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

ITEM NO. 6

To appoint Mrs. Mridula Goyal (DIN:08354018) as Non-Independent Woman Director of the Company and to consider and if thought fit, to pass, with or without modification(s), if any, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 160 and any other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013, the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Mridula Goyal (DIN:08354018), who was appointed as an Additional Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director be and is hereby appointed as Non-Independent Woman Director of the Company liable to retire by rotation.”

ITEM NO. 7

To appoint Mr. Tilak Raj Dembla (DIN:02605451) as Independent Director of the Company and to consider and if thought fit, to pass, with or without modification(s), if any, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 160 and any other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013, the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Tilak Raj Dembla (DIN:02605451), who was appointed as an Additional Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as Independent Director of the Company not liable to retire by rotation for a term of consecutive five years starting from the date of 29th Annual General Meeting to the conclusion of 34th Annual General Meeting of the Company.”

ITEM NO. 8

To appoint Mr. Mukhtar Singh (DIN:06525800) as Independent Director of the Company and to consider and if thought fit, to pass, with or without modification(s), if any, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 160 and any other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013, the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Mukhtar Singh (DIN:06525800), who was appointed as an Additional Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as Independent Director of the Company not liable to retire by rotation for a term of consecutive five years starting from the date of 29th Annual General Meeting to the conclusion of 34th Annual General Meeting of the Company.”

For and on behalf of the Board

Place : Chandigarh
Dated : 12.08.2019

Manish Bagrodia
Chairman & Managing Director

NOTES :

1. **Members who are holding the shares in demat form and not registered their PAN, Bank details and e-mail address so far are requested to register their PAN, Bank details and e-mail address with the Depository Participants (DP) where they are maintaining their demat account(s). Further the members who are holding the shares in physical form are requested to transfer their physical shares in demat account as soon as possible. The transfer of physical shares shall not be entertained (except transmission or transposition) after 5th December, 2018 as per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018.**

2. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.
3. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
4. 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 carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
5. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
6. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
7. 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 Company/ RTA.
8. M/s Link Intime India Pvt. Limited, Noble Heights, 1st Floor, Plot NH 2, C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi - 110058 (Tele. 011-41410592-94, Fax No. 011-41410591) is acting as common agency for dematerialisation and physical transfer of shares of the Company.
9. The notice of AGM along with Annual Report is being sent by electronic mode to those members whose valid e-mail addresses are registered with the Company/Depositories, unless any member has requested for a physical copy of the same. The members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
10. Item No. 2 - Shri Manish Bagrodia aged about 51 years is M.Com, Diploma in Computer Applications having around 31 years of experience in Textile Industry. He is holding 52040 shares of the company. Presently, he is Chairman and Managing Director of Winsome Yarns Limited, and Directors of Winsome Yarns (Cyprus) Limited, IDS Infotech (UK) Limited and Confederation of Indian Textile Industry. He is also member of Audit Committee and Stakeholders Relationship Committee and Chairman of Risk Management Committee of Winsome Yarns Limited.
11. A Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business is annexed hereto.
12. The Register of Members and Share Transfer Books of the Company will remain closed on **03.09.2019 to 05.09.2019** (both days inclusive).

Remote e-voting Procedure

13. The instructions for shareholders voting electronically are as under:
 - (i) The remote E-voting period begins on **11.09.2019 at 9.00 a.m.** IST and ends on **13.09.2019 at 5.00p.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 (**07.09.2019**), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com
 - (iii) Click on "Shareholders/ Members" tab.
 - (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (vii) If you are a first time user follow the steps given below:

The shareholders should log on to the e-voting website www.evotingindia.com

	For Members holding shares in Demat Form and Physical Form
PASSWORD	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on the Covering Letter in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details or Date of Birth/ Date of Incorporation	Enter the Bank Details or Date of Birth/ Date of Incorporation in dd/mm/yyyy format as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If the details are not recorded with the depository or company, please enter the member id/ folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the **EVSN of Winsome Yarns Limited** on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance User should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked on the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Mr. Girish Madan, Practising Company Secretary (Membership No. FCS 5017), proprietor of M/s. Girish Madan and Associates has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses 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.

The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website and on the website of CDSL within prescribed time limit from passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and the National Stock Exchange of India Limited.

THE EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 3

To reappoint M/s. Khandelia and Sharma, Chartered Accountants (FRN- 510525C), as Statutory Auditors of the Company.

M/s. Khandelia and Sharma, Chartered Accountants were appointed as statutory auditors of the Company at 28th AGM held on 28th September 2018 for a period of one year.

The Board further approached to M/s Khandelia and Sharma, Chartered Accountants, (FRN- 510525C), New Delhi to be appointed as Statutory Auditors of the Company. The Firm M/s. Khandelia and Sharma, having its office at 407, South-Ext. Plaza-II, South Extension-2, New Delhi-110049 and possessing more then 28 years of experience in the field of auditing & management services, business advisory and corporate legal services, agreed to be Statutory Auditors of the Company for a period of four years and submitted their consent to the Board of Directors in this regard.

The Board of Directors of the Company recommended to appoint M/s. Khandelia and Sharma, Chartered Accountants as Statutory Auditors of the Company for a period of four years from the conclusion of 29th Annual General Meeting till the conclusion of 33rd Annual General Meeting of the Company, subject to the approval of shareholders of the Company at ensuing Annual General Meeting of the Company.

Accordingly, M/s. Khandelia and Sharma, Chartered Accountants are proposed to be appointed as statutory auditors of the company for a period of four years, commencing from the conclusion of 29th AGM till the conclusion of the 33rd AGM. The Board recommends this resolution for approval of the shareholders. None of the Directors, Key Managerial Personnel or their relatives is interested in this resolution.

ITEM NO. 4

To appoint M/s Satish Dhingra and Company as Cost Auditor of the Company.

The Board of Directors after considering the recommendations of Audit and Nomination & Remuneration Committees have appointed M/s Satish Dhingra and Company, Cost Accountants, as Cost Auditor of Company for the Financial Year 2019-20 to conduct the Cost Audit of Cost Accounts of the Company on a total remuneration of Rs. 75000/- (Rupees Seventy five thousand only) plus taxes and 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.

The Board recommends this resolution for approval of the shareholders. None of the Directors, Key Managerial Personnel or their relatives is interested in this resolution.

ITEM NO. 5

To reappoint Mr. Manish Bagrodia as Managing Director of the Company for the period from 01.07.2019 to 30.06.2024.

In terms of the provisions of the Companies Act, and the Articles of Association of the Company, the Nomination and Remuneration Committee of the Board and the Board of Directors have, at their meeting held on May 27, 2019, re-appointed Shri Manish Bagrodia as Managing Director of the Company for a further period of five years with effect from July 01, 2019, subject to the approval of shareholders of the Company and other authorities, if required, on the following terms and conditions as set out hereunder:

I. REMUNERATION:

- a) Salary:Rs.3,25,000/- per month in the grade of 3,25,000-25,000-4,50,000.
- b) 1% of Net Profit of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013.
- c) Perquisites:
 - i) **Housing:**
 - (a) Fully furnished residential accommodation. In case, the fully furnished residential accommodation is not provided, H.R.A. As per Company's Rule will be paid.

- (b) Expenses pertaining to gas, electricity, water and other utilities will be borne/reimbursed by the Company.
- ii) **Medical Reimbursement:** Reimbursement of actual medical expenses incurred in India and/or abroad and including hospitalization, nursing home and surgical charges for himself and family along with mediclaim policy premium paid by the company.
- iii) **Leave Travel Concession:** Reimbursement of actual traveling expenses incurred in India and/or Abroad once in a year in respect of himself and family.
- iv) **Club Fees:** Reimbursement of membership fee for clubs including admission and life membership fees.
- v) **Personal Accident Insurance:** Personal Accident Insurance Policy for an amount, the annual premium of which shall not exceed Rs. 10000/- p.a.
- vi) **Contribution to Provident Fund, Superannuation and Annuity Fund:** The Company's contribution to Provident and Superannuation or Annuity Fund as per the rules of the Company applicable to senior executives.
- vii) **Gratuity:** As per rules of the Company applicable to the senior executives, subject to a maximum ceiling as may prescribed in under the payment of Gratuity Act from time to time.
- viii) **Earned Privilege Leave:** As per the rules of the Company subject to the condition that the leave accumulated but not availed of will be allowed to be encashed for 15 days salary for every year completed services at the end of the tenure.
- d) Other Perquisites: Subject to an overall ceiling of remuneration stipulated in Section 197 and 198 of the Companies Act, 2013, other perquisites and/or allowances payable to the Managing Director shall be evaluated, wherever applicable, as per Income Tax Act, 1961 or any rules thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force).

EXPLANATION: Perquisites shall be evaluated as per the Income Tax Rules, wherever applicable and in the absence of any such rules, perquisites shall be evaluated at actual cost.

In case, the Company has no profits or its profits are inadequate, then the remuneration shall be paid to him in accordance with the provisions of the Companies Act, 2013 read with Schedule V of the Act and other applicable provisions.

The Board recommends this resolution for approval of the shareholders. None of the Directors, Key Managerial Personnel or their relatives is interested in this resolution except Shri Manish Bagrodia.

ITEM NO. 6

To appoint Mrs. Mridula Goyal as Non-Independent Director of the Company.

Pursuant to the provisions of regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Companies (Appointment and Qualifications of Directors) and rules thereunder, every listed entity is required to have at least one Women Director on the Board. On the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their meeting held on 08.02.2019 has appointed Mrs. Mridula Goyal (DIN:08354018) as an Additional Director of the Company.

The brief profile of Mrs. Mridula Goyal is given hereunder:-

Name of Director	Mrs. Mridula Goyal
DIN	DIN:08354018
Date of Birth	13.10.1950
Qualifications	M.Sc. (Zoology)
Directorship held in other Companies.	Nil
Membership/ Chairmanship of Committees.	Nil
Shareholding in the Company	Nil

None of the Directors and Key Managerial Personnel of the Company, or their relatives, except Shri Manish Bagrodia is interested in this Resolutions.

The Board recommends this Resolution for approval of the shareholders.

ITEM NO. 7

To appoint Mr. Tilak Raj Dembla as Independent Director of the Company.

Pursuant to the provisions of regulation 17(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Companies (Appointment and Qualifications of Directors) and rules thereunder, where the regular chairperson is a promoter of the listed entity, at least half of the board of directors of the listed entity shall consist of independent directors, who are not liable to retire by rotation. On the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their meeting held on 05.08.2019 has appointed Mr. Tilak Raj

Dembla (DIN:02605451) as an Additional Director of the Company.

Mr. Tilak Raj Dembla has given a declaration to the Board that he meet the criteria of independence as provided under section 149(6) of Companies Act 2013. In the opinion of the Board, the Independent Director 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 the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) and such Director is independent of the management. Besides this, Board also considers that his continued association would be of immense benefit to the Company.

The brief profile of Mr. Tilak Raj Dembla is given hereunder:-

Name of Director	Mr. Tilak Raj Dembla
DIN	DIN:02605451
Date of Birth	26.04.1967
Qualifications	Graduate
Directorship held in other Companies.	Nil
Membership/ Chairmanship of Committees in other Companies.	Nil
Shareholding in the Company	Nil

Mr. Tilak Raj Dembla is interested individually in the Resolutions relating to his appointment. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolutions.

The Board recommends this Resolution for approval of the shareholders.

ITEM NO. 8

To appoint Mr. Mukhtar Singh as Independent Director of the Company.

Pursuant to the provisions of regulation 17(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Companies (Appointment and Qualifications of Directors) and rules thereunder, where the regular chairperson is a promoter of the listed entity, at least half of the board of directors of the listed entity shall consist of independent directors, who are not liable to retire by rotation. On the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their meeting held on 05.08.2019 has appointed Mr. Mukhtar Singh (DIN:06525800) as an Additional Director of the Company.

Mr. Mukhtar Singh has given a declaration to the Board that he meet the criteria of independence as provided under section 149(6) of Companies Act 2013. In the opinion of the Board, the Independent Director 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 the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) and such Director is independent of the management. Besides this, Board also considers that his continued association would be of immense benefit to the Company.

The brief profile of Mr. Mukhtar Singh is given hereunder:-

Name of Director	Mr. Mukhtar Singh
DIN	DIN:06525800
Date of Birth	08.01.1969
Qualifications	Commerce Graduate
Directorship held in other Companies.	Nil
Membership/ Chairmanship of Committees in other Companies.	Nil
Shareholding in the Company	Nil

Mr. Mukhtar Singh is interested individually in the Resolutions relating to his appointment. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolutions.

The Board recommends this Resolution for approval of the shareholders.

For and on behalf of the Board

Place : Chandigarh
Dated : 12.08.2019

Manish Bagrodia
Chairman & Managing Director

DIRECTORS' REPORT

Dear Members,

We are pleased to present the 29th Annual Report of the Company and the audited statement of accounts for the year ended 31st March, 2019. A summary of the financial results is given below.

SUMMARISED FINANCIAL RESULTS:

(Rs. in lakhs)

INCOME	Year Ended 31 March 2019	Year Ended 31 March 2018
Revenue from operations	25025.28	33,305.42
Other income	204.01	182.20
Total Income	25,229.29	33,487.62
EXPENSES		
Cost of material consumed	15,084.57	21,858.25
Purchase of stock-in-trade	22.25	--
Excise duty	--	1.80
Change in inventories of finished goods, work in process and stock in trade	1,178.67	1,095.00
Employees benefit expenses	3354.07	3,523.83
Finance costs	26.27	36.88
Depreciation and amortisation	1,609.55	1,706.93
Other expenses	6,439.66	7,356.35
Total Expense	27,715.04	35,579.04
Loss before exceptional items and tax	(2,485.75)	(2,091.42)
Less: Exceptional items	(9016.05)	296.64
Loss before tax	(11,501.80)	(1,794.78)
Less/(-Add): Tax expense	--	--
Current tax	--	--
Deferred tax	--	--
Loss after tax	(11,501.80)	(1,794.78)
Other comprehensive income	14.79	12.87
Total Comprehensive Income	(11,487.01)	(1,781.91)

OPERATIONS & PERFORMANCE:

During the year under review, the Company's operations continued to be affected due to lack of sufficient working capital funds required for operations resulting in lower capacity utilisation and the gross margins have suffered due to high input costs as the Company is not able to negotiate fine pricing with its suppliers. Furthermore, the constraints of funds have effected Company's plans to undertake debottlenecking and regular capital expenditure as per industry norms and needed for proper maintenance and upkeep of its plant, machinery and equipment.

During the year ended 31.03.2019, the Company incurred a loss of Rs. 11,487.01 lakhs in comparison to the loss of Rs. 1781.91 lakhs for the previous year ended 31.03.2018. Your Company's turnover of Rs. 25229.29 lakhs was lower against the previous year turnover of Rs. 33487.62 lakhs for the aforementioned reasons. The Company has since undertaken manufacturing for third parties on job work basis, which contributes towards fixed costs of the Company.

DEBT RESTRUCTURING:

The Company's borrowings from secured lenders exceeding 83% of amount have since been assigned by the lending banks to Edelweiss Asset Reconstruction Company Limited (EARC), and the Company is in discussions with the Edelweiss Asset Reconstruction Company Limited for a structured payment plan of its dues, which on approval, will be binding on all lenders.

Edelweiss Asset Reconstruction Company Limited (EARC) has since filed an Application under Insolvency and Bankruptcy Code, 2016 (IBC), for initiating insolvency against the Company, and also Original Applications have been filed by lenders