ANNUAL REPORT 2025-26
WINSOME YARNS LIMITED

INDEX

CORPORATE INFORMATION

Board of Directors	**Executive Directors**	Mr. Manish Bagrodia (Upto 10.07.2026) Mr. Vipan Kumar (w.e.f. June 23, 2026)
	Independent Directors	Mr. Rajiv Chadha (Upto 06.06.2026) Mr. Pankaj Mahajan (Upto 06.06.2026) Mr. Mahesh Fogla (w.e.f. June 23, 2026) Mr. Sanjeev Khubchand Nahar (w.e.f. June 23, 2026) Mr. Bibhudutta Satpathy (w.e.f. June 23, 2026)
	Non-Executive Directors	Mr. Avnish Bansal (w.e.f. June 23, 2026) Mrs. Parul Bansal (w.e.f. June 23, 2026)
Committee	**Nomination and Remuneration Committee**	Mr. Mahesh Fogla (w.e.f. July 16, 2026) (Member) Mr. Sanjeev Khubchand Nahar (w.e.f. July 16, 2026) (Chairperson) Mr. Bibhudutta Satpathy (w.e.f. July 16, 2026) (Member) Mr. Avnish Bansal (w.e.f. July 16, 2026) (Member)
	Audit Committee	Mr. Mahesh Fogla (w.e.f. July 16, 2026) (Chairperson) Mr. Sanjeev Khubchand Nahar (w.e.f. July 16, 2026) (Member) Mr. Bibhudutta Satpathy (w.e.f. July 16, 2026) (Member) Mr. Avnish Bansal (w.e.f. July 16, 2026) (Member)
	Stakeholders Relationship Committee	Mr. Mahesh Fogla (w.e.f. July 16, 2026) (Member) Mr. Sanjeev Khubchand Nahar (w.e.f. July 16, 2026) (Chairperson) Mr. Avnish Bansal (w.e.f. July 16, 2026) (Member)
	Risk Management Committee	Mr. Vipan Kumar (w.e.f. July 16, 2026) (Member) Mr. Sanjeev Khubchand Nahar (w.e.f. July 16, 2026) (Chairperson) Mr. Avnish Bansal (w.e.f. July 16, 2026) (Member)
Key Managerial Personnel		Mr. Sanjay Sharma (CFO) Ms. Riya Pawar (Company Secretary & Compliance Officer)
	Statutory Auditor	M/s Dhana & Associates (Formerly Khandelia & Sharma) Practising Chartered Accountants (Firm Registration No. 510525C)
	Registrar And Share Transfer Agent	M/s MUFG Intime India Pvt. Ltd A - 40, 2nd Floor, Naraina Industrial Area, Phase - II, Near Batra Banquet Hall,New Delhi,Delhi,110028
	Secretarial Auditor	M/s Girish Madan Practicing Company Secretary (Certificate of Practice: 3577)
	Internal Auditor	M/s Ashok Chhajed & Associates Practising Chartered Accountants

WINSOME YARNS LIMITED
Regd. Office : Basement, SCO. 13-14-15, Sector 34-A, Chandigarh-160022 (India)
CIN : L17115CH1990PLC010566
Tele : +91-172-4612000, 4613000, Fax : +91-172-4614000
website : winsomeyarns.com, Email : winsomeyarnslimited@gmail.com

NOTICE

Notice is hereby given that Thirty Fifth (36th) Annual General Meeting of M/s. Winsome Yarns Limited (CIN:L17115CH1990PLC010566) will be held on Monday, September 28, 2026 at 01:00 P.M. through Audio Visual means deemed place of the meeting will be at the registered office of the Company situated at Basement, SCO. 13-14-15, Sector 34-A, Chandigarh-160022 (India) to transact the following business:

ORDINARY BUSINESS:

Item No. 1

To receive, consider and adopt the Annual Audited Financial Statements of the Company for the Financial Year ended March 31, 2026 together with the Reports of the Board of Directors and Auditors thereon:

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

"**RESOLVED THAT** the Audited Financial Statements of the Company for the financial year ended March 31, 2026, together with the Reports of the Board of Directors and the Auditors thereon, laid before this Meeting, be and are hereby received, considered and adopted."

SPECIAL BUSINESS:

Item No. 2

To approve regularization of Additional Director Mr. Vipan Kumar (DIN: 11551026) as a Managing Director of the Company:

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160, 161, 196, 197, 203 and any other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with Schedule V and the Companies (Appointment and Qualification of Directors) Rules, 2014 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), and any other applicable provision(s) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), and all other statutory approvals, as may be required, and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the consent of the Members of the Company be and is hereby accorded to the appointment of Mr. Vipan Kumar (DIN: 11551026), who was appointed as an Additional Director designated as Managing Director of the Company by the Monitoring Committee (being committee constituted post approval of resolution plan) with effect from June 23, 2026, pursuant to Section 161(1) of the Act, and who holds office up to the date of this Annual General Meeting or within three months from the date of his appointment, as a Director of the Company, designated as Managing Director of the Company (Executive), liable to retire by rotation, for a period of 3 years with effect from August 29, 2026 up to August 28, 2031, on such remuneration and terms and conditions as set out in the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER THAT he may be paid remuneration of upto Rs. 48 lacs per annum excluding of perquisites, benefits, incentives and allowances for a period of three years from August 29, 2026 to August 28, 2031 and on such terms and condition of the said appointment from time to time within Schedule V of Companies Act, 2013 and any other amendments thereto or enactment thereof.

RESOLVED FURTHER THAT the consent to act as a Director of the Company received from Mr. Vipan Kumar (DIN: 11551026) in Form DIR-2, along with the declaration in Form DIR-8, be and is hereby noted.

RESOLVED FURTHER THAT where in any financial year during the tenure of Mr. Vipan Kumar, the Company has no profits or its profits are inadequate, the remuneration shall be paid to him as minimum remuneration in accordance with the provisions of Part II of Schedule V of the Act, subject to such approvals as may be required, and as may be determined by the Board of Directors/Nomination & Remuneration Committee after assessing the Company's performance.

RESOLVED FURTHER THAT Mr. Vipan Kumar (DIN: 11551026) be paid
a. Basic Salary of upto Rs. 48,00,000 per annum subject to revision every year by an increment not exceeding 10% as may be determined by the Board / Chairman
b. Perquisites:-
i. Housing :- As applicable
ii. Provident Fund – As applicable
iii. Superannuation – As applicable
iv. Gratuity – As applicable
v. Insurance – As applicable
vi. Mediclaim:- As per rules applicable to Managing Director grade of the Company.
vii. Leave:- Leave will full salary as per the rules of the Company but not exceeding 30 days leave for every completed year of service. Leave accumulated but not availed may be encashed as per the rules of the Company.
viii. Car:- As applicable if Company maintained cars with driver will be provided. All the expenses for maintenance and running of the car including salary of the driver to be borne by the Company. All expenses of car for private purposes will be reimbursed to the Company at actuals.
ix. Telephone: - Reimbursement of expenses at actuals.
x. Reimbursement of expenses, incurred by him on account of business of the company in accordance with the Company's policy
xi. Reimbursement of any other expenses properly incurred by him in accordance with the policies of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee constituted by the Board to exercise its powers, including the powers conferred by this Resolution) be and is hereby authorized to alter and vary the terms and conditions of the said appointment and/or remuneration, subject to the same not exceeding the limits specified under Schedule V to the Act, or any statutory modification(s) or re-enactment thereof for the time being in force.

RESOLVED FURTHER THAT any Director of the Company or the Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters and things and to execute all such documents, as may be necessary, proper, desirable or expedient to give effect to this resolution, including filing of necessary forms and intimations with the Registrar of Companies and other concerned authorities as may be required."

Item No. 3

To approve regularization of Additional Director Mr. Avnish Bansal (DIN: 02666814) as a Non-executive Chairman and Non-independent Director of the Company:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160, 161and any other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with Schedule V and the Companies (Appointment and Qualification of Directors) Rules, 2014 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), Regulation 16(1)(b), 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and all other statutory approvals, as may be required, and based on the recommendation of the Monitoring Committee (being committee constituted post approval of resolution plan), the consent of the Members of the Company be and are hereby accorded to the appointment of Mr. Avnish Bansal (DIN: 02666814), who was appointed as an Additional Director (Non-executive) of the Company by the Board of Directors with effect from June 23, 2026 pursuant to Section 161(1) of the Act, and who holds office up to the date of this Annual General Meeting within three months from the date of his appointment whichever is earlier, as a Non-executive Director & Chairman of the Company and that he shall be liable to retire by rotation.

RESOLVED FURTHER THAT the consent to act as a Director of the Company received from Mr. Avnish Bansal (DIN: 02666814), in Form DIR-2, along with the declaration in Form DIR-8, be and is hereby noted.

RESOLVED FURTHER THAT any Director of the Company or the Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters and things and to execute all such documents, as may be necessary, proper, desirable or expedient to give effect to this resolution, including filing of necessary forms and intimations with the Registrar of Companies and other concerned authorities as may be required."

Item No. 4

To approve regularization of Additional Director Mrs. Parul Bansal (DIN: 06856466) as a Women Non-executive and Non-independent Director of the Company:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160, 161and any other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with Schedule V and the Companies (Appointment and Qualification of Directors) Rules, 2014 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), Regulation 16(1)(b), 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and all other statutory approvals, as may be required, and based on the recommendation of the Monitoring Committee (being committee constituted post approval of resolution plan), the consent of the Members of the Company be and are hereby accorded to the appointment of Mrs. Parul Bansal (DIN: 06856466), who was appointed as an Additional Director (Non-executive) of the Company by the Board of Directors with effect from June 23, 2026 pursuant to Section 161(1) of the Act, and who holds office up to the date of this Annual General Meeting within three months from the date of her appointment whichever is earlier, as a Non-executive Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT the consent to act as a Director of the Company received from Mrs. Parul Bansal (DIN: 06856466), in Form DIR-2, along with the declaration in Form DIR-8, be and is hereby noted.

RESOLVED FURTHER THAT any Director of the Company or the Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters and things and to execute all such documents, as may be necessary, proper, desirable or expedient to give effect to this resolution, including filing of necessary forms and intimations with the Registrar of Companies and other concerned authorities as may be required."

Item No. 5

To approve regularization of Additional Director Mr. Mahesh Fogla (DIN: 05157688) as a Non-executive and Independent Director of the Company:

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

"RESOLVED THAT Mr. Mahesh Fogla (DIN: 05157688), who was appointed as an Additional Director (Non-executive Independent Director) of the Company with effect from June 23, 2026, pursuant to the Articles of Association of the Company and based on the approvals and recommendations Monitoring Committee (being Committee constituted post approval of Resolution Plan)), and who holds office up to the date of this General Meeting under Section 161(1) of the Companies Act, 2013 ("the Act"), is eligible for appointment as a Director of the Company and be and is hereby appointed as an Independent Director of the Company with the approval of the members of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014, and Regulation 17(1C) and Regulation 25(2A) of the SEBI Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and any other applicable provisions of the Listing Regulations, Mr. Mahesh Fogla (DIN: 05157688), who meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible to be appointed as Independent Director of the Company, be and is hereby appointed as Independent Director of the Company for a term of five years commencing June 23, 2026 and that he is not eligible to retire by rotation.

RESOLVED FURTHER THAT the consent to act as a Director of the Company received from Mr. Mahesh Fogla (DIN: 05157688), in Form DIR-2, along with the declaration in Form DIR-8, be and is hereby noted.

RESOLVED FURTHER THAT any Director of the Company or the Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters and things and to execute all such documents, as may be necessary, proper, desirable or expedient to give effect to this resolution, including filing of necessary forms and intimations with the Registrar of Companies and other concerned authorities as may be required."

Item No. 6 :

To approve regularization of Additional Director Mr. Sanjeev Khubchand Nahar (DIN: 07711548) as a Non-executive and Independent Director of the Company:

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

"RESOLVED THAT Mr. Sanjeev Khubchand Nahar (DIN: 07711548), who was appointed as an Additional Director (Non-executive Independent Director) of the Company with effect from June 23, 2026, pursuant to the Articles of Association of the Company and based on the approvals and recommendations Monitoring Committee (being the Committee constituted), and who holds office up to the date of this General Meeting under Section 161(1) of the Companies Act, 2013 ("the Act"), is eligible for appointment as a Director of the Company and be and is hereby appointed as an Independent Director of the Company with the approval of the members of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014, and Regulation 17(1C) and Regulation 25(2A) of the SEBI Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and any other applicable provisions of SEBI Listing Regulations, Mr. Sanjeev Khubchand Nahar (DIN: 07711548), who meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible to be appointed as Independent Director of the Company, be and is hereby appointed as Independent Director of the Company for a term of five years commencing June 23, 2026 and that he is not eligible to retire by rotation.

RESOLVED FURTHER THAT the consent to act as a Director of the Company received from Mr. Sanjeev Khubchand Nahar (DIN: 07711548), in Form DIR-2, along with the declaration in Form DIR-8, be and is hereby noted.

RESOLVED FURTHER THAT any Director of the Company or the Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters and things and to execute all such documents, as may be necessary, proper, desirable or expedient to give effect to this resolution, including filing of necessary forms and intimations with the Registrar of Companies and other concerned authorities as may be required."

Item No. 7:

To approve regularization of Additional Director Mr. Bibhudutta Satpathy (DIN: 06693401) as a Non-executive and Independent Director of the Company:

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

"RESOLVED THAT Mr. Bibhudutta Satpathy (DIN: 06693401), who was appointed as an Additional Director (Non-executive Independent Director) of the Company with effect from June 23, 2026, pursuant to the Articles of Association of the Company and based on the approvals and recommendations Monitoring Committee (being the Committee constituted post approval of CIRP), and who holds office up to the date of this General Meeting under Section 161(1) of the Companies Act, 2013 ("the Act"), is eligible for appointment as a Director of the Company and be and is hereby appointed as an Independent Director of the Company with the approval of the members of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014, and Regulation 17(1C) and Regulation 25(2A) of the SEBI Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Bibhudutta Satpathy (DIN: 06693401), who meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible to be appointed as Independent Director of the Company, be and is hereby appointed as Independent Director of the Company for a term of five years commencing June 23, 2026 and that he is not eligible to retire by rotation.

RESOLVED FURTHER THAT the consent to act as a Director of the Company received from Mr. Bibhudutta Satpathy (DIN: 06693401), in Form DIR-2, along with the declaration in Form DIR-8, be and is hereby noted.

RESOLVED FURTHER THAT any Director of the Company or the Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters and things and to execute all such documents, as may be necessary, proper, desirable or expedient to give effect to this resolution, including filing of necessary forms and intimations with the Registrar of Companies and other concerned authorities as may be required."

Item No. 8

Increase in borrowing powers of the Board of Directors under Section 180(1)(c) of the Companies Act, 2013

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

"RESOLVED THAT in supersession of the earlier resolution passed by the shareholders of the Company, if any and pursuant to the provisions of 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association ('AOA') of the Company and subject to such other approvals as may be necessary, consent of the members of the Company be and is hereby accorded to the Board (which term shall be deemed to include any committee(s) thereof which the Board may hereinafter constitute to exercise its powers including the powers conferred pursuant to this Resolution') to borrow any sum or sums of money on such terms and conditions as the Board of Directors may think fit, from time to time, by obtaining loans (including term loan), advances, deposits, bill discounting, cash credits, overdraft facilities, lines of credit, commercial papers, convertible/non-convertible debentures, external commercial borrowings (loans/bonds), denominated offshore bonds or in any other forms, from any one or more of the Company's Bankers and/or from any one or more of the other persons, firms, bodies corporate, financial institutions or other eligible investors from time to time whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and properties whether movable or otherwise or all or any of the undertakings of the Company notwithstanding that the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) and outstanding at any point of time will or may exceed the aggregate of the paid-up capital, free reserves and securities premium of the Company provided that the total borrowing shall not exceed Rs. 500 Crores (Rupees Five Hundred Crores Only) or equivalent amount in any other foreign currency over and above aggregate of its paid-up share capital and free reserves and securities premium as per the latest annual audited financial statements, apart from temporary loans obtained from the Company's bankers in the ordinary course of business.

RESOLVED FURTHER THAT the any of Board of Directors of the Company or any committee or any KMPs or any person(s) authorised by the Board be and are hereby authorised to finalise, settle and execute such documents/deeds/writings/papers and agreements as may be required and to take all necessary steps and actions in this regard in order to comply with all the legal and procedural formalities and further to authorise any of its Committee(s)/Director(s) or any Officer(s) of the Company to do all such acts, deeds, filings or things as it may in its absolute discretion deem necessary, proper and fit to give effect to the aforesaid resolution."

Item No. 09

Creation of charge/mortgage/security on the assets of the Company under Section 180(1)(a) of the Companies Act, 2013

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

RESOLVED THAT in supersession of all earlier resolutions passed by the members of the Company in this regard, if any, and pursuant to the provisions of Sections 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force, and the provisions of the Memorandum and Articles of Association of the Company, and subject to such other approvals, consents, sanctions and permissions as may be necessary, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company ("Board", which term shall be deemed to include any Committee thereof and/or any officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution), to borrow from time to time, by way of loans, advances, issuance of debentures, bonds, notes or other securities, whether convertible into equity shares or preference shares or not, or otherwise, from banks, financial institutions, investment institutions, mutual funds, trusteeship companies, trusts, other bodies corporate, investors, lending agencies or any other persons or entities ("Lending Agencies"), on such terms and conditions as the Board may deem fit, such sum or sums of money as may be required for the purposes of the business of the Company, notwithstanding that the monies to be borrowed by the Company, together with the monies already borrowed by the Company, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, may exceed the aggregate of the paid-up share capital of the Company and its free reserves, provided that the total amount so borrowed and outstanding at any time shall not exceed such amount as may be approved by the members of the Company from time to time.

RESOLVED FURTHER THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Act, consent of the members of the Company be and is hereby accorded to the Board to pledge, mortgage, hypothecate and/or charge, create security interest of every nature and kind whatsoever and/or create a floating charge, in such form, manner and ranking and at such time and on such terms and conditions as the Board may determine, on all or any part of the movable and/or immovable properties and assets of the Company, both present and future, including but not limited to its fixed assets, current assets, securities and other investments, intangible properties, rights and benefits under contracts and agreements, monies, long-term receivables, loans and advances made by the Company, and/or the whole or substantially the whole of the undertaking of the Company or any part thereof, wheresoever situated, including any other units, projects, properties or assets acquired or to be acquired and any shares or securities of any company acquired or to be acquired by the Company after the passing of this resolution, in favour of banks, financial institutions, investment institutions, mutual funds, trusteeship companies, trusts, other bodies corporate, investors, Lending Agencies and/or trustees for the holders of debentures, bonds and/or other securities or instruments which may be issued by the Company, whether by way of private placement or otherwise, to secure the due payment of the principal amount together with interest, premium on pre-payment or redemption, costs, charges, expenses and all other monies payable by the Company and/or any third party in respect of borrowings availed from such Lending Agencies or otherwise, provided that the aggregate indebtedness secured by the assets of the Company pursuant to this resolution shall not exceed Rs. 500 Crores (Rupees Five Hundred Crores only) at any point of time.

RESOLVED FURTHER THAT, the securities to be created by the Company as aforesaid may rank prior / pari passu / subservient with / to the mortgages and /or charges already created or to be created in future by the Company or in such other manner and ranking as may be thought expedient by the Board and as may be agreed to between the concerned parties.

RESOLVED FURTHER THAT the any of Board of Directors of the Company or any committee or any KMPs or any person(s) authorised by the Board be and are hereby authorised to finalise, settle and execute such documents/deeds/writings/papers and agreements as may be required and to take all necessary steps and actions in this regard in order to comply with all the legal and procedural formalities and further to authorise any of its Committee(s)/Director(s) or any Officer(s) of the Company to do all such acts, deeds, filings or things as it may in its absolute discretion deem necessary, proper and fit to give effect to the aforesaid resolution."

Item No. 10

To approve of loans, investments, guarantee or security u/s 185 of Companies Act, 2013

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

"RESOLVED THAT, in supersession to the earlier resolution passed and pursuant to Section 185 and all other applicable provisions of the Companies Act, 2013 and Rules made thereunder as amended from time to time, the consent of the members of the Company be and is hereby accorded to ratify the earlier transaction and authorize the Board of Directors of the Company (here in after referred to as the Board, which term shall be deemed to include, unless the context otherwise required, any committee of the Board or any director or officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) to advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any entity which is a subsidiary or associate or joint venture of the company, (in which any director is deemed to be interested) or to Managing Director or Whole time director of the company up to an aggregate sum of Rs.500 crores (Rupees Five Hundred Crores Only) in their absolute discretion deem beneficial and in the interest of the Company, provided that such loans are utilized by the borrowing company for its principal business activities.

RESOLVED FURTHER THAT, for the purpose of giving effect to this resolution the Board of Directors of the Company be and are hereby authorised to do all acts, deeds and things in their absolute discretion that may be considered necessary, proper and expedient or incidental for the purpose of giving effect to this resolution in the interest of the Company."

Item No. 11

To increase the limits for making investments, extending loans, giving guarantees or providing securities in connection with loans to persons or bodies corporate

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

"RESOLVED THAT in supersession to the earlier resolution passed by the members of the Company, if any and pursuant to the provisions of Section 186 of the Companies Act, 2013, read with rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and any other applicable laws and subject to such approvals, consents, sanctions and permissions as may be necessary, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include, unless the context otherwise requires, any committee of the Board or any officer(s) authorized by the Board to exercise the powers conferred on the Board under this resolution), to (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with loan to any person or body corporate; and (c) acquire by way of subscription, purchase or otherwise, securities of any other body corporate, from time to time, in one or more tranches as the Board of Directors in their absolute discretion deem beneficial and in the interest of the Company, subject however that the aggregate of the loans and investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or body corporates along with the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company, from time to time, in future, shall not exceed a sum of Rs. 500 crores (Rupees Five Hundred Crores Only), over and above the limit of 60% of the paid-up share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more, as prescribed under Section 186 of the Companies Act, 2013;

RESOLVED FURTHER THAT the Board and/ or any Director of the Company and / or Company Secretary of the Company, jointly or severally, be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary or expedient and to settle any questions, difficulty or doubts that may arise in this regard."

Item No. 12

To approve Omnibus Related Party Transactions ~~.~~

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

"RESOLVED THAT pursuant to the provisions of Section 2(76), 177, 188 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulation 2(1)(zc), Regulation 23(4) and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, other applicable laws, if any, (including any statutory modification thereof, for the time being in force), as amended from time to time, and any other applicable provisions including any statutory modifications and amendments to each of the foregoing, and applicable notifications, clarifications, circulars, rules and regulations issued by Central Government or any governmental or statutory authorities, including such conditions and modification as may be prescribed or imposed while granting such approvals, consents, permissions, the Company's policy on related party transactions and pursuant to the approval of the Audit Committee and the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any committee constituted / to be constituted by the Board), the approval of the members be and is hereby accorded to the Company to enter / continue to enter into material Related Party Transaction(s) / Contract(s) / Arrangement(s) / Agreement(s) (whether by way of an individual transaction or transaction taken together or series of transactions or otherwise) including material modifications thereof, with entities falling within the definition of 'Related Parties' under section 2(76) of the Act and Regulation 2(1) (zb) of the Listing Regulations from the Financial Year 2026-27 and upto the next AGM upto the maximum amount as per details provided hereunder, on such terms and conditions as may be mutually agreed upon between the Company and the related party(ies):

MAXIMUM VALUE PER EACH TYPE OF CONTRACT/TRANSACTION/ARRANGEMENT:

S.no	Name of the Related Parties	Nature of Transactions	Amount (Rs. in Crores)
1.	Proposed holding Company (Dhananya Capital Private Limited)	grant a business advance/loan and/or inter-corporate deposit/sale/purchase or any other transactions	300
2.	Ultimate Holding Company (Mohini Health & Hygiene Limited)	grant a business advance/loan and/or inter-corporate	200

		deposit/sale/purchase or any other transactions	
3.	Promoter of Holding Company (Zenith Infra LLP)	grant a business advance/loan and/or inter-corporate deposit/sale/purchase or any other transactions	25

RESOLVED FURTHER THAT the Board of Directors (including the Audit and Compliance Committee of the Company and /or any duly constituted / to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) of the Company be and is hereby authorized to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties that may arise with regard to any transaction with the related party and execute such agreements, documents and writings and to make such filings as may be necessary or desirable for giving effect to this resolution, in the best interest of the Company.

RESOLVED FURTHER THAT the Board of Directors and/or Company Secretary be and are hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors or to any Director or any other officer(s) of the Company as it may consider appropriate in order to give effect to this resolution;

RESOLVED FURTHER THAT all actions taken by the Board of Directors in connection with any matter referred to or contemplated in respect of the aforesaid resolution be and are hereby approved, ratified and confirmed in all respects.

Item No. 13

Appointment of Ms. Pooja Garg to an office or place of profit

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

"RESOLVED THAT pursuant to the provisions of Section 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subject to such other approvals, permissions and sanctions as may be necessary, the consent of the members of the Company be and is hereby accorded to the appointment of Mrs. Pooja Garg, (spouse/relative of Mr. Vipan Kumar, Additional Director), to the office or place of profit as Information technology Head of the Company with effect from 29th August,2026 on a remuneration/consolidated compensation not exceeding Rs. 2,00,000 per Month (plus applicable perquisites/benefits as per Company policy), on such other terms and conditions as may be determined by the Board (or a Committee thereof) from time to time.

RESOLVED FURTHER THAT the Board of directors of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things, as may be considered necessary, proper or desirable for the purpose of giving effect to the above Resolution including filing of returns with any authority."

Item No. 14

Adoption of amended Memorandum of Association of the Company

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

"RESOLVED THAT pursuant to the provisions of Section 4, Section 13 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with the Companies (Incorporation) Rules, 2014, and subject to such other approvals, permissions and sanctions as may be necessary, the consent of the members of the Company be and is hereby accorded to substitute the existing Memorandum of Association of the Company, which was framed in terms of the provisions of the Companies Act, 1956, with a new set of Memorandum of Association as per Table A of Companies Act, 2013, in substitution for, and to the exclusion of, the existing Memorandum of Association of the Company, with effect from the date of this meeting or such other date as may be determined by the Board.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to file the requisite forms with the Registrar of Companies and to take all such steps and do all such acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this resolution, including settling any question, difficulty or doubt that may arise in this regard.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised on behalf of the Company to sign and execute all such applications, forms and documents as required, and to do all such acts, deeds, matters and things as may be necessary and to settle any questions, difficulties, or doubts that may arise in this regard, and to accede to such modification to the aforementioned resolution as may be suggested by the Registrar of Companies or such other authorities arising from or incidental to the said amendment without requiring the Board to secure any further consent or approval of the Members of the Company."

Item No. 15

Adoption of new set of Articles of Association of the Company

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

"RESOLVED THAT pursuant to provision of Section 5, 14 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Incorporation) Rules, 2014, (including any statutory modification(s) or reenactment thereof for the time being in force), applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and subject to such other necessary statutory approvals and modifications if any, on the recommendation of Board of Directors of the Company, the approval of the members of the Company be and is hereby accorded to adopt new set of Articles of Association of the Company as per Table F of Companies Act, 2013 in substitution for and to the entire exclusion of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company, (which term shall unless repugnant to the context or meaning thereof, be deemed to include any Committee thereof and any person authorised by the Board in this behalf) be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper, expedient or desirable for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised on behalf of the Company to sign and execute all such applications, forms and documents as required, and to do all such acts, deeds, matters and things as may be necessary and to settle any questions, difficulties, or doubts that may arise in this regard, and to accede to such modification to the aforementioned resolution as may be suggested by the Registrar of Companies or such other authorities arising from or incidental to the said amendment without requiring the Board to secure any further consent or approval of the Members of the Company."

Item No. 16

Alteration of objects clause of Memorandum of Association of the Company

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

"RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and any other applicable laws for the time being in force and such other approvals, permissions and sanctions, as may be necessary, approval be and is hereby accorded for alteration, substitution, consolidation and addition in the Objects Clause (Clause III) of Memorandum of Association of the Company as detailed below:-

Alteration in Clause III (A) (2):

To acquire by purchase, lease, exchange, hire, licence, concession or otherwise, any land, buildings, hereditaments, immovable properties of every description and tenure, and any estate, right, title or interest therein, and to hold, own, develop, redevelop, improve, manage, operate, maintain, exploit, mortgage, licence, lease, sub-lease, let out, transfer, assign, exchange, sell or otherwise dispose of the same, or any part thereof, in such manner as may be considered expedient. To prepare, develop and improve building sites and to construct, reconstruct, alter, renovate, modernise, improve, decorate, furnish, equip, maintain, manage and operate residential, commercial, industrial, institutional, hospitality and mixed-use projects, including but not limited to hotels, inns, guest houses, serviced apartments, flats, residential houses, villas, restaurants, markets, shopping malls, retail outlets, multiplexes, office complexes, business parks, industrial parks, warehouses, logistics parks, cold storages, factories, mills, workshops, godowns, wharves, safe deposit vaults, hospitals, educational institutions, convention centres, clubs, gardens, swimming pools, playgrounds and other buildings, structures, works and conveniences of every kind. To purchase, acquire, take on lease or otherwise obtain any land, plot or immovable property or any right, title or interest therein, either independently or jointly with any individual, company, body corporate, limited liability partnership, partnership firm, trust, association, joint venture, joint association or any other legal entity, and to develop, construct, redevelop, reconstruct, renovate, market, sell, lease, licence, rent, operate or otherwise commercially exploit residential, commercial, industrial, township, infrastructure or mixed-use projects thereon, including apartments, offices, retail spaces, industrial units, warehouses and other built-up areas, either for sale, self-use, leasing, licensing or earning rental or other recurring income. To act as builders, developers, promoters, colonisers, infrastructure developers, contractors, sub-contractors, engineering procurement and construction (EPC) contractors, project management consultants, architects, engineers, interior decorators, estate agents, property managers, valuers, surveyors and consultants, and to undertake, execute and carry out contracts and sub-contracts for Government, Semi-Government, statutory authorities, local bodies, public sector undertakings, private entities or any other person in relation to the aforesaid objects.

RESOLVED FURTHER THAT any of the Directors of the Company or the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

Item No. 17

Shifting of the Registered Office of the Company from the Union Territory of Chandigarh to the State of Punjab and consequent alteration of the Memorandum of Association

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

"**RESOLVED THAT** pursuant to the provisions of Sections 12, 13 read with Rule 30 of the Companies (Incorporation) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment(s) thereof for the time being in force ("Act"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subject to the approval of the Central Government through the office of the appropriate Regional Director, and such other approvals, permissions, consents and sanctions as may be required under the Act or any other law for the time being in force, the consent of the Members of the Company be and is hereby accorded for shifting of the Registered Office of the Company from the Union Territory of Chandigarh to the State of Punjab.

RESOLVED FURTHER THAT consequent to the shifting of the Registered Office of the Company, the 2nd Clause of the Memorandum of Association of the Company, be substituted by the following:

"2nd The Registered Office of the Company will be situated in the State of Punjab."

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include one or more Committee(s) constituted/ to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), and Company Secretary & Chief Financial officer of the Company be and are hereby severally authorized on behalf of the Company, to file requisite applications/ petitions, to appear before relevant authorities and represent the Company, to agree to such conditions, modifications and amendments that may be imposed, required or suggested by the competent authority(ies), and that it may otherwise be deemed fit or proper, to settle all questions or difficulties that may arise with regard to the aforesaid matter, and to do all acts, deeds, matters and things as are necessary to give effect to the above resolution including filing necessary applications, undertakings, declarations, documents, petition, affidavits, forms/ returns (including filing of Form INC-23 with the concerned Regional Director), and other writings with the Ministry of Corporate Affairs and other competent authorities, if any , and issuance of notices, advertisements as other writings as may be required, as well as to delegate the above powers, in whole or in part, to Officers / Personnel of the Company and / or to appoint external professionals including counsels and advisors as it may deem fit without requiring the Board to secure any further consent or approval of the Members of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all other such acts, deeds, matters and things as may be considered necessary, expedient or desirable, in order to give effect to this resolution."

Item No. 18

Reclassification of person forming part of the Promoter Group from 'Promoter Group' Shareholder to 'Public' Shareholders

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

"RESOLVED THAT in accordance with Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI (LODR) Regulations, 2015') (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in accordance with the order or Hon'ble NCLT dated April 16, 2026 pursuant to approval of Resolution Plan, and subject to necessary approvals from such statutory authorities as may be necessary, the consent of the Members of the Company be and is /hereby accorded for reclassification the following person forming part of Promoter Group Shareholder (hereinafter referred to as the ("Outgoing PromoterGroup" Shareholder) from "Promoter Group" Shareholder to "Public" Shareholder:

Name of Shareholder	Type	No. of Shares held	% of Paid up Capital
Manish Bagrodia	Promoter	52,040	0.07
Satish Bagrodia	Promoter	42,900	0.06
Ashish Bagrodia	Promoter	41,400	0.06
Shilpa Bagrodia	Promoter	12,640	0.02
Sudha Bagrodia	Promoter	11,142	0.02
Vandya Bagrodia	Promoter	2,000	0.00
Shell Business (P) Ltd	Promoter Group	2,14,12,414	30.28
Satyam Combines (P) Ltd	Promoter Group	57,65,073	8.15

RESOLVED FURTHER THAT pursuant to provisions of Regulation 31A of SEBI (LODR) Regulations, 2015, the above named Outgoing Promoter Group Shareholder is pursuant to the order of Hon'ble NCLT dated April 16, 2026 and that post reclassification they shall be defined from "Promoter/ Promoter Group" Shareholder to "Public" Shareholder.

RESOLVED FURTHER THAT Directors or the Chief Financial Officer or the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient in this regard as per the applicable laws and make all necessary filings and to execute all such deeds, documents or writings as are necessary or expedient, to settle any questions, difficulties or doubt that may arise in this behalf and to represent before such authorities as may be required and to do and perform all such acts, deeds and things as may be required to give effect to the above resolution."

Item No. 19

Approval in connection with extension of guarantee towards securing the indebtedness availed by Dhananya Capital Private Limtied, a related party of the company.

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

"**RESOLVED THAT** pursuant to the provisions of Sections 185 and other applicable provisions, if any, of the Act, (including any statutory modifications or re-enactment(s) thereof, for the time being in force) and Companies (Meeting of Board and its Powers) Rules 2014; the consent of the members of the Company is hereby accorded to the Board of Directors of the Company ("**Board**", which term shall be deemed to include any Committee which the Board may constitute for this purpose), to secure 700 (seven hundred) senior, secured, unlisted, redeemable non-convertible debentures of a face value of INR 10,00,000 (Rupees Ten Lakh) each aggregating up to an amount of INR 70,00,00,000 (Rupees Seventy Crore) ("Debentures") issued by Dhananya Capital Private Limited (DCPL), a related party of the Company, being a company in whom the directors of the Company are interested, by furnishing a guarantee, on such terms and conditions, as may be decided by the board of directors."

"**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 186 and other applicable provisions, if any, of the Companies Act, 2013 ("**the Act**"), (including any statutory modifications or re-enactment(s) thereof, for the time being in force) and Companies (Meeting of Board and its Powers) Rules 2014; the consent of the member of the Company be and is hereby accorded to the Board to secure the issue of Debentures by DCPL, a related party of the Company by way of extension of a corporate guarantee, notwithstanding that the aggregate of the loans or guarantees or securities so far given or to be given by the Company may collectively exceed the limits prescribed under Section 186(2) of the Companies Act, 2013."

"**RESOLVED FURTHER THAT** under the power granted to the Board under the Companies Act, 2013 and in accordance with Section 22 of the Companies Act, 2013 and any other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof, for the time being in force); any director of the Company, be and is hereby authorised to sell, transfer, lease and otherwise dispose-off, the whole or any part of the undertaking to any person ; and to do all such acts, deeds, matters and things and accept any alterations or modification(s) as [he/she] may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to giving effect to this resolution on such terms and conditions as the Board may consider beneficial in the interest of the Company.

"RESOLVED FURTHER THAT Mr. Vipan Kumar DIN: 11551026 , and Mr. Avnish Bansal (DIN:02666814, Directors of the Company be and are hereby authorized severally to issue certified true copy of the resolutions and file necessary e-forms with Registrar of Companies, and to do all such acts, deeds and things which are necessary to give effect to the above resolution."

Registered Office:
Basement, SCO 13-14-15 Sector 34-A, Chandigarh — 160022 India
Contact No.: +919780078797
CIN: L17115CH1990PLCO10566
Website: https://www.winsomeyarns.com/
Email: winsomeyarnslimited @gmail.com

By order of the Board of Directors
For Winsome Yarns Limited

Sd/-
Vipan Kumar
Additional Director
DIN: 11551026
Chandigarh
Date : Saturday, August 29, 2026

NOTES:

1. Details of Directors retiring by rotation/seeking appointment/ re-appointment at the ensuing Meeting are provided in the explanatory statement annexed to the Notice pursuant to the provisions of (i) Regulation 36(3) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India, forms integral part of the notice as **'Annexures'.**

2. The Ministry of Corporate Affairs ("MCA"), via No. 03/2025 dated 22nd September, 2025 read together with General Circular Nos. 09/2024 dated 19th September, 2024,09/2023 dated 25th September, 2023, 10/2022 dated 28th December, 2022, 02/2022 dated 5th May, 2022, 21/2021 dated 14th December, 2021, 19/2021 dated 8th December, 2021, 02/2021 dated 13th January, 2021, 20/2020 dated 5th May, 2020, 17/2020 dated 13th April, 2020 and 14/2020 dated 8th April, 2020 (collectively referred to as 'MCA Circulars') have permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue.

   In compliance with the provisions of the Companies Act, 2013 (the "Act") (including any statutory modification or re-enactment thereof for the time being in force) read with rules made there under, as amended from time to time, read with MCA Circulars, SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023, SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 7th October, 2023. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 3rd October, 2024. and Master Circular No. HO/49/14/14(7)2025-CFDPOD2//3762/2026 dated 30th January, 2026 and pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended, the 7th Annual General Meeting of the Company is scheduled to be held on Monday, September 28, 2026, at 01:00 P.M. (IST) through VC/OAVM. The deemed venue for the AGM shall be the registered office of the Company.

3. PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC OR OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM, and hence the Proxy Form, Attendance Slip, and Route Map for the AGM are not annexed to this Notice.

4. Institutional /Corporate Shareholders (i.e., other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Registrar and Transfer Agent of the Company i.e. MUFG Intime India Private Limited by email through its registered email address to sunil_mishra@linkintime.co.in and scrutinizer by email at gmadan1959@yahoo.co.in with a copy marked to helpdesk.evoting@cdslindia.com 48 hours before the date of AGM.

5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

6. For receiving all communication (including Annual Report) from the Company electronically:

   a) Members holding the shares in physical mode and who have not registered / updated their e-mail address with the Company are requested to register/ update the same by writing to the Registrar and Transfer Agent of the Company viz. **MUFG Intime India Private Limited** A - 40, 2nd Floor, Naraina Industrial Area, Phase - II, Near Batra Banquet Hall,New Delhi, Delhi,110028, Tel: 011 - 41410592-94, Email: sunil_mishra@linkintime.co.in

   b) Members holding the shares in dematerialized mode are requested to register / update their e-mail address with the relevant Depository Participant.

7. Members desiring any further information on the business to be transacted at the meeting should write to the company at least 15 days before the date of the meeting so as to enable the management to keep the information, as far as possible, ready at the meeting.

8. In case of joint holders attending the Meeting, the first holder as per the Register of Members of the Company will be entitled to vote.

9. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act and other documents as referred in the Notice are available for inspection by the Members at the Registered Office of the Company during business hours on all working days except Saturdays, Sundays and National Holidays up to the date of the AGM.

10. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form.

    To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified from time to time.

11. 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 the PAN to their Depository Participants with whom they are maintaining their demat accounts.

12. All the documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Company's Registered Office at Basement, SCO No. 13-14-15, Sector 34-A , Chandigarh, Chandigarh, 160022 on all working days of the Company, between 10.00 A.M. and 1.00 P.M. upto the date of the Annual General Meeting.

13. In line with the aforesaid MCA Circulars and SEBI Circulars, the notice calling the AGM has been uploaded on the website of the Company at https://www.winsomeyarns.com/. The Notice can also be accessed from the websites of National Stock Exchange of India Limited at www.nseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

14. The AGM will be convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with the aforesaid MCA Circulars and SEBI Circulars.

15. In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 issued by MCA, notice of the AGM along with the Annual Report for the financial year 2025-26 are being sent only through electronic mode to all the members of the Company whose email addresses are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a physical copy of the same. Members who have not registered their e-mail addresses so far or who would like to update their e-mail addresses already registered are requested to register/update their e-mail addresses with MUFG Intime India Private Limited at sunil_mishra@linkintime.co.in. Members may also note that the Annual Report for F.Y.2025-26 will also be available on the Company's website https://www.winsomeyarns.com/ for download.

16. The members who have cast their vote by e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

17. **Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**

18. In compliance with the provisions of Section 108 and other applicable provisions ,if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS2) issued by the Institute of Companies Secretaries of India, members have been provided with the facility to cast their vote electronically through the e-voting services provided by System Support Services, on all resolutions set forth in this Notice.

19. Pursuant to MCA Circular No. 14/2020 April 08, 2020 issued by the Ministry of Corporate Affairs, the facility to

appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting

20. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 22, 2026 to Monday, September 28, 2026 (both inclusive).

21. **THE INSTRUCTIONS FOR E-VOTING AND JOINING THE AGM ARE AS UNDER:**

i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended) and the MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has appointed Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a member using remote e-voting as well as venue voting system on the date of the AGM will be provided by CDSL.

ii. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for all the members. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

iii. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

iv. Shareholders holding equity shares shall have one vote per share as shown against their holding. The shareholders can vote for their entire voting rights as per their discretion.

v. **THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

a) The e-voting period commences on, Thursday, September 24, 2026 (09:00 A.M. IST) and ends on Sunday, September 27, 2026 (5:00 P.M. IST). The shareholders holding shares as on the cut-off date of Monday, September 21, 2026, may cast their vote electronically. The e-voting module shall be disabled by MUFG Intime India Pvt. Ltd. for voting thereafter. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of Monday, September 21, 2026. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

b) In terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach E-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi.

Demat mode with CDSL	2) After successful login the Easi / Easiest user will be able to see the E-Voting Menu. On clicking the E-Voting menu, the user will be able to see his/her holdings along with links of the respective E-Voting service provider i.e., CDSL/NSDL/KARVY/LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to E-Voting Service Providers, so that the user can visit the E-Voting service providers' site directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration 4) Alternatively, the user can directly access E-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.
Individual Shareholders holding securities in demat mode with NSDL	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider

their Depository Participants	website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important Note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.comor contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 1800 1020 990 and 1800 22 44 30

vi. **LOGIN METHOD OF E-VOTING FOR SHAREHOLDERS OTHER THAN INDIVIDUAL SHAREHOLDERS & PHYSICAL SHAREHOLDERS.**

i. The shareholders should log on to the e-voting website www.evotingindia.com.
ii. Click on the "shareholders" module.
iii. Now select the Company name from the drop-down menu and click on "SUBMIT"
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:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both 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 (vi).

viii. After entering these details appropriately, click on "SUBMIT" tab.
ix. Shareholders holding shares in physical form will then reach directly 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 Shareholders 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 for the relevant <Company Name> 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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xvii. If Demat account holder has forgotten the changed password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

vii. THE INSTRUCTIONS FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS

1. Non-Individual shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
2. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
3. 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.
4. The list of accounts linked in the login should be maid to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
5. 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.
6. Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address gmadan1959@yahoo.co.in or winsomeyarnslimited@gmail.com if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

viii. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FORTHE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical Shareholders- Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company's Registrar and Share Transfer Agent (MUFG Intime India Private Limited) at sunil_mishra@linkintime.co.in.

2. For Demat Shareholders- Please provide Demat account details (CDSL-16-digit beneficiary ID or NSDL-16-digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company's Registrar and Share Transfer Agent (MUFG Intime India Private Limited) at sunil_mishra@linkintime.co.in.

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

ix. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGHVC/OAVM ARE AS UNDER:

1) Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the Virtual platform developed by the RTA i.e MUFG Intime India Private Limited Link along with details will be provided to Eligible shareholders. Shareholders may access the voting during the AGM by clicking the link provided in virtual platform i.e https://www.evotingindia.com. Shareholders/members may login by using

the remote e -voting credentials. The link for VC/OAVM will be available to eligible shareholder/members at their registered E-Mail Ds. Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM.

2) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

3) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is thereof recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5) Shareholders who would like to express their views/ask questions during the AGM may register themselves as an attendee by sending their request in advance at least **2 days prior to meeting** mentioning their name, demat account number/folio number, email id, PAN, mobile number at winsomeyarnslimited@gmail.com

6) The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **2 days prior to meeting** mentioning their name, demat account number/folio number, email id, PAN, mobile number at winsomeyarnslimited@gmail.com. These queries will be replied to by the company suitably by email.

7) Those shareholders who have registered themselves as an attendee will be allowed to express their views/ ask questions during the meeting. The member who has not registered themselves an attendee but have queries during the AGM can use the chat box/ send query button and ask the question.

8) If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

9) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43. For, any other queries regarding Participating in AGM or other matter kindly write to winsomeyarnslimited@gmail.com, In case you have any queries or issues regarding attending Annual General Meeting through VC/OAVM write an email to : sunil_mishra@linkintime.co.in

x. **INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTINGDURING THE AGM ARE AS UNDER: -**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.

3. Only those shareholders, who are present in the AGM through VC/OAVM facility and who have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

4. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

5. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

22. **CS Girish Madan,** Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process and voting process at AGM in a fair and transparent manner.

23. The scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote evoting in the presence of at least two witnesses not in the employment of the company and make, not later than two working days from conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.

24. The Results will be declared on receipt of Scrutinizer's Report at the registered office of the Company at Basement, SCO No. 13-14-15, Sector 34-A, Chandigarh, Chandigarh, 160022. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website https://www.winsomeyarns.com/ and on the website of CDSL immediately and communicated to the stock exchange.

Registered Office:
Basement, SCO 13-14-15 Sector 34-A, Chandigarh
— 160022 India
Contact No.: +919780078797
CIN: L17115CH1990PLCO10566
Website: https://www.winsomeyarns.com/
Email: winsomeyarnslimited @gmail.com

By order of the Board of Directors
For Winsome Yarns Limited

Sd/-
Vipan Kumar
Additional Director
DIN: 11551026
Chandigarh
Date : Saturday, August 29, 2026

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), in respect of the Special Business set out in the Notice

Item No. 2

The Monitoring Committee (being Committee constituted post approval of Resolution Plan), had appointed Mr. Vipan Kumar (DIN: 11551026) as an Additional Director, w.e.f. June 23, 2026 pursuant to Section 161(1) of the Companies Act, 2013 (the "Act") read with the Articles of Association of the Company.

In terms of Section 161(1) of the Act, Mr. Vipan Kumar holds office as an Additional only up to the date of this Annual General Meeting ("AGM") within three months from the date of his appointment, whichever is earlier. It is now proposed to regularize his appointment and appoint him as a Director of the Company, designated as Managing Director (Executive), for a period of 3 years with effect from August 29, 2026 up to August 28, 2031 and that he is liable to retire by rotation.

He also confirmed that he is not debarred from holding the office of a director by virtue of any order passed by SEBI or any such authority. Mr. Vipan Kumar is not disqualified from being appointed as a Director in terms of Section 164 of the Act and does not hold any equity shares. It is hereby confirmed that the company has not committed any default in payment of dues to any bank or public financial institution or any other secured creditor. Further, the Company has never issued any non-convertible debentures.

The proposed terms and conditions of appointment of Mr. Vipan Kumar as Managing Director are as given below:

1. Term of Appointment: August 29, 2026 up to August 28, 2031
2. Liable to retire by rotation

The Company had received a consent letter from Mr. Vipan Kumar (DIN: 11551026) to act as a Managing Director of the Company.

Mr. Vipan Kumar (DIN: 11551026) shall be entitled to the remuneration provided by the company, as decided by the Nomination and Remuneration Committee from time to time.

A brief profile of Mr. Vipan Kumar, including nature of her expertise, is provided as ***Annexure A*** of this Notice.

In terms of Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, fee and compensation payable to Executive Directors who are promoters or members of the promoter group requires Members' approval by Special Resolution where annual remuneration exceeds Rs. 5 Crore or 2.5% of net profits, whichever is higher, or where aggregate remuneration to more than one such director exceeds 5% of net profits. Approval is accordingly sought so that remuneration may be paid to Mr. Vipan Kumar even if the aggregate remuneration payable to promoter/promoter-group directors of the Company exceeds these thresholds in any year covered by this Resolution.

Additional Disclosures pursuant to Schedule V to the Companies Act, 2013

The following information is furnished pursuant to Part II, Section II of Schedule V to the Act, in relation to the appointment and remuneration of Mr. Vipan Kumar as Managing Director:

I. General Information	
Nature of industry	Textile Industry
Date of commencement of commercial production	1st April,1994

<table>
<tr><td>Financial performance (based on audited financial statements)</td><td>
<table>
<tr><th>Financial Year</th><th>Basis</th><th>Turnover / Revenue from Operations (Rs. in Lacs)</th><th>Net Profit for the year (Rs. in Lacs)</th></tr>
<tr><td>FY 2025-26</td><td>Standalone</td><td>34,595.73</td><td>2,055.49</td></tr>
<tr><td>FY 2024-25</td><td>Standalone</td><td>21,917.96</td><td>1,292.19</td></tr>
</table>
</td></tr>
<tr><td>Export performance and net foreign exchange earnings</td><td>Nil</td></tr>
<tr><td>Foreign investments or collaborations, if any</td><td>Nil</td></tr>
<tr><td colspan="2">II. Information about the Appointee</td></tr>
<tr><td>Background details</td><td>Mr. Vipan Kumar aged 47 years, is having over 18 years of rich experience in the construction and real estate sector. He possesses extensive expertise in project development, business operations, strategic planning, and management of real estate ventures. His industry knowledge and leadership skills have contributed significantly to the successful execution of various construction and real estate projects. He brings valuable insights and professional acumen to the Board</td></tr>
<tr><td>Past remuneration drawn (if any, including from the Company or its predecessor)</td><td>Nil</td></tr>
<tr><td>Recognition or awards</td><td>Not Applicable</td></tr>
<tr><td>Job profile and suitability</td><td>Mr. Vipan Kumar, as Managing Director of the Company, shall be responsible for providing overall leadership and strategic direction to the Company and overseeing its day-to-day affairs and operations. His responsibilities shall include, inter alia, implementation of the approved Resolution Plan, revival and restructuring of the business operations, development and execution of business strategies, strengthening of operational and financial performance, optimisation of the Company's manufacturing facilities, business development, stakeholder management and ensuring effective corporate governance and regulatory compliance.

Considering the present stage of revival of the Company following the approval of the Resolution Plan under the Insolvency and Bankruptcy Code, 2016, the Board is of the view that the leadership, managerial capabilities, strategic experience and business acumen of Mr. Vipan Kumar will be valuable for restoring the Company's operations, improving capacity utilisation, strengthening its financial position and achieving sustainable growth. Accordingly, the Board is of the opinion that Mr. Vipan Kumar is suitable for appointment as Managing Director of the Company.</td></tr>
</table>

Remuneration proposed	Upto Rs. 48 Lakhs per annum exclusive of other perquisites
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The remuneration proposed to be paid to Mr. Vipan Kumar has been determined having regard to the size of the Company, the nature and complexity of its operations, the responsibilities entrusted to the Managing Director, the stage of revival and restructuring of the Company pursuant to the approved Resolution Plan, the prevailing remuneration levels for managerial personnel in comparable companies and the experience and expertise of the appointee. The proposed remuneration is considered reasonable and commensurate with the duties and responsibilities to be discharged by him.
Pecuniary relationship directly or indirectly with the Company, or relationship with managerial personnel, if any	None, other than the remuneration proposed to be drawn as Managing Director.
III. Other Information	
Reasons for loss or inadequate profits (if applicable)	The loss (inadequacy of profit) is attributable to the fact that the Company was undergoing the Corporate Insolvency Resolution Process (CIRP) during the relevant period, as a result of which the Company's business operations remained suspended/non-operational.
Steps taken or proposed for improvement	Pursuant to the approval of the Resolution Plan by the Hon'ble NCLT, Chandigarh Bench, the Company is undertaking various measures for revival and restructuring of its business operations. The proposed measures include implementation of the approved Resolution Plan, infusion and efficient deployment of funds, restoration and optimisation of manufacturing operations, improvement in capacity utilisation, securing new business and customer orders, strengthening working capital management, reduction and rationalisation of operating costs, improvement in operational efficiencies and strengthening of internal systems and controls. The Company also proposes to leverage the experience and expertise of its new management to revive the Company's textile operations by improve productivity, enhance sales and progressively restore the Company to sustainable profitability and company is also expand its business in real estate Sector this will enhance the viability of the Company.
Expected increase in productivity and profits in measurable terms	The appointment of Mr. Vipan Kumar as Managing Director is expected to contribute to the effective implementation of the Resolution Plan and the revival of the Company's business operations. His responsibilities will include improving capacity utilisation of the Company's manufacturing facilities, strengthening business development and customer relationships, improving operational efficiencies, optimising costs and working capital and implementing strategic initiatives for sustainable growth. The Company expects these measures to result in progressive improvement in capacity utilisation, revenue generation, operating efficiency and profitability. The measurable financial benefits will depend upon the pace of implementation of the Resolution Plan, restoration of operations, availability of working capital, market conditions, customer orders and overall performance of the textile industry.

Accordingly, consent of the members is sought for passing a Special Resolution as set out at Item No. 2 of the notice for appointment of Mr. Vipan Kumar.

The Board recommends the Special Resolution set out at Item No. 2 of the notice for approval by the members.

None of the Directors or Key Managerial Personnel or their respective relatives of Directors and KMPs is concerned or interested in the Resolution set out at Item No. 2 of the accompanying notice except to the extent of their shareholding.

Item No. 3

The Monitoring Committee (being Committee constituted post approval of Resolution Plan), had appointed Mr. Avnish Sarvapriya Bansal (DIN: 02666814) as an Additional Director, w.e.f. June 23, 2026 pursuant to Section 161(1) of the Companies Act, 2013 (the "Act") read with the Articles of Association of the Company.

The Company has received the following from Mr. Avnish Bansal:
(a) Consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014.
(b) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Subsection (2) of Section 164 of the Companies Act, 2013.

It is hereby proposed that the appointment of Mr. Avnish Sarvapriya Bansal as a Director of the Company, designated as Non-executive and Non-independent Director of the Company and Chairman of the Company, liable to retire by rotation, for a period of 5 (five) years with effect from June 23, 2026 up to June 22, 2031, and recommends the resolution set out at Item No. 3 for approval of the Members as an Ordinary Resolution.

A brief profile of Mr. Avnish Sarvapriya Bansal, including nature of his expertise, is provided as ***Annexure B*** of this Notice.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 3 of the notice for appointment of Mr. Avnish Bansal.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the notice for approval by the members.

None of the Directors or Key Managerial Personnel or their respective relatives of Directors and KMPs is concerned or interested in the Resolution set out at Item No. 3 of the accompanying notice except to the extent of their shareholding.

Item No. 4

The Monitoring Committee (being Committee constituted post approval of Resolution Plan), had appointed Mrs. Parul Bansal (DIN: 06856466) as an Additional Director, w.e.f. June 23, 2026 pursuant to Section 161(1) of the Companies Act, 2013 (the "Act") read with the Articles of Association of the Company.

The Company has received the following from Mrs. Parul Bansal:
(a) Consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014.
(b) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Subsection (2) of Section 164 of the Companies Act, 2013.

It is hereby proposed that the appointment of Mrs. Parul Bansal as a Director of the Company, designated as Women Non-executive and Non-independent Director of the Company, liable to retire by rotation, for a period of 5 (five) years with effect from June 23, 2026 up to June 22, 2031, and recommends the resolution set out at Item No. 4 for approval of the Members as an Ordinary Resolution.

A brief profile of Mrs. Parul Bansal, including nature of her expertise, is provided as ***Annexure C*** of this Notice.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the notice for appointment of Mrs. Parul Bansal.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the notice for approval by the members.

None of the Directors or Key Managerial Personnel or their respective relatives of Directors and KMPs is concerned or interested in the Resolution set out at Item No. 4 of the accompanying notice except to the extent of their shareholding.

Item No. 5

The Monitoring Committee (being Committee constituted post approval of Resolution Plan), had appointed Mr. Mahesh Fogla (DIN: 05157688) as an Additional Director, w.e.f. June 23, 2026 pursuant to Section 161(1) of the Companies Act, 2013 (the "Act") read with the Articles of Association of the Company. Mr. Mahesh Fogla, being eligible, is proposed to be appointed as a Non- Executive and Independent Director for a term of five years till June 22, 2031.

Mr. Mahesh Fogla is aged 53 years, Fellow Member of the Institute of Chartered and Cost Accountants of India with rich Experience in Finance & Accounts, Legal & Taxation and Strategic Financial Planning. He has more than 25 years of experience in conceptualizing & implementing MIS, maintaining & finalization of accounts. Structuring Commercial Transactions to minimize impact of Taxes & Cost. He is an effective leader with analytical, team building & relationship management skills & ability.

He brings an independent, analytical approach focused on transparency, accountability, and long-term stakeholder value. He is committed to strengthening governance standards and supporting boards in making compliant, sustainable decisions.

The Company has received the following from Mr. Mahesh Fogla:

(a) Consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014.
(b) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Subsection (2) of Section 164 of the Companies Act, 2013.
(c) A declaration to the effect that he meets the criteria of independence as provided in the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.
(d) The declaration of independence from an Independent Director is given under Section 149(7) of the Companies Act, 2013, confirming that they meet the criteria of independence specified under Section 149(6) of the Act.

The resolution seeks the approval of members for the appointment of Mr. Mahesh Fogla as a Non-Executive, Independent Director of the Company pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made there under. He is not liable to retire by rotation.

A copy of the draft Letter of Appointment for Directors, setting out terms and conditions of appointment of Non-Executive and Independent Directors is available for inspection at the Registered Office of the Company during business hours on any working day.

Accordingly, consent of the members is sought for passing a Special Resolution as set out at Item No. 5 of the notice for appointment of Mr. Mahesh Fogla.

The Board recommends the Special Resolution set out at Item No. 5 of the notice for approval by the members.

None of the Directors or Key Managerial Personnel or their respective relatives of Directors and KMPs is concerned or interested in the Resolution set out at Item No. 5 of the accompanying notice except to the extent of their shareholding.

Item No. 6

The Monitoring Committee (being Committee constituted post approval of Resolution Plan), had appointed Mr. Sanjeev Khubchand Nahar (DIN: 07711548) as an Additional Director, w.e.f. June 23, 2026 pursuant to Section 161(1) of the Companies Act, 2013 (the "Act") read with the Articles of Association of the Company. Mr. Sanjeev Khubchand Nahar, being eligible, is proposed to be appointed as a Non- Executive and Independent Director for a term of five years till June 22, 2031.

Mr. Sanjeev Khubchand Nahar is a highly accomplished construction and real estate professional with over 28 years of experience in project management, engineering, and execution of large-scale infrastructure and real estate developments. A Civil Engineer from Mumbai University and PGDCM from NICMAR, he has held leadership positions with reputed organizations including Lodha Group, Runwal Group, Raheja Universal, Xrbia Developers, and Kumar Builders. He has successfully managed over 20 million sq. ft. of residential, commercial, and infrastructure projects, including several landmark high-rise developments exceeding 50 storeys. Currently, he serves as Director of V.S. Engineering and advises various real estate and infrastructure companies on project execution and strategic development.

He brings an independent, analytical approach focused on transparency, accountability, and long-term stakeholder value. He is committed to strengthening governance standards and supporting boards in making compliant, sustainable decisions.

The Company has received the following from Mr. Sanjeev Khubchand Nahar:

(a) Consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014.
(b) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Subsection (2) of Section 164 of the Companies Act, 2013.
(c) A declaration to the effect that he meets the criteria of independence as provided in the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.
(d) The declaration of independence from an Independent Director is given under Section 149(7) of the Companies Act, 2013, confirming that they meet the criteria of independence specified under Section 149(6) of the Act.

The resolution seeks the approval of members for the appointment of Mr. Sanjeev Khubchand Nahar as a Non-Executive, Independent Director of the Company pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made there under. He is not liable to retire by rotation.

A copy of the draft Letter of Appointment for Directors, setting out terms and conditions of appointment of Non-Executive and Independent Directors is available for inspection at the Registered Office of the Company during business hours on any working day.

Accordingly, consent of the members is sought for passing a Special Resolution as set out at Item No. 6 of the notice for appointment of Mr. Sanjeev Khubchand Nahar.

The Board recommends the Special Resolution set out at Item No. 6 of the notice for approval by the members.

None of the Directors or Key Managerial Personnel or their respective relatives of Directors and KMPs is concerned or interested in the Resolution set out at Item No. 6 of the accompanying notice except to the extent of their shareholding.

Item No. 7

The Monitoring Committee (being Committee constituted post approval of Resolution Plan), had appointed Mr. Bibhudutta Satpathy (DIN: 06693401) as an Additional Director, w.e.f. June 23, 2026 pursuant to Section 161(1) of the Companies Act, 2013 (the "Act") read with the Articles of Association of the Company. Mr. Bibhudutta Satpathy, being eligible, is proposed to be appointed as a Non- Executive and Independent Director for a term of five years till June 22, 2031.

Mr. Bibhudutta Satpathy is an infrastructure executive with 34+ years of experience in highways, EPC, and industrial construction across India. Currently Sr. Vice President (MMR/EPC) at Markolines Pavement Technologies Ltd, having previously held senior leadership roles at L&T, Lafarge, Welspun, Gammon, Transstroy, and Essel Projects. Has directed projects worth over ₹12,000 crore and led teams of 600+ across multi-state operations. B.E. (Civil), Nagpur University; Construction Management, Anna University. Fellow & Chartered Engineer (Institution of Engineers), Certified Arbitrator, and Six Sigma Green Belt.

He brings an independent, analytical approach focused on transparency, accountability, and long-term stakeholder value. He is committed to strengthening governance standards and supporting boards in making compliant, sustainable decisions.

The Company has received the following from Mr. Bibhudutta Satpathy:

(a) Consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014.
(b) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Subsection (2) of Section 164 of the Companies Act, 2013.
(c) A declaration to the effect that he meets the criteria of independence as provided in the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.
(d) The declaration of independence from an Independent Director is given under Section 149(7) of the Companies Act, 2013, confirming that they meet the criteria of independence specified under Section 149(6) of the Act.

The resolution seeks the approval of members for the appointment of Mr. Bibhudutta Satpathy as a Non-Executive, Independent Director of the Company pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made there under. He is not liable to retire by rotation.

A copy of the draft Letter of Appointment for Directors, setting out terms and conditions of appointment of Non-Executive and Independent Directors is available for inspection at the Registered Office of the Company during business hours on any working day.

Accordingly, consent of the members is sought for passing a Special Resolution as set out at Item No. 7 of the notice for appointment of Mr. Bibhudutta Satpathy.

The Board recommends the Special Resolution set out at Item No. 7 of the notice for approval by the members.

None of the Directors or Key Managerial Personnel or their respective relatives of Directors and KMPs is concerned or interested in the Resolution set out at Item No. 7 of the accompanying notice except to the extent of their shareholding.

Item No. 8

Section 180(1)(c) of the Companies Act, 2013 requires that the Board of Directors shall exercise the power to borrow money, where the amount to be borrowed together with the monies already borrowed by the Company exceeds the aggregate of its paid-up share capital, free reserves and securities premium (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), only with the consent of the Members by way of a Special Resolution.

Considering the Company's growth plans (organic and inorganic) and future financial requirements, it is proposed to increase the borrowing limit to Rs. 500 Cr. (Rupees Five Hundred Crores Only). This will enable the Company to raise funds from banks, financial institutions, investors, or any other lenders, including by way of issuance of convertible or non-convertible debentures, commercial papers or other instruments, on such terms and conditions as the Board may deem fit.

The Board of Directors, at its meeting held on August 29, 2026, has approved this proposal, subject to the approval of members by way of a Special Resolution.

The proceeds of the borrowings proposed to be undertaken, pursuant to the above resolution shall be utilised for general corporate purposes in the ordinary course of business of the Company, with a view to augment long term financial resources for its growth and to meet additional working capital requirements to support its operations in the ordinary course of business of the Company, as may be determined by the Board from time to time to fund other strategic acquisitions or investments that may be undertaken by the Company from time to time to facilitate its inorganic growth objectives.

In connection with the loan/credit facilities to be availed by the Company, as and when required, through various sources for business purposes, the Company might be required to create charges over its assets, properties and licenses by way of hypothecation, mortgage, lien, pledge etc. in favour of its lenders (up to the limits approved under Section 180(l)(c) of the Companies Act, 2013), for the purposes of securing the loan/credit facilities extended by them to the Company

Accordingly, consent of the members is sought for passing a Special resolution as set out at Item No. 8 of the notice for increasing borrowing limits.

The Board recommends the Special Resolution set out at Item No. 8 of the notice for approval by the members.

None of the Directors or Key Managerial Personnel or their respective relatives of Directors and KMPs is concerned or interested in the Resolution set out at Item No. 8 of the accompanying notice except to the extent of their shareholding.

Item No. 9

As per the provisions of Section 180(l)(a) of the Companies Act, 2013, a company shall not sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings, unless approval of the Shareholders is obtained by way of a Special Resolution.

Further, upon occurrence of default under the relevant Loan/facility agreements and other documents as may be executed by the Company with the lenders, the lenders would have certain rights in respect of the Company's assets, properties and licenses including the rights of sale/disposal thereof, creation of charge/s as aforesaid and enforcement of assets by the Company's lenders upon occurrence of default would amount to a sale/disposal of the whole or substantially the whole of the undertaking of the Company, pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013.

The Company is expediting its plan to scale up its capacity and coverage and hence it is considered necessary to increase the limits for creating pledge, hypothecation or charge on moveable or immoveable properties Rs. 500 crores (Rupees Five Hundred Crores Only).

Accordingly, consent of the members is sought for passing a Special resolution as set out at Item No. 9 of the notice for increasing limits u/s 180(1)(a) of Companies Act, 2013.

The Board recommends the Special Resolution set out at Item No. 9 of the notice for approval by the members.

None of the Directors or Key Managerial Personnel or their respective relatives of Directors and KMPs is concerned or interested in the Resolution set out at Item No. 9 of the accompanying notice except to the extent of their shareholding.

Item No. 10

The Company is expected to render support for the business requirements of other companies in the group, from time to time. The Company with the approval of members by way of special resolution, would be in a position to provide financial assistance by way of loan to other entities in the group or give guarantee or provide security in respect of loans taken by such entities, for their principal business activities.

The members may note that Board of Directors would carefully evaluate proposals and provide such loan, guarantee or security proposals through deployment of funds out of internal resources / accruals and / or any other appropriate sources, from time to time, only for principal business activities of the entities. Hence, in order to enable the company to advance loan to Managing Director/Whole Time Director/Subsidiaries/ Joint Ventures /associates/ other Companies/ Firms in which Directors are interested directly or indirectly under section 185 of the Companies Act, 2013 requires approval of members by a Special Resolution.

In supersession to the earlier resolution passed, if any under section 185 of the Companies act 2013, if any, the limit is increased to Rs.500 crores (Rupees Five Hundred Crores Only).

Accordingly, consent of the members is sought for passing a Special resolution as set out at Item No. 10 of the notice for increasing limits u/s 185 of Companies Act, 2013.

The Board recommends the Special Resolution set out at Item No. 10 of the notice for approval by the members.

None of the Directors or Key Managerial Personnel or their respective relatives of Directors and KMPs is concerned or interested in the Resolution set out at Item No. 10 of the accompanying notice except to the extent of their shareholding.

Item No. 11

To achieve its long-term strategic and business objectives, the Company may, from time to time, be required to extend financial assistance by way of loans, guarantees or securities, or to make strategic investments in other bodies corporate or persons engaged in business activities of interest to the Company. These transactions enable the Company to strengthen business relationships, support subsidiaries or associates, and achieve operational synergies in line with its growth strategy.

In terms of Section 186(2) of the Companies Act, 2013, the Board of Directors of a company cannot make investments, provide loans, guarantees or securities exceeding sixty per cent (60%) of its paid-up share capital, free reserves and securities premium account or one hundred per cent (100%) of its free reserves and securities premium account, whichever is higher, without obtaining the approval of shareholders by way of a special resolution.

The aggregate of the Company’s existing and proposed loans, guarantees, securities and investments may exceed the limits specified under the said section. Accordingly, in suppression of earlier resolutions passed, if any, the Board seeks the approval of the members by way of a special resolution to authorize the Board to make such investments, loans, guarantees or securities up to an overall limit of Rs. 500 Crores (Rupees Five Hundred Crores only), as and when required, in the best interests of the Company.

Accordingly, consent of the members is sought for passing a Special resolution as set out at Item No. 11 of the notice for increasing limits u/s 186 of Companies Act, 2013.

The Board recommends the Special Resolution set out at Item No. 11 of the notice for approval by the members.

None of the Directors or Key Managerial Personnel or their respective relatives of Directors and KMPs is concerned or interested in the Resolution set out at Item No. 11 of the accompanying notice except to the extent of their shareholding.

Item No. 12

Pursuant to the provisions of Section 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, the Related Party Transactions as mentioned in clause (a) to (g) of the said section requires a Company to obtain approval of the Board of Directors and subsequently the Shareholders of the Company by way of ordinary resolution in case the value of the Related Party Transactions exceed the stipulated thresholds prescribed in Rule 15 of the said Rules and transactions other than in ordinary course of business and on arm's length basis.

Regulation 23 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') provides that all material related party transactions and subsequent material modifications as defined by the audit committee under sub-regulation (2) shall require prior approval of the shareholders by means of an Ordinary Resolution, even if such transaction(s) are in ordinary course of business and at arm's length basis. Further, the Explanation to Regulation 23 (1) provides that a transaction with a related party for Company listed on Exchange shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds the thresholds specified in Schedule XII of the Listing Regulations.

The proviso to Section 188 (1) of the Companies Act, 2013 also states that nothing in Section 188 (1) of the Companies Act, 2013 will apply to any transaction entered into with a related party by the Company in its ordinary course of business and on arm's length basis.

Accordingly, the related party transactions based on the provisions of Section 188 of the Act and rules made thereunder and Regulation 23 of the Listing Regulations, the Audit Committee and the Board of Directors of the Company have approved the proposed transactions detailed in the resolution at Item No. 12 of the accompanying notice. The said related party transactions are placed before the shareholders for their approval by way of ordinary resolution to enable the Company / Subsidiary Company to enter into the following Related Party Transactions in one or more tranches. The transactions under consideration are proposed to be entered into by the Company / Subsidiary Company with the following related parties in the ordinary course of business and on an arm's length basis.

The relevant information pertaining to transactions as required under Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 and as amended SEBI/HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026, read with are set out below;

Sr. No	Description	Details
Details of the summary of information provided by the management to the Shareholders of the company		
a	A summary of the information provided by the management of the listed entity to the audit committee as specified in para.	The Company may be required to grant a business advance/loan and/or inter-corporate deposit/sale/purchase or borrow monies or any other transactions as mention under section 188 of the companies act 2013 and Regulation 23 of LODR as a part of a strategic business decision, to the extent necessary to support the business operations of the said entity.
	Name of the related party and its relationship with the listed entity or its subsidiary, including the nature of its concern or interest (financial or other-wise)	Proposed holding Company (Dhananya Capital Private Limited)(DCPL) Ultimate Holding Company (Mohini Health & Hygiene Limited)(MHHL) Promoter of Holding Company (Zenith Infra Realty LLP)(Zenith)
	Tenure of Proposed transaction	For FY 2026-27 upto the next Annual General Meeting to be held in the year 2027
	Value of the proposed transaction	The value of the transaction as provided in the resolution DCPL- Rs. 300 Crores

Sr. No	Description	Details
		MHHL- Rs.200 Crores Zenith Infra Realty LLP- Rs. 25 Crores
b	Details of transactions related to any loans, inter-corporate deposits, advances, or investments made or given by the Company or its subsidiaries:	To be disclosed at the time of execution
c	Justification for why the proposed transaction is in the interest of the listed entity.	The proposed transaction(s) as mentioned in the above (a) point may be required to execute if needed and beneficial to the company. The reason is that if above transactions required to execute then it will be in the interest of the company that those transactions should be entered with related parties if same or low price/consideration need to pay rather than paying high/ same price/consideration to other unrelated parties which might be new in market without credit history and involve long time to execute transactions. The Company benefits through operational synergies, cost optimization, assurance of product/service quality, utilizing the expertise within the group for manufacturing, sourcing, etc. thereby bringing efficiencies in the businesses, providing enhanced level of user experience to the consumers of the Company to enable achieve growth objectives, access to and utilization of strong R&D and design capabilities. Financial assistance would drive growth in subsidiary's/associate's business and will enable them to innovate, scale up and pursue growth opportunities in a more focused manner. The Management has provided the Audit Committee with the relevant details, as required under law, of various proposed RPTs including material terms and basis of pricing. The Audit Committee, after reviewing all necessary information, has granted approval for entering into RPTs with DCPL,MHHL & Zenith for an aggregate value of up to Rs.300, Rs. 200 crore and Rs. 25 crores respectively to be entered in FY 2026-27 upto the next AGM held in the year 2027. The Audit Committee has noted that the said transactions will be on an arms' length basis and in the ordinary course of business
d	Where the transaction relates to any loans, inter-corporate deposits, advances, or investments made or given by the listed entity or its subsidiary, the details specified under para 4(f) above; (The requirement of disclosing source of funds and cost of funds shall not be applicable to listed banks/NBFCs.)	To be disclosed at the time of execution
e	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;	All transactions with related parties defined as per Section 2(76) of the Companies Act, 2013 are being reviewed for arm's length testing internally. Company's Related Party Transaction Policy and governance policies with respect to negotiation with third parties are being followed for all related party transactions as defined under SEBI Listing Regulations. These related party transactions are also being approved by the Audit Committee and being reviewed by it on a quarterly basis.
f	Percentage of the counterparty's annual consolidated turnover that is	DCPL- (The Company has incorporated on 20th May,2026 therefore no data is available) MHHL- 139%

Sr. No	Description	Details
	represented by the value of the proposed RPT, on a voluntary basis	Zenith-(The LLP is Incorporated in the year 2026 therefore no data is available)
g	Any other information that may be relevant	The financial assistance / investment would be from own funds / internal accruals of the Company. The Company would not be incurring indebtedness solely for the purpose of providing financial assistance / making investment.

The proposed contracts/arrangements/transactions relate to grant business advance/loan and/or inter-corporate deposit or any other transaction(s), which shall be governed by the Company's Related Party Transaction Policy and shall be reviewed by the Audit Committee within the overall limits approved by the members. The Board of Directors or any Committee thereof would carefully evaluate the proposals for providing and/or receiving loans or guarantees or securities or making investments through deployment of funds out of internal resources/accruals and/or any other appropriate sources, from time to time, only for the business requirements of your company. Further, all related party transactions of the Company are at length and in the ordinary course of business as required under relevant regulations.

Accordingly, consent of the members is sought for passing an Ordinary resolution as set out at Item No. 12 of the notice u/s 188 of Companies Act, 2013.

The Board recommends the Ordinary Resolution set out at Item No. 12 of the notice for approval by the members.

None of the Directors or Key Managerial Personnel or their respective relatives of Directors and KMPs is concerned or interested in the Resolution set out at Item No. 12 of the accompanying notice except to the extent of their shareholding.

Item No. 13

Ms Pooja Garg is proposed to be appointed to the office or place of profit in the Company (Information technology head) with effect from 29th August,2026. She is the spouse/relative of Mr. Vipan Kumar, Additional Director of the Company and the proposed remuneration is Rs. 2,00,000 per month. In terms of Section 188(1)(f) of the Companies Act, 2013, member approval by way of a Special Resolution is required for such appointment where the monetary value involved exceeds the threshold prescribed under Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014.

Accordingly, consent of the members is sought for passing a Special resolution as set out at Item No. 13 of the notice u/s 188 of Companies Act, 2013.

The Board recommends the Special Resolution set out at Item No. 13 of the notice for approval by the members.

Except Mr. Vipan Kumar, none of the Directors or Key Managerial Personnel or their respective relatives of Directors and KMPs is concerned or interested in the Resolution as set out at Item No. 13 of the accompanying notice except to the extent of their shareholding.

Item No. 14

The existing Memorandum of Association ('MOA') of the Company is based on erstwhile Companies Act, 1956. The alteration of MOA is necessary to align the existing MOA with Companies Act 2013 ('Act') as per Table A. The object clause and the liability clause of the existing MOA need to be re-aligned as per Table A of Schedule I of the new Act.

The Board of Directors at its Meeting held on July 16, 2026 has approved the adoption of amended MOA of the Company, subject to approval of the members of the Company and other necessary approval in this regard.

A copy of the proposed set of new MOA would be available for public inspection at the registered office of the Company and on the Company's website for electronic inspection up to the last date of the Annual General Meeting.

Accordingly, in terms of Section 4 and 13 and other applicable provisions of the Companies Act, 2013, the consent of the Members by way of Special Resolution is required to approve the adoption of new set of MOA of the Company.

The Board recommends the Special Resolution set out at Item No. 14 of the notice for approval by the members.

None of the Directors or Key Managerial Personnel or their respective relatives of Directors and KMPs is concerned or interested in the Resolution set out at Item No. 14 of the accompanying notice except to the extent of their shareholding.

Item No. 15

The existing Articles of Association (AOA) of the Company are based on the provisions of the Companies Act, 1956 (the "erstwhile Act") and several regulations in the existing AOA contained reference to specific sections of the erstwhile Act and some regulations in the existing AOA are no longer in conformity with the Companies Act, 2013 (the "New Act") as per Table F.

In order to bring the existing AOA of the Company in line with the provisions of the New Act, the Company will have to make numerous changes in the existing AOA. It is therefore considered desirable to adopt a comprehensive new set of AOA of the Company (New Articles) in substitution of and to the entire exclusion of the existing Article of Association of the Company.

The Board of Directors at its Meeting held on July 16, 2026 has approved the adoption of New Articles of the Company, subject to approval of the members of the Company and other necessary approval (if any) in this regard.

A copy of the proposed set of New AOA of the Company would be available for public inspection at the registered office of the Company and on the Company's website for electronic inspection up to the last date of the Annual General Meeting.

Accordingly, in terms of Section 14 and other applicable provisions of the Companies Act, 2013, the consent of the Members by way of Special Resolution is required to approve the adoption of New AOA of the Company.

The Board recommends the Special Resolution set out at Item No. 15 of the notice for approval by the members.

None of the Directors or Key Managerial Personnel or their respective relatives of Directors and KMPs is concerned or interested in the Resolution set out at Item No. 15 of the accompanying notice except to the extent of their shareholding.

Item No. 16

In order to render the main object clause of the Memorandum of Association (MOA) more comprehensive and concise, it is proposed to alter and/or add to the existing main object clause of the Company. The additional in main object clause of the Company is:

To acquire by purchase, lease, exchange, hire, licence, concession or otherwise, any land, buildings, hereditaments, immovable properties of every description and tenure, and any estate, right, title or interest therein, and to hold, own, develop, redevelop, improve, manage, operate, maintain, exploit, mortgage, licence, lease, sub-lease, let out, transfer, assign, exchange, sell or otherwise dispose of the same, or any part thereof, in such manner as may be considered expedient.To prepare, develop and improve building sites and to construct, reconstruct, alter, renovate, modernise, improve, decorate, furnish, equip, maintain, manage and operate residential, commercial, industrial, institutional, hospitality and mixed-use projects, including but not limited to hotels, inns, guest houses, serviced apartments, flats, residential houses, villas, restaurants, markets, shopping malls, retail outlets, multiplexes, office complexes, business parks, industrial parks, warehouses, logistics parks, cold storages, factories, mills, workshops, godowns, wharves, safe deposit vaults, hospitals, educational institutions, convention centres, clubs, gardens, swimming pools, playgrounds and other buildings, structures, works and conveniences of every kind.To purchase, acquire, take on lease or otherwise obtain any land, plot or immovable property or any right, title or interest therein, either independently or jointly with any individual, company, body corporate, limited liability partnership, partnership firm, trust, association, joint venture, joint association or any other legal entity, and to develop, construct, redevelop, reconstruct, renovate, market, sell, lease, licence, rent, operate or otherwise commercially exploit residential, commercial, industrial, township, infrastructure or mixed-use projects thereon, including apartments, offices, retail spaces, industrial units, warehouses and other built-up areas, either for sale, self-use, leasing, licensing or earning rental or other recurring income. To act as builders, developers, promoters, colonisers, infrastructure developers, contractors, sub-contractors, engineering procurement and construction (EPC) contractors, project management consultants, architects, engineers, interior decorators, estate agents, property managers, valuers, surveyors and consultants, and to undertake, execute and carry out contracts and sub-contracts for Government, Semi-Government, statutory authorities, local bodies, public sector undertakings, private entities or any other person in relation to the aforesaid objects.

The Board at its meeting held on July 16, 2026 has approved the alteration of the MOA of the Company and the Board now seeks Members' approval for the same. The proposed change of object clause requires the approval of shareholders through Special Resolution pursuant to the provisions of Section 13 of the Companies Act, 2013.

A copy of the proposed set of New MOA of the Company would be available for public inspection at the registered office of the Company and on the Company's website for electronic inspection up to the last date of the Annual General Meeting.

The Board recommends the Special Resolution set out at Item No. 16 of the notice for approval by the members.

None of the Directors or Key Managerial Personnel or their respective relatives of Directors and KMPs is concerned or interested in the Resolution set out at Item No. 16 of the accompanying notice except to the extent of their shareholding.

Item No. 17

The Board of Directors at its meeting held on August 29, 2026 approved the shifting of the Registered Office of the Company from its existing address in the Union Territory of Chandigarh at Basement, SCO 13-14-15 Sector 34-A, Chandigarh — 160022 India to the State of Punjab at Kuranwala Derabassi Barwala Road Dera Bassi -140507, subject to approvals of Shareholders and the Central Government (through the appropriate Regional Director) or any other regulatory/statutory approvals.

Aligning with the expansion, we propose to shift the Company's Registered Office to Mumbai, Maharashtra to enhance administrative and operational efficiency.

Pursuant to Sections 12, 13 and all other applicable provisions, if any, of the Act read with applicable rules made thereunder, for shifting the Registered Office of the Company from one state to another and consequential alterations to the Memorandum of Association ('MOA') of the Company, prior approval of the Members of the Company is required by way of Special Resolution is sought and the approval of Central Government (power delegated to the Regional Director).

Further, consequent upon the shifting of Registered Office of the Company, it is also proposed to alter the 2nd Clause of the Memorandum of Association of the Company as follows:

"2nd The Registered Office of the Company will be situated in the State of Punjab."

A copy of the proposed set of New MOA of the Company would be available for public inspection at the registered office of the Company and on the Company's website for electronic inspection up to the last date of the Annual General Meeting.

The Board recommends the Special Resolution set out at Item No. 17 of the notice for approval by the members.

None of the Directors or Key Managerial Personnel or their respective relatives of Directors and KMPs is concerned or interested in the Resolution set out at Item No. 17 of the accompanying notice except to the extent of their shareholding.

Item No. 18

Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI (LODR) Regulations, 2015'), has provided a regulatory mechanism for reclassification of Promoter or Promoter Group Shareholder to 'Public' Shareholder.

In accordance with the order or Hon'ble NCLT dated April 16, 2026 pursuant to approval of Resolution Plan, and subject to necessary approvals from such statutory authorities as may be necessary, the consent of the Members of the Company be and is hereby accorded for reclassification the following person forming part of Promoter Group Shareholder (hereinafter referred to as the ("Outgoing Promoter Group" Shareholder) from "Promoter Group" Shareholder to "Public" Shareholder:

Name of Shareholder	Type	No. of Shares held	% of Paid up Capital
Manish Bagrodia	Promoter	52,040	0.07
Satish Bagrodia	Promoter	42,900	0.06
Ashish Bagrodia	Promoter	41,400	0.06
Shilpa Bagrodia	Promoter	12,640	0.02

Sudha Bagrodia	Promoter	11,142	0.02
Vandya Bagrodia	Promoter	2,000	0.00
Shell Business (P) Ltd	Promoter Group	2,14,12,414	30.28
Satyam Combines (P) Ltd	Promoter Group	57,65,073	8.15

Accordingly, consent of the members is sought for passing an Ordinary resolution as set out at Item No. 18 of the notice for promoter reclassification.

The Board recommends the Ordinary Resolution set out at Item No. 18 of the notice for approval by the members.

None of the Directors or Key Managerial Personnel or their respective relatives of Directors and KMPs is concerned or interested in the Resolution set out at Item No. 18 of the accompanying notice except to the extent of their shareholding.

Item No. 19

The Company is expected to render support for the business requirements of other companies in the group from time to time and in the best business interests of the Company.

Dhananya Capital Private Limited (**DCPL**), a related party of the Company, has raised funds through the issuance of senior, secured, unrated, unlisted, redeemable series a non-convertible Debentures aggregating up to INR 70,00,00,000 (Indian Rupees Seventy Crore) for its principal business activities including acquisition of shareholding of the Company. As a condition to such issuance, the Company is required to provide a corporate guarantee and create security by way of mortgage of certain immovable assets of WYL in favour of the debenture trustee i.e Axis Trustee Services Limited for the benefit of the debenture holders. The proposed transactions require the approval of the members under the applicable provisions of Sections 180, 185 and 186 of the Companies Act, 2013. Accordingly, the Board recommends the Special Resolution for approval by the Members.

In light of the provisions of Section 185 and Section 186 of the Companies Act, 2013, the Company, with the approval of members by way of special resolution, would be in a position to provide financial assistance by furnishing guarantee(s) or providing security in respect of the debentures issued by **DCPL**, a related party company of the Company; for their principal business activities.

The members may note that the board of directors would carefully evaluate proposals on furnishing guarantee(s) or providing security(ies) through deployment of funds out of internal resources / accruals and / or any other appropriate sources, from time to time.

Hence, in order to enable the company to furnish guarantee(s) or providing security(ies) in respect of the obligations of **Dhananaya Capital Private Limited**, a related party of the Company and the applicable provisions of the Companies Act, 2013 including Section 185 and Section 186, requires approval of members by a Special Resolution.

The Directors recommend the resolution for members' approval as a **Special Resolution**.

In accordance with Section 185 of the Companies Act, 2013

Guarantee Amount	**INR 70,00,00,000 (Rupees Seventy Crore)**

<table>
<tr>
<td>Details of security provided</td>
<td>
Mortgage over:
(a) The Knitting Unit Property being the leasehold industrial land situated at Plot No. B-58, Phase – 8, Focal Point, District Mohali, Punjab admeasuring 11,244 square yards together with all buildings, structures, erections and constructions of every description which are erected, constructed, standing or attached or shall at any time hereafter during the continuance of the security hereby constituted be erected, constructed and standing or attached to the aforesaid land and premises or any part thereof and all trees, fences, hedges, ditches, ways, sewerages, drains, water-courses, liberties, privileges, easements and appurtenances whatsoever to the aforesaid land or any part thereof belonging to or in anywise appertaining or usually held, occupied or enjoyed therewith or reputed to belong or be appurtenant or usually held, occupied or enjoyed therewith or reputed to belong or be appurtenant thereto, AND ALL the present and future development potential available to said land or granted by authority including the transferable development rights whether presently in existence or in the future belonging to or usually held, occupied or enjoyed therewith or expected to belong or be appurtenant thereto; AND all the estate, right, title, interest, property claim and demand whatsoever of the Company;
(b) The Spinning Unit Property being all pieces and parcels of freehold land described in the table below:
<table>
<tr><th>Khewat / Khatuni No.</th><th>Khasra No.</th><th>Bighas</th></tr>
<tr><td>90/187</td><td>18/6(3-10), 7/1(1-5)</td><td>1 Bighas 11 Biswas</td></tr>
<tr><td>39/53</td><td>22/8(4-0), 9/2(3-11)</td><td>3 Bighas 15-1/2 Biswaas</td></tr>
<tr><td>140/268</td><td>9/24(3-16), 25(3-14), 18/3(3-14)</td><td>11 Bighas</td></tr>
<tr><td>140/268</td><td>9/16 (3-14)</td><td>17 Bighas</td></tr>
<tr><td>90/187</td><td>18/6(3-10), 7/1(1-5)</td><td>1 Bighas 12 Biswas</td></tr>
<tr><td>83/152</td><td>9/10/2(0-2), 11(3-19), 20(4-0)</td><td>1 Bighas 12 Biswas</td></tr>
<tr><td>140/268</td><td>9/16(3-14)</td><td>1 Bighas 17 Biswas</td></tr>
<tr><td>140/268</td><td>9/17(4-0), 18(4-0), 19(4-0) Kite 3</td><td>12 Bighas</td></tr>
<tr><td>37/38</td><td>18/20(4-0), 21(4-0), 22(94-0), 22/1(4-0), 2(4-0), 3(4-0), 4/1(0-2)</td><td>24 Bighas 12 Biswas</td></tr>
<tr><td>39/44 & 13/14</td><td>22//7/2(0-6), 22//9/1(0-9),</td><td>1 Bighas 12 Biswas</td></tr>
</table>
</td>
</tr>
</table>

	18//16/1(0-12), 24/2(0-3)	
126/241	18//16/2(0-2), 17(3-6), 18(4-0), 23(4-0), 24/1(1-2)	12 Bighas 10 Biswas
13/14	18//19/1(2-10)	2 Bighas 10 Biswas
39/53	22//8(4-0), 9/2(3-11)	3 Bighas 15 ½ Biswas
125/236	35//5(4-0), 36/1(3-16), 54//29(0-2), 34(1-5), 60//8(0-8), 18//12(4- 0), 15(1-16), 19/2(0-10), 19//15/2(1-8), 18//13(4-0), 18//13(4-0), 14(4-0), 9/2(1-0), 10(2-14), 16/2(3-19)	7 Bighas 16 Biswas
101/200	9//21 Min (3-10), 22 (3-16), 9//23 (3-16), 18//2/2 (3-0), 3/1 (3-4), Kitte 5	17 Bighas 6 Biswas
85/156 & 5/6	18//7/2 (2-11), 9/1 (3-0), 3/2 (0-16), 8(4-0), 4 (4-0), Kitte 5	10 Bighas 7 Biswas

lying, being and situated at Village Kurawala, Tehsil Derabassi, District Mohali, Punjab together with all buildings, structures, erections and constructions of every description which are erected, constructed, standing or attached or shall at any time hereafter during the continuance of the security hereby constituted be erected, constructed and standing or attached to the aforesaid land and premises or any part thereof and all trees, fences, hedges, ditches, ways, sewerages, drains, water-courses, liberties, privileges, easements and appurtenances whatsoever to the aforesaid land or any part thereof belonging to or in anywise appertaining or usually held, occupied or enjoyed therewith or reputed to belong or be appurtenant or usually held, occupied or enjoyed therewith or reputed to belong or be appurtenant thereto, AND ALL the present and future development potential available to said land or granted by authority including the transferable development rights whether presently in existence or in the future belonging to or usually held, occupied or enjoyed therewith or expected to belong or be appurtenant thereto; AND all the estate, right, title, interest, property claim and demand whatsoever of the Company.

(c) The Hydro Power Project property being:

<table>
<tr>
<td></td>
<td>
<table>
<tr><th>Hydro Power Project</th><th>Capacity (KW)</th><th>Location</th></tr>
<tr><td>Project 1</td><td>900</td><td>Berowal, District Ludhiana</td></tr>
<tr><td>Project 2</td><td>900</td><td>Issewal, District Ludhiana</td></tr>
<tr><td>Project 3</td><td>750</td><td>Bharowal, District Ludhiana</td></tr>
<tr><td>Project 4</td><td>850</td><td>Kraowal, District Ludhiana</td></tr>
<tr><td>Project 5</td><td>500</td><td>Mansian, District Ludhiana</td></tr>
<tr><td>Mini Project</td><td>N/A</td><td>Barewal, Sirhind Canal, District Ludhiana</td></tr>
</table>
together with gear box, induction generator, turbine OPU, lube oil system, vacuum pump and motor and all other fixed movable assets in relation to the above projects together with land the projects are situated on the said land and all buildings, structures, erections and constructions of every description which are erected, constructed, standing or attached or shall at any time hereafter during the continuance of the security hereby constituted be erected, constructed and standing or attached to the aforesaid land and premises or any part thereof and all trees, fences, hedges, ditches, ways, sewerages, drains, water-courses, liberties, privileges, easements and appurtenances whatsoever to the aforesaid land or any part thereof belonging to or in anywise appertaining or usually held, occupied or enjoyed therewith or reputed to belong or be appurtenant or usually held, occupied or enjoyed therewith or reputed to belong or be appurtenant thereto, AND ALL the present and future development potential available to said land or granted by authority including the transferable development rights whether presently in existence or in the future belonging to or usually held, occupied or enjoyed therewith or expected to belong or be appurtenant thereto; AND all the estate, right, title, interest, property claim and demand whatsoever of the Company in the said property.
</td>
</tr>
<tr>
<td>Particulars of the utlisation of the proceeds</td>
<td>Towards creation of security interest and furnishing of guarantee in respect of non-convertible debentures issued by Dhananya Capital Private Limited.</td>
</tr>
</table>

Accordingly, consent of the members is sought for passing a Special resolution as set out at Item No. 18 of the notice for promoter reclassification.

The Board recommends the Special Resolution set out at Item No. 19 of the notice for approval by the members.

None of the Directors or Key Managerial Personnel or their respective relatives of Directors and KMPs is concerned or interested in the Resolution set out at Item No. 19 of the accompanying notice except to the extent of their shareholding.

Registered Office:
Basement, SCO 13-14-15 Sector 34-A, Chandigarh — 160022 India
Contact No.: +919780078797
CIN: L17115CH1990PLCO10566
Website: https://www.winsomeyarns.com/
Email: winsomeyarnslimited @gmail.com

By order of the Board of Directors
For Winsome Yarns Limited

Sd/-
Vipan Kumar
Additional Director
DIN: 11551026
Chandigarh
Date : Saturday, August 29, 2026

Annexure A

The relevant details of directors who is proposed to be appointed as an director of the Company, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 issued by the Company Secretaries of India are as under.

Particulars	Mr. Vipan Kumar (Din: 11551026)
Current Position	Additional Director (Liable to retire by rotation)
Age	47 Years
Qualification	Graduation
Experience	18 years
Expertise in specific functional areas	He is expert in Real estate business.
Brief Resume of the Director	Mr. Vipan Kumar aged 47 years, is having over 18 years of rich experience in the construction and real estate sector. He possesses extensive expertise in project development, business operations, strategic planning, and management of real estate ventures. His industry knowledge and leadership skills have contributed significantly to the successful execution of various construction and real estate projects. He brings valuable insights and professional acumen to the Board.
Remuneration last drawn	Nil
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	As per item no. 2 of this notice.
Date of first Appointment:	23 June 2026
Number of Board Meetings attended during the year:	0
Shareholding in the Company:	0
Relationship with Other Directors:	Mr. Vipan Kumar is not related to any Director on the Board of the Company.
Other Directorships:	1. VertexCrest Developers Private Limited 2. Dhanaya Capital Private Limited LLPs 1. Zenith Infra Realty LLP (Designated Partner)
Memberships / Chairmanship of Committees:	He is member of Risk Management Committee.

Annexure B

The relevant details of directors who is proposed to be appointed as an director of the Company, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 issued by the Company Secretaries of India are as under.

Particulars	Mr. Avinash Sarvapriya Bansal (DIN: 02666814)
Current Position	Additional Non-Executive Non Independent Director (Regularization)
Expertise in specific functional areas	He is expert is textile , Medical textile sector having over 17years of experience.
Brief Resume of the Director	Mr. Avnish Bansal - Aged 41 years, he holds a Master's in Business administration specialising in finance from Edinburgh Business School (UK). He is very dynamic and passionate about the business. Under his leadership he steered the company's transformation from a cotton processing pioneer to the market leader in cotton products for health & hygiene applications. Risk management is his forte, developed with deep knowledge and understanding of the macro environment pertaining to the company and the industry.
Remuneration last drawn	Rs. 0
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	As per item no. 3 of this notice.
Date of first Appointment:	23 June 2026
Number of Board Meetings attended during the year:	0
Shareholding in the Company:	0
Relationship with Other Directors:	Mr. Avnish Sarvapriya Bansal is husband of Mrs. Parul Bansal. Except stated Mr. Avnish Sarvapriya Bansal is not related to any Director of the Company.
Other Directorships:	1. Mohini Hygiene Care Products Private Limited 2. Vedant Kotton Private Limited 3. Shikhar Infrasolutions (India) Private Limited 4. Anviti Healthcare Private Limited 5. Taxofin Professional Services Private Limited 6. Mohini Health & Hygiene Limited 7. Mohini Active Life Private Limited 8. Omavi Ventures Private Limited 9. Dhananya Capital Private Limited **LLPs** 1. ESV Proptech LLP
Memberships / Chairmanship of Committees:	He is member of Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee.

Annexure C

The relevant details of directors who is proposed to be appointed as a director of the Company, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 issued by the Company Secretaries of India are as under.

Particulars	Mr. Parul Bansal (DIN: 06856466)
Current Position	Additional Women Non-Executive Non Independent Director (Regularization)
Brief Resume of the Director	Mrs. Parul Bansal - Aged 38 Years, she has completed diploma in Animation, Graphics and Multimedia from Arena Multimedia and having experience of more than 10 Years in the area.
Remuneration last drawn	Rs. 0
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	As per item no. 4 of this notice.
Date of first Appointment:	23 June 2026
Number of Board Meetings attended during the year:	0
Shareholding in the Company:	0
Relationship with Other Directors:	Mrs. Parul Bansal is wife of Mr. Avnish Sarvapriya Bansal. Expect stated Mrs. Parul Bansal is not related to any Director of the Company.
Other Directorships:	1. Mohini Health & Hygiene Limited 2. Anviti Healthcare Private Limited 3. Mohini Active Life Private Limited 4. Omavi Ventures Private Limited 5. Dhananya Capital Private Limited
Memberships / Chairmanship of Committees:	Nil

Annexure D

The relevant details of directors who is proposed to be appointed as a director of the Company, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 issued by the Company Secretaries of India are as under.

Particulars	Mr. Mahesh Fogla (DIN: 05157688)
Current Position	Additional Non-Executive Independent Director (Regularization)
Brief Resume of the Director	Mr. Mahesh Fogla- Aged 53 years, Fellow Member of the Institute of Chartered and Cost Accountants of India with rich Experience in Finance & Accounts, Legal & Taxation and Strategic Financial Planning. He has more than 25 years of experience in conceptualizing & implementing MIS, maintaining & finalization of accounts. Structuring Commercial Transactions to minimize impact of Taxes & Cost. He is an effective leader with analytical, team building & relationship management skills & ability.
Remuneration last drawn	Rs. 0
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	As per item no. 5 of this notice.
Date of first Appointment:	23 June 2026
Number of Board Meetings attended during the year:	0
Shareholding in the Company:	0
Relationship with Other Directors:	Mr. Mahesh Fogla is not related to any Director on the Board of the Company.
Other Directorships:	1. Innovace Advisors Private Limited 2. Natasha Construction Projects Private Limited 3. Patel Integrated Logistics Limited (CN) 4. Mohini Health & Hygiene Limited
Memberships / Chairmanship of Committees:	He is Chairperson of Audit Committee and member of Stakeholders Relationship Committee and Nomination & Remuneration Committee.

Annexure E

The relevant details of directors who is proposed to be appointed as a director of the Company, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 issued by the Company Secretaries of India are as under.

Particulars	**Mr. Sanjeev Khubchand Nahar (DIN: 07711548)**
Current Position	Additional Non-Executive Independent Director (Regularization)
Brief Resume of the Director	Mr. Sanjeev Khubchand Nahar aged 54 years is a highly accomplished construction and real estate professional with over 28 years of experience in project management, engineering, and execution of large-scale infrastructure and real estate developments. A Civil Engineer from Mumbai University and PGDCM from NICMAR, he has held leadership positions with reputed organizations including Lodha Group, Runwal Group, Raheja Universal, Xrbia Developers, and Kumar Builders. He has successfully managed over 20 million sq. ft. of residential, commercial, and infrastructure projects, including several landmark high-rise developments exceeding 50 storeys. Currently, he serves as Director of V.S. Engineering and advises various real estate and infrastructure companies on project
Remuneration last drawn	Rs. 0
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	As per item no. 6 of this notice.
Date of first Appointment:	23 June 2026
Number of Board Meetings attended during the year:	0
Shareholding in the Company:	0
Relationship with Other Directors:	Mr. Sanjeev Nahar is not related to any Director on the Board of the Company.
Other Directorships:	1. Wayusaka Innovations Private Limited 2. CEH Recimart Limited
Memberships / Chairmanship of Committees:	He is Chairperson of Nomination & Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee and member of Audit Committee.

Annexure F

The relevant details of directors who is proposed to be appointed as a director of the Company, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 issued by the Company Secretaries of India are as under.

Particulars	Mr. Bhibhudutta Satpathy (DIN: 06693401)
Current Position	Additional Non-Executive Independent Director (Regularization)
Brief Resume of the Director	Mr. Bibhudutta Satpathy aged 60 years is an infrastructure executive with 34+ years of experience in highways, EPC, and industrial construction across India. Currently Sr. Vice President (MMR/EPC) at Markolines Pavement Technologies Ltd, having previously held senior leadership roles at L&T, Lafarge, Welspun, Gammon, Transstroy, and Essel Projects. Has directed projects worth over ₹12,000 crore and led teams of 600+ across multi-state operations. B.E. (Civil), Nagpur University; Construction Management, Anna University. Fellow & Chartered Engineer (Institution of Engineers), Certified Arbitrator, and Six Sigma Green Belt
Remuneration last drawn	Rs. 0
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	As per item no. 7 of this notice.
Date of first Appointment:	23 June 2026
Number of Board Meetings attended during the year:	0
Shareholding in the Company:	0
Relationship with Other Directors:	Mr. Bhibhudutta Satpathy is not related to any Director on the Board of the Company.
Other Directorships:	1. Sidhi Singrauli Road Project Limited
Memberships / Chairmanship of Committees:	He is member of Audit Committee and Nomination & Remuneration Committee.

DIRECTORS' REPORT

Dear Members,
Winsome Yarns Limited (herein after referred as "the Company")
(Company Under Corporate Insolvency Resolution Process)

The Resolution Professional/ Monitoring professional /Board of Directors present the 36th Annual Report and the Financial Statements of the Company for the year ended 31st March, 2026.

Update on implementation of Resolution Plan:
In accordance with the applicable provisions of the Insolvency and Bankruptcy Code, 2016 ("IBC/Code"), the Corporate Insolvency Resolution Process ("CIRP") of M/s. Winsome Yarns Limited ("Company") was initiated pursuant to a petition filed under Section 7 of the Code by Edelweiss Asset Reconstruction Company Limited, a Financial Creditor of the Company, which was admitted by the National Company Law Tribunal ("NCLT"), Chandigarh Bench, vide Order dated December 22, 2023 ("Insolvency Commencement Date"), whereupon the powers of the Board of Directors of the Company stood suspended. Mr. Sanjay Gupta was appointed as the Interim Resolution Professional, and Mr. Anil Kohli of ARCK Resolution Professionals LLP was subsequently appointed as the Resolution Professional ("RP") by the Committee of Creditors ("CoC"). The RP invited Expressions of Interest and resolution plans in accordance with the provisions of the Code, and the CoC, with 100% voting share, approved the resolution plan submitted by M/s. Mohini Health and Hygiene Limited ("Successful Resolution Applicant"/"SRA"), having a total plan value of Rs. 162.90 crore. The RP thereafter filed the CoC-approved Resolution Plan before the NCLT, Chandigarh Bench, for approval under Section 30(6) of the Code. The Hon'ble NCLT, Chandigarh Bench, vide its Order dated April 16, 2026 ("Approval Order") passed in IA(IBC)(PLAN)/1/(CH)/2025, approved the said Resolution Plan, which is binding on the Company, its employees, members, creditors (including the Central and State Governments), guarantors and all other stakeholders involved therein. Pursuant to the Approval Order, the Board of Directors of the Company has been reconstituted with effect from June 23, 2026. Members are requested to read this report in light of the fact that the new Board and management are currently engaged in implementation of the approved Resolution Plan.

A summary of the financial results is given below.

1. **SUMMARISED FINANCIAL RESULTS:**

(Rs. in lakhs)

INCOME	**Year ended 31.03.2026**	**Year ended 31.03.2025**
Revenue from operations	21.79	419.08
Other income	148.39	86.43
Total Income	1 70.18	505.51
EXPENSES		
Cost of material consumed	-	2.93
Purchase of stock-in-trade	-	--
Excise duty	-	--
Change in inventories of finished goods, work in process and stock in trade	11.54	183.11
Employees benefit expenses	77.43	533.85
Finance costs	-	--
Depreciation and Amortisation	980.03	982.51
Other expenses	356.42	532.77
Total Expense	1,425.42	2235.20
Profit/ (Loss) before exceptional items and tax	(1,255.24)	(1729.69)
Less: Exceptional items	-	--
Profit/ (Loss) before tax	(1,255.24)	(1729.69)
Less/(-Add): Tax expense	-	--
Current tax	-	--
Deferred tax	-	--

Profit/ (Loss) after tax	(1,255.24)	(1729.69)
Other comprehensive income	-	--
Total Comprehensive Income	(1,255.24)	(1729.69)

The production of the Winsome Yarns Limited, Derabassi, Punjab plant and Winsome Knitwear, Mohali plant is fully shut down, though the Micro Hydro Power Projects (MHPs), situated at Ludhiana are operational, but not at full capacity.

A detailed review of the operations of the Company for the Financial Year ended 31st March, 2026, is given below which forms as part of this report.

2. STATUS OF CORPORATE INSOLVENCY RESOLUTION PROCESS UNDER INSOLVENCY AND BANKRUPTCY CODE 2016 (IBC) AFTER INITIATION:

The Corporate Insolvency Resolution Process ("**CIRP**") in the case of Winsome Yarns Limited ("Company/ Corporate Debtor") was initiated by the Hon'ble National Company Law Tribunal, Chandigarh Bench ("Adjudicating Authority") under Section 7 of the IB Code vide its order dated 22nd December 2023. The Adjudicating Authority vide the order of the same date appointed Mr. Sanjay Gupta having Registration No. IBBI/IPA-002/IP-N00982-C01/2017-2018/10354 as the Interim Resolution Professional ("IRP") to conduct the CIRP of the Corporate Debtor. Later, in the CoC Meeting of the Corporate Debtor held on 23rd January, 2024, M/s. ARCK Resolution Professionals LLP, having Registration No. IBBI/IPE-0030/IPA-1/2022-23/50013 was appointed as the Resolution Professional ("RP") to run the CIRP of the Corporate Debtor.

Interim Resolution Professional had issued invitation for Expression of Interest (hereinafter referred as ''EOI'') in FORM G on February 20, 2024 in compliance with Regulation 36A of CIRP Regulations, 2016 in the newspaper in English language for the submission of a resolution plan in accordance with the provision of the code.

As per the published FORM G, the last date for submission of EOI was stipulated as March 5, 2024, and last date stipulated for submission of resolution plan was April 20, 2024 which was later on extended till 31.03.2024.

The Resolution Professional received three Resolution plans which were duly opened in presence of the COC Members in its 6th COC Meeting. Due discussion and negotiation on all three resolutions plans were conducted by the COC. The members of the COC in its COC Meeting decided that another FORM G be published for exploring more potential bidders and for wealth maximization to all Stakeholders.

Thereafter, Resolution Professional had re-published invitation for Expression of Interest (hereinafter referred as ''EOI'') in FORM G on July 18, 2024 in compliance with Regulation 36A of CIRP Regulations, 2016 in the newspaper in English and Vernacular (Punjabi) language for the submission of a resolution plan in accordance with the provision of the code.

As per the published FORM G, the last date for submission of EOI was stipulated as August 2, 2024 through Email and August 3, 2024 original in physical form at the office of the RP, and last date stipulated for submission of resolution plan was September 12, 2024, which was later on extended till 28.09.2024.

The Resolution Professional received four Resolution plans which were duly opened in the presence of the COC Members in its 15th COC Meeting. The members of the COC duly discussed and negotiated in terms and clauses of the Resolution Plans including the financial bid and thereafter decided to go for inter-se bidding for challenge mechanism. Pursuant to inter se bidding convened on 22.10.2024, final Resolution Plans were submitted by all 4 RAs. All 4 compliant Resolution Plans have duly been placed to e-voting before the members of the COC for their approval.

A One-time settlement (OTS) proposal letter under section 12A of the Code has also been submitted by the promoters. However, as per the requirement laid down in Section 12 A read with Regulation 30 A, FORM FA along with requisite Bank Guarantee was not submitted by the Applicant, EARC to the Resolution Professional.

Further the Committee of Creditors (COC) of Winsome Yarns Limited in its 18th COC Meeting held on 12.11.2024 has approved with requisite majority, the Resolution Plan submitted by M/s. Mohini Health & Hygiene Limited through e-voting, in accordance with the provisions of the Insolvency & Bankruptcy Code, 2016. Furthermore, please also take note that the Resolution Professional has filed an application with Hon'ble National Company Law Tribunal, Chandigarh Bench ('NCLT') of the COC approved Resolution Plan for their approval. The said application is pending adjudication.

In terms of Section 17 of the Code, on commencement of the Corporate Insolvency Resolution Process (CIRP), the powers of the Board of Directors of Winsome Yarns Limited stands suspended and the same are being exercised by Mr. Anil Kohli, Partner of M/s. ARCK Resolution Professionals LLP, Resolution Professional. The management of the affairs of Winsome Yarns Limited is vested with Mr. Anil Kohli, Partner of M/s. ARCK Resolution Professionals LLP.

Thereafter, on April 16, 2026, Hon'ble NCLT, Chandigarh Bench approved Resolution Plan of the Company.

3. 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 utilization and the gross margins have suffered due to high input costs. Furthermore, the constraints of funds have affected Company's plans to undertake de-bottlenecking and regular capital expenditure as per industry norms, which are needed for proper maintenance and upkeep of its plant, machinery and equipment.

The production of the Winsome Yarns Limited, Derabassi, Punjab plant and Winsome Knitwear, Mohali plant is fully shut down, though the Micro Hydro Power Projects (MHPs), situated at Ludhiana are operated for captive consumption

During the year ended March 31, 2026, the Company incurred a loss of Rs. 1,255.24 lakhs, as compared to a loss of Rs. 1,729.69 lakhs during the previous year ended March 31, 2025. The Company's total income of Rs. 170.18 lakhs was lower than the previous year's total income of Rs. 505.51 lakhs, for the reasons stated above. The Company has since undertaken manufacturing for third parties on a job-work basis and is able to recover variable costs and part of fixed costs.

4. CLAIMS AGAINST THE COMPANY:

EARC has claimed that it is an assignee of debt recoverable by certain banks from the Company, and the Company has a counter claim against the claimants for the losses caused by them to the Company which are pending adjudication before the Hon'ble debt Recovery Tribunal.

The actions of the Banks and EARC, amongst others, for recovery from the Company and the petitions filed by them to initiate insolvency against the Company, though disputed by the Company, amongst other, for reasons of being barred by limitation, the Company had without prejudice to its rights in the matter and without acknowledging its liability, had initiated discussions with claimants to settle the disputes, which had failed.

The Financial Commissioner of the State of Punjab had determined that the Agreements for Assignment of debt by certain lenders to the Company in favour of EARC are insufficiently stamped, and therefore, defective. A demand of Rs. 4.46 crores (interest and penalty not applied as yet) was raised against EARC.
A writ petition filed by EARC before the Hon'ble Punjab and Haryana High Court at Chandigarh against the proceedings initiated by the Financial Commissioner was allowed.

The State of Punjab and the Company have filed Letters Patent Appeal (LPA) against the order of the Single Judge Bench of the Hon'ble Punjab and Haryana High Court, which is being heard.

EARC acting in the matter as assignee of debt by certain banks in case wherein the State of Punjab has held stamp duty to have been unpaid, had Petitioned the Hon'ble NCLT to initiate insolvency proceedings against the Company, which was dismissed by the Hon'ble NCLT vide its order dated 17th March 2020 as the assignment deed was held as unenforceable.

In an appeal filed by EARC against the order of the Hon'ble NCLT, the Hon'ble NCLAT vide order dated 21 Jul 2022 has set aside the order of the Hon'ble NCLT and remanded the matter to the Hon'ble NCLT for rehearing and without touching the merits of the case and permitting the parties to take all arguments before the Hon'ble NCLT. The Hon'ble NCLT vide its Order dated 22nd December 2023, appointed Mr. Sanjay Gupta as an Interim Resolution Professional (IRP), who took over control of management and affairs of the Company. The NCLT, Chandigarh Bench, vide its Order dated 14.03.2024, appointed M/s. ARCK Resolution Professionals LLP having IBBI Registration No. IBBI/IPE-0030/IPA-1/2022-23/50013, as the Resolution Professional to conduct CIRP of the Company, and the powers of the Board of Directors of the Company, earlier suspended on commencement of CIRP, are now vested with the RP. In the event of a Resolution Plan, if one is received and is found compliant with the laws, is approved by the Committee of Creditors and the Authorities, the insolvency of the Company may stand resolved, which resolution may also include reliefs, concessions and waivers from creditors of the Company, and the Company will remain a Going Concern; failure of the aforementioned resolution process will lead to liquidation of the Company.

The resolution of disputes was initiated by the Company without prejudice to its rights in the matter, and though the Company did not consider itself liable to the claimants, the financial statements of the Company have been prepared on 'Going Concern' basis.

5. TRADING OF EQUITY SHARES OF THE COMPANY:

The equity shares of the Company are traded on BSE Limited (under Scrip Code 514348) and National Stock Exchange of India Limited (under Symbol 'WINSOME'). Further, trading in the Equity Shares was not suspended on the Stock Exchanges during the financial year under review. The Company has paid the requisite Annual Listing Fees for the year 2026-27 to BSE Limited.

The trading of Equity Shares of the Company was suspended after period under review pursuant to approval of resolution plan.

6. SUBSIDIARY COMPANIES/ JOINT VENTURES/ ASSOCIATES:

There are no Subsidiary Companies/ Joint Ventures/ Associates of the Company during period under review.

7. DIVIDEND:

During the year under review, your Board does not recommend any dividend and wishes to plough back the profits. Further, as per Regulation 43A of the listing regulations, the requirement to formulate a Dividend Distribution Policy applies to the top 1,000 listed entities based on market capitalization. As our company does not fall within this threshold, the formulation and disclosure of a Dividend Distribution Policy do not apply to us.

8. TRANSFER TO RESERVES IN TERMS OF SECTION 134 (3) (J) OF THE COMPANIES ACT, 2013

The Company has not transferred any amount to the reserve and surplus.

9. TRANSFER OF UNPAID AND UNCLAIMED DIVIDENDS TO INVESTOR EDUCATION AND PROTECTION FUND:

The Ministry of Corporate Affairs under Sections 124 and 125 of the Companies Act, 2013 requires dividends that are not encashed/ claimed by the shareholders for a period of seven consecutive years, to be transferred to the Investor Education and Protection Fund (IEPF). In FY 2025-26, there was no amount due for transfer to IEPF.

10. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review detailing economic scenario and outlook, as stipulated under Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("SEBI LODR Regulations") is presented in a separate section as **ANNEXURE G** and forms an integral part of this Report.

11. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company is not required to undertake any activities under the CSR as per section 135 of the Companies Act, 2013 as it does not meet applicable criteria as defined in section 135(1) of the Act and hence there is no CSR Committee constituted.

12. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

The Company does not fall under Regulation 34(2)(f) of the SEBI (LODR), Regulations, 2015, hence there is no need to annex the Business Responsibility and Sustainability Report to the Annual Report.

13. COMPLIANCE OF SECRETARIAL STANDARD

The Company has complied with the Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government as required under Section 118(10) of the Companies Act, 2013.

14. SHARE CAPITAL:

During the financial year 2025-26, there was no change in the Share Capital of the Company.

The Authorized Share Capital of the Company as on March 31, 2026, is Rs. 85,00,00,000/- divided into 8,50,00,000 equity shares of Rs. 10/-

The Paid-up Share Capital of the Company as on March 31, 2026, is Rs 70,70,72,290 divided into 7,07,07,229 Equity shares of Rs. 10/-.

Changes in Share Capital after period under review:

1. Issuance of 25,00,000 Equity Shares at a face value of Rs. 10/- per shares (Rupees Ten Only) which shall rank paripassu basis in all respects with the existing equity shares to the below-mentioned prospective promoters of the Company, in accordance with the NCLT Order:

S.no	Prospective Promoter	Total no. of Equity Shares		Shareholding Percentage (%)	
		Pre-Preferential shareholding	**Post-Preferentia shareholding**	**Pre-Preferential shareholding**	**Post-Preferentia shareholding**
1	Dhananya Capital Private Limited	Nil	25,00,000	Nil	95%

2. To give effect to the reduction, cancellation and issue of equity shares to the existing shareholders whose names appears as on the record date fixed by the Company (i.e. July 31, 2026), pursuant to above referred Resolution Plan as approved by Hon'ble NCLT order dated April 16, 2026, in the following manner:

   a) Erstwhile Promoters shareholding: Post reduction, Equity Shares of Erstwhile Promoters shall be reduced from 2,73,39,609 to 0 shares.
   b) Existing Public shareholding: Post reduction, Equity Shares of public shall be reduced from 4,33,67,620 to 1,31,579 shares.

15. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

1. Composition of Directors:

Sr. No	Name	Designation	DIN	Date of Appointment	Date of Cessation
1	Rajiv Chadha	Non-executive and Independent Director	08793211	14/07/2020	06/01/2026
2	Pankaj Mahajan	Non-executive and Independent Director	06994712	22/05/2023	06/01/2026
3	Manish Bagrodia	Managing Director	00046944	19/07/1990	10/07/2026

However, on appointment of the Interim Resolution Professional ("IRP") to manage the affairs of the Company and Resolution Professional ("RP") by the committee of creditors ("CoC"), the powers of the Board of Directors of the Company were suspended.

2. Key Managerial Personnel:

Sr. No	Name	Designation	Date of Appointment	Date of Cessation
1	Manish Bagrodia	Managing Director	19/07/1990	10/07/2026
2	Sanjay Sharma	CFO	14/07/2020	-
3	Neha Singhal	CS	27/06/2021	22/12/2023

However, on appointment of the Interim Resolution Professional ("IRP") to manage the affairs of the Company and Resolution Professional ("RP") by the committee of creditors ("CoC"), the powers of the Board of Directors of the Company were suspended.

3. Changes in Directors and KMPs:

The Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. All changes in the composition of the Board during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.

During the period under review, and as of the date of this report, the following changes occurred in the composition of the Board of Directors:

During the period under review, the following changes in Directors occurred:

S. No.	Name of Director	Designation	Date of Change	Reason for change
1.	Mr. Rajiv Chadha	Non-executive and Independent Director	06/01/2026	Cessation
2.	Mr. Pankaj Mahajan	Non-executive and Independent Director	06/01/2026	Cessation

Further, the following changes occurred after period under review:

S. No.	Name of Director	Designation	Date of Change	Reason for change
1.	Mr. Manish Bagrodia	Managing Director	10/07/2026	Vacation of Office pursuant to approval of Resolution Plan dated April 16, 2026
2.	Mr. Vipan Kumar	Additional Director	23/06/2026	Appointment

S. No.	Name of Director	Designation	Date of Change	Reason for change
3.	Mr. Avnish Sarvapriya Bansal	Additional Director and Chairperson	23/06/2026	Appointment
4.	Ms. Parul Bansal	Additional Director	23/06/2026	Appointment
5.	Mr. Mahesh Fogla	Additional Director	23/06/2026	Appointment
6.	Mr. Sanjeev Nahar	Additional Director	23/06/2026	Appointment
7.	Mr. Bibhudutta Satpathy	Additional Director	23/06/2026	Appointment
8.	Ms. Riya Pawar	Company Secretary & Compliance Officer	18/07/2026	Appointment

16. DECLARATION/ DISCLOSURES BY DIRECTORS:

The Directors have made the requisite declaration/ disclosures under the provisions of Companies Act, 2013 and under the regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. None of the Directors are disqualified under the provisions of Section 164(2) of the Companies Act, 2013.

However, disclosures as required under Companies Act, 2013 received from Directors who are appointed after period under review.

17. PERFORMANCE EVALUATION OF BOARD:

The powers of the Board of Directors of the Company were suspended due to admission of the Company for Insolvency Resolution Process by the Hon’ble NCLT, Chandigarh bench. Hence no Board Evaluation was carried out.

18. NO. OF BOARD MEETINGS:

Since the powers of the Board of Directors remained suspended throughout FY 2025-26 and were exercised by the Resolution Professional, no meetings of the Board of Directors were held during the financial year 2025-26.

19. CREDITORS MEETING:

Meetings of the Committee of Creditors (CoC) were held during the course of FY 2025-26, at which matters relevant to the CIRP proceedings, including the status of the Resolution Plan pending before the Hon'ble NCLT, were placed before the CoC.

20. INDEPENDENT DIRECTORS' DECLARATION:

The Company has not received declarations from all independent directors of the Company confirming that they continue to meet the criteria of independence, as prescribed under Section 149 of the Companies Act, 2013, rules made there under and SEBI LODR Regulations since the powers of the Board of Directors of the Company were suspended due to admission of the Company for Insolvency Resolution Process by the Hon’ble NCLT, Hyderabad bench.

However, the Company received all declarations as required under Companies Act, 2013 from Directors appointed after period under review.

21. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

During the period under review, the powers of the Board of Directors of the Company were suspended due to admission of the Company for Insolvency Resolution Process by the Hon’ble NCLT, Chandigarh bench. Hence no familiarization programmes were conducted.

22. AUDITORS:

Statutory Auditors:

Pursuant to Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the members of the Company in its 33rd Annual General Meeting held on 29th September, 2023 approved the reappointment of M/s. Dhana and Associates (Formerly known as M/s. Khandelia and Sharma), Chartered Accountants (Firm Registration Number: 510525C) as the Statutory Auditors of the Company for a further period of five consecutive years (second term) from the conclusion of 33rd Annual General Meeting till the conclusion of 38th Annual General Meeting of the Company.

Secretarial Auditors:
The Committee of Creditors had approved the appointment of M/s Girish Madan and Associates, Practising Company Secretaries (C.P. No. 3577), as Secretarial Auditor of the Company for a period of five years, to conduct the Secretarial Audit for the financial years 2025-26 to 2029-30, subject to the approval of Members. The Secretarial Audit Report (Form MR-3) for FY 2025-26 is annexed to this Report as **ANNEXURE 'A'**. Further, certificate of disqualification of Directors is annexed in this Report as **ANNEXURE C.**

Internal Auditors:
The Board of Directors has appointed M/s Ashok Chhajed & Associates, Chartered Accountants, as an Internal Auditors of the Company for the financial year 2026-27.

23. AUDITORS' REPORT:
M/s Dhana & Associates, Statutory Auditors, have issued a qualified opinion on the Standalone Financial Statements of the Company for FY 2025-26. The Board's explanation on the qualifications is set out under "Board's Explanation on Audit Qualifications" in this Report, and the Statement of Impact of Audit Qualifications is annexed to the financial results/this Annual Report.

24. THE EXPLANATION/ COMMENTS OF THE BOARD ON QUALIFICATION/ RESERVATION OR ADVERSE REMARKS GIVEN BY AUDITORS IN ITS REPORT FOR THE FINANCIAL YEAR 2025-26:
The Board's explanation on the qualifications contained in the Auditors' Report for FY 2025-26 is set out as follows:

Board's Explanation on Statutory Auditors' Qualifications *(Section 134(3)(f), Companies Act, 2013)*

(a)	Details of Audit qualification	Reference is invited to Para (4) of Independent Auditor’s Report on Standalone audited financial results: **a.** In view of accumulated losses of the company as at the end of March 31, 2026, the net worth of the company as at that date being negative, continuous losses, negative cash flows and due to financial constraints, resignation of KMP and non-deposit of statutory dues on time, material uncertainty exists about the company ability to continue as going concern. The decision of management and RP of the company to prepare the accounts of the company on going concern basis for the reason mentioned in standalone financial result note no 4 there would arise a need to adjust the realizable value of assets and liabilities in the event of failure of assumptions as to going concern, and in the absence of impact of aforesaid assumptions having been un-ascertained, we are unable to comment thereon. **b.** Non-provisioning of interest expenses, of Rs 30,790.32 Lakhs on borrowings for the year ended on March 31, 2026 (Rs 26,433.97 lakhs for the year ended on March 31, 2025) and Rs 1,84,075.64 Lakhs being aggregate amount of interest un-provided till the year ended March 31, 2026 (Rs 1,53285.32 Lakhs till the year ended March 31, 2025), and further amount towards penal interest, penalty, etc. as may be charged by the lenders. (In the absence of statement of account, the above amount has been arrived at as per estimates of the Company, and the aggregate un-provided amount in books of account of the Company is not ascertainable with accuracy). b) Non-provisioning against long outstanding receivables of Rs. 120.16 Lakhs which is overdue for more than 365 days. Further Re-instatement of few debtors, advance from customers, creditors for export, etc. on exchange fluctuation is not recognized in line with Ind AS - 21 “The Effects of changes in Foreign Exchange Rates” the effect of which we are unable to comment.

		c. The Internal Control Systems need to be further strengthened in order that they are commensurate with the size of the Company and the nature of its business, more particularly in areas of, purchases and consumption of materials, charging of expenses, set-off of balances, and invoicing of sale of goods and services. **d.** As per the information given to us, the carrying value of investments have not been marked to realizable value, which if accounted would result in Investments reducing by Rs. 2568.41 Lakhs and Loss of the year ended 31.03.2026 increasing by Rs. 2568.41 Lakhs. **e.** Confirmation of balances and reconciliation thereof with respective parties are pending, which include balances pertaining to, accounts receivable and accounts payable, bank balances (including FDR), other current and non-current assets, advance for leasing, security deposit, secured loans, other liabilities, provisions, and contingent liabilities. All balances and disclosures have been certified by the management of the Company. In the absence of the Company having aforementioned details and confirmations, the impact thereof is unascertainable, and therefore, not being commented. Further strengthening of internal controls by the Company will provide greater reliability. **f.** As per the information given to us, In reference to note no. 13 of financial Statements, we draw attention to the users of the financial statement for the year ended on 31st March, 2025. Fixed Deposit with Canara Bank Amount of Rs 30.66 lakhs had been made for Margin Money for issuing Bank Guarantee, which was adjusted against the dues of working capital outstanding at the time of Account becoming NPA, has not been accounted for as it will change note in Financials of the borrowing amount as per books. We are unable to comment upon possible impact in the standalone financial statements for the year 31st March, 2025.
	Type of Audit Qualification	Qualified Opinion
(c)	Frequency of Qualification	(i) In case of point no (i), (iv) and (v) – Appeared since F.Y. 2014-15 (ii) In case of point no (ii) – Appeared since F.Y. 2013-14 (However, there is change in amount) (iii) In case of point no (iii) – Appeared since F.Y. 2013-14 (iv) In case of point no (vi) – Appeared since F.Y. 2023-24
(d)	For Audit Qualification(s) where the impact is quantified by the Auditor, Management views	With regard to Auditors Qualification No. (i)(ii), (iii), (iv),(v) and (vi) :- • The management has prepared its Financial Statement on a going concern basis- Refer Note No.4 of Results b) Regarding non-provision of interest expenses, penal interest, penalty, etc. in respect of borrowings of the Company from banks - As stated in Note No. 3.15 of the Audited Financial Statement, The operating losses suffered by the Company for reasons beyond control of the Company, including due to non-

		performance of commitments and obligations by the lenders of the Company, consequently led to financial stress being faced by the Company. The unilateral recall of borrowings by the lenders and followed by lock downs to contain the spread of pandemic of Covid-19, resulted in an alleged claim of an unpaid principal and overdue interest . Provision for upto date interest,has not been made in the books of account, and disputing the liability of the Company in its borrowings, it had filed a counter claim against the lenders, which is for an amount larger than the amount claimed by the lenders and the matter is pending adjudication before the Hon'ble Debt Recovery Tribunal, Chandigarh. The Company will account the effects of payment of restructured liabilities on approval of resolution plan or otherwise on failure of insolvency proceedings and during liquidation of the Company. **(iii)** Regarding further strengthening the system of internal controls – Necessary steps have been initiated by the Company to further strengthen the system of internal controls w.r.t. purchases and consumption of inventory, booking of expenses, set off of balances, for the sale of goods and services, etc. **(iv)** Regarding non provision of dimunition in carrying value of investment : Company response : The changes in value of investments will be accounted for after reconciliation. **e.** The balances of certain Trade Receivables , Bank Balances including other bank balances, Investments,Trade Payables , Secured Borrowings, Other Financial Liabilities and Financial Assets including other current assets are subject to reconciliation. Contingent liabilities (read with note no. 3.1) are as as certified by the management. Further, necessary steps have been initiated to further strengthen system of internal controls in this regard. **f.** This Fixed Deposit had been made for Margin Money for issuing Bank Guarantee, Which was adjusted against the dues of working capital outstanding at the time of Account becoming NPA, has not been accounted for as it will change note in Financials of the borrowing amount as per books.The above amount is not recoverable .

(iii)	Auditors' comments on (i) or (ii) above	Refer details of audit qualification [para II(a) above]

The Emphasis of Matter items (Edelweiss advance/loan status, pending statutory demands, and Resolution Plan implementation) are noted; auditors' opinion is unmodified on these and they continue to be monitored. The Statement of Impact of Audit Qualification makes an integral part of this Annual Report as **ANNEXURE K.**

Management Comments on Secretarial Audit Report (MR-3), FY 2025-26

1. **Disclaimer (CoC/RP minutes not shared):** Decisions taken per IBC in stakeholders' interest; no known adverse compliance impact.
2. **Qualifications mirroring Statutory Auditor:** As per management's response to the Statutory Auditors' Report above.
3. **AGM delay (due 30.09.2025, held 30.12.2025, adjourned 06.01.2026):** Due to CIRP-related delay in finalising accounts; Form GNL-1 filed for extension.
4. **No Board/Committee meetings held:** Board's (and Committees') powers stood suspended under Sections 17/25 IBC during the year.
5. **CS post vacant since 22.12.2023:** Arose on CIRP commencement; to be filled by incoming management.
6. **Late filing of financial results / NSE-BSE fines (Reg. 33):** Due to CIRP-related delay in accounts finalisation; being regularised going forward.
7. **Delay in statutory dues (PF, ESI):** Due to financial constraints during CIRP; regularisation underway.
8. **RP's filing of Annual Return/Financials via Form GNL-2:** Procedural filing per applicable MCA circulars for CIRP companies; not a non-compliance.

25. COST AUDITORS:
As per Section 148 of the Companies Act, 2013, the Company is not required to have the audit of its cost records conducted by a Cost Accountant in practice.

26. PUBLIC DEPOSIT:
During the year, the Company has not accepted any deposits from the public and as such. There are no outstanding deposits in terms of the Companies (Acceptance of Deposits) Rules, 2014.

27. SHARE REGISTRATION ACTIVITY:
The Company has appointed "LINK INTIME INDIA PRIVATE LIMITED" now (MUFG INTIME INDIA PRIVATE LIMITED) a category-I Registrar and Share Transfer Agent registered with Securities and Exchange Board of India (SEBI) to handle the work related to Share Registry.

28. UNCLAIMED SECURITIES DEMAT SUSPENSE ACCOUNT:
There were no unclaimed securities to be kept in the demat suspense account.

29. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS
The particulars of loans, guarantees given, security provided and investments made during the year as per Section 186 of the Companies Act, 2013 form part of the notes and schedules of the Financial Statements provided in this Annual Report.

30. DIRECTORS' RESPONSIBILITY STATEMENT:
Pursuant to Section 134(3)(c) read with Section 134(5) of the Act, the Board of Directors/Resolution Professional (as applicable, having regard to the suspension of Board powers during the greater part of the period covered by this Statement) state that, to the best of their knowledge and belief, in relation to the annual accounts for the financial year ended March 31, 2026:

c) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
d) the directors/resolution professional had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

e) the directors/resolution professional had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
f) the directors/resolution professional had prepared the annual accounts on a going concern basis;
g) the directors/resolution professional had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
h) the directors/resolution professional had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

31. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THIS REPORT

Pursuant to Section 134(3)(l) of the Act, the following material changes and commitments affecting the financial position of the Company have occurred between April 1, 2026 and the date of this Report. Save as stated below, no other material change or commitment has been identified from the documents made available to the drafting team; none has been assumed or added beyond what is so supported.

A. Approval of the Resolution Plan by the Hon'ble NCLT (April 16, 2026)

Date of NCLT approval: April 16, 2026 ("NCLT Approval Date").
Status of CIRP: The CIRP of the Company, initiated on December 22, 2023, stands concluded upon approval of the Resolution Plan by the Hon'ble NCLT. Implementation of the approved Resolution Plan is presently in progress.

Resolution Applicant: Mohini Health & Hygiene Limited ("MHHL"/the "Successful Resolution Applicant"/"SRA"), whose Resolution Plan was approved by the CoC on November 12, 2024 and by the NCLT on April 16, 2026.

Value of the Resolution Plan: Rs. 162.90 crore, as stated in the Company's financial statements/Auditors' Reports for FY 2025-26.

Relevant provisions/effect of the approved Resolution Plan: The approved Resolution Plan provides for resolution of the claims and liabilities of the Company in accordance with its terms, and for the infusion of funds for revival of the Company's operations, over the period specified therein. Pursuant to the approval of the Resolution Plan, the NCLT has, inter alia, directed that the crystallised and unclaimed liabilities of the Company, as on the date of the order, shall stand extinguished in accordance with the terms of the Resolution Plan and the NCLT order. The moratorium under Section 14 of the IBC ceased to have effect from the NCLT Approval Date.

Change in management/control: Pursuant to the approved Resolution Plan, the affairs of the Company are presently managed by a Monitoring Committee, comprising representatives of the CoC and the SRA, chaired by an Insolvency Professional (M/s ARCK Resolution Professionals LLP, acting as Monitoring Professional), pending the "Transfer Date" as defined in the Resolution Plan. Thereafter, the Monitoring Committee appointed Board of Directors w.e.f. June 23, 2026.

Implementation mechanism/role of Resolution Professional/Monitoring Committee: Implementation is being undertaken under the supervision of the Monitoring Committee (CoC and SRA representatives, chaired by an Insolvency Professional), with M/s ARCK Resolution Professionals LLP acting as Monitoring Professional.

B. Appointment/Reconstitution of the Board of Directors (June 23, 2026)

The Monitoring Committee, at its meeting held on June 23, 2026, reconstituted the Board of Directors of the Company by appointing Six (6) Additional Directors, with effect from June 23, 2026:

S. No.	Name of Director	DIN	Designation
1	Mr. Vipan Kumar	11551026	Additional Executive Director
2	Mr. Avnish Sarvapriya Bansal	02666814	Additional Non-Executive & Chairperson
3	Mrs. Parul Bansal	06856466	Additional Woman Non-Executive Director
4	Mr. Mahesh Fogla	05157688	Additional Non-Executive Independent

5	Mr. Sanjeev Nahar	07711548	Additional Non-Executive Independent
6	Mr. Bibhudutta Satpathy	06693401	Additional Non-Executive Independent

Particulars of each of the above Directors are set out under "Directors and Key Managerial Personnel" above. Shareholding in the Company as on date is Nil for each;

Mr. Vipan Kumar was subsequently re-designated as Managing Director of the Company for a period of 5 (Five) years with effect from August 29, 2026, subject to the approval of Members at the ensuing Annual General Meeting.

32. CORPORATE GOVERNANCE:

A separate report on **'Corporate Governance'** is enclosed as a part of this Annual Report as **ANNEXURE 'F'**. The certificates from the Secretarial Auditor of the Company regarding compliance with Corporate Governance norms stipulated under the regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are annexed to the Report on Corporate Governance.
Further, Certificate on Corporate Governance Report by Auditor is annexed in Annual Report as **ANNEXURE B.**

33. AUDIT COMMITTEE:

After the Commencement of CIRP (w.e.f. 22.12.2023), the role and responsibilities of the Board of Directors are being fulfilled by the Resolution Professional in accordance with sections 17 and 23 of IBC Code and powers of the Board of Directors are suspended. Hence, no meetings of the Audit Committee were held during the financial year 2025-26. The details regarding the composition, attendance of Audit Committee are provided in the "Corporate Governance Report".

The Audit Committee of the Company has been constituted w.e.f. July 16, 2026 and the details regarding the same are provided in "Corporate Governance Report".

34. NOMINATION AND REMUNERATION COMMITTEE:

Since the powers of the Board of Directors remained suspended throughout FY 2025-26 and were exercised by the Resolution Professional under Sections 17 and 23 of the Code, no meetings of the Nomination & Remuneration Committee were held during the year. Details regarding composition and attendance are provided in the "Corporate Governance Report".

The Nomination and Remuneration Committee of the Company has been constituted w.e.f. July 16, 2026 and the details regarding the same are provided in "Corporate Governance Report".

The Committee formulated Remuneration Policy which is attached as **ANNEXURE 'D'** and forms a part of this Report of the Directors.

35. STAKEHOLDERS RELATIONSHIP COMMITTEE:

Since the powers of the Board of Directors remained suspended throughout FY 2025-26 and were exercised by the Resolution Professional under Sections 17 and 23 of the Code, no meetings of the Stakeholders Relationship Committee were held during the year. Details regarding composition and attendance are provided in the "Corporate Governance Report".

The Stakeholders Relationship Committee of the Company has been constituted w.e.f. July 16, 2026 and the details regarding the same are provided in "Corporate Governance Report".

36. RISK MANAGEMENT COMMITTEE:

Since the powers of the Board of Directors remained suspended throughout FY 2025-26 and were exercised by the Resolution Professional under Sections 17 and 23 of the Code, no meetings of the Risk Management Committee were held during the year. Details regarding composition and attendance are provided in the "Corporate Governance Report".

The Risk Management Committee of the Company has been constituted w.e.f. July 16, 2026 and the details regarding the same are provided in "Corporate Governance Report".

37. SEXUAL HARASSMENT COMMITTEE:
The Company had, in compliance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, constituted Internal Complaints Committees at all its workplaces.

The manufacturing operations at the Company's Derabassi (Punjab) plant and at the Winsome Knitwear unit, Mohali, remain fully suspended. While the Micro Hydel Power Projects at Ludhiana continue to operate, they are functioning below capacity. As a result of the suspension of operations and the ongoing CIRP, the workmen and a majority of the employees have separated from the Company, and as on the date of this Report there is no woman employee or worker on the rolls of the Company. In view of the above, reconstitution of the Internal Complaints Committee was not considered necessary during the year under review. The Committee will be reconstituted as and when the Company resumes operations and employs women at its workplaces.
The status of complaints received during the financial year 2025-26 is as under:

Particulars	No. of complaints
Complaints pending at the beginning of the year	Nil
Complaints received during the year	Nil
Complaints disposed of during the year	Nil
Complaints pending at the end of the year	Nil

38. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:
Pursuant to the provision of section 177(9) of the Companies Act, 2013, and as required under the provisions of regulations of the SEBI (LODR), Regulation, 2015, the Company has adopted the 'Whistle Blower Policy' and authorized to the Audit Committee of the Board to look after all the matters relating to Whistle Blower Policy and to submit its report to Board at regular intervals, on the receipt of any concerned matter, for any appropriate action. The details of the vigil mechanism Policy/ Whistle Blower Policy are explained in the Corporate Governance Report and also posted on the website of the Company. It can be accessed on www.winsomeyarns.com.

39. MEETING OF SHAREHOLDERS:

During the year under review, the following General Meeting were held, the details of which are given as under:

S. No.	Type of Meeting/ Postal Ballot	Date of General Meeting/ Postal Ballot	Whether attended by all Directors
1.	Annual General Meeting	January 06, 2026	Yes

41. RELATED PARTY TRANSACTIONS:
All transactions entered into with related parties as defined under the Companies Act, 2013, and under the regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. There were no material contract or arrangement or transactions with Related Party during the year. Thus, disclosure in form AOC-2 is not required. Suitable disclosure as required by the Accounting Standard has been made in the notes to the Financial Statements.

None of the Directors have had any pecuniary relationship or transactions with the Company.

Members' attention is drawn to the fact that, after the end of FY 2025-26, the Board of Directors, at its meeting held on August 29, 2026, approved (i) an office or place of profit arrangement with Mrs. Pooja Garg, a relative of the Managing Director, and (ii) omnibus approval for related party transactions with Dhananya Capital Private Limited, Mohini Health & Hygiene Limited, and Zenith Infra LLP for FY 2026-27. These are prospective arrangements for FY 2026-27 and do not affect the AOC-2 position for FY 2025-26 stated above; they are separately disclosed under "Material Changes and Commitments Occurring After the End of the Financial Year" above.

42. LISTING OF SHARES:
The Equity Shares of your Company are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

43. SIGNIFICANT AND MATERIAL ORDER:
The significant and material orders relevant to the Company during and after FY 2025-26 are the orders of the Hon'ble NCLT relating to the CIRP of the Company, as more particularly described under "Status of Corporate Insolvency Resolution Process" and "Material Changes and Commitments Occurring After the End of the Financial Year" above.

44. INTERNAL FINANCIAL CONTROLS:
The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations under the supervision of Resolution Professional. Various Audit Systems in the Company monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the audit reports, Company undertakes corrective actions in respective areas and strengthens the control. Significant audit observations and corrective actions thereon are presented to the Resolution Professional periodically. The Resolution Professional of the Company have adopted various policies like Related Party Transactions policy, Whistle Blower Policy and such other procedures for ensuring the orderly and efficient conduct of its business for safeguarding its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. The details in respect of internal financial control and their adequacy are included in the management discussion & analysis, which forms part of this report.

45. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:
The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014, is annexed as **ANNEXURE 'E'.**

ENERGY SAVING INITIATIVES:
The Company is continually making its best efforts to save the energy consumption.

Mini Hydro Power Projects
There are five mini hydro power projects of the Company situated at Sidhwan Canal, Distt. Ludhiana, Punjab. The details of the same are as under:

Site Name in State of Punjab	Date of Commissioning	Installed Generated Capacity
Barewal	Commissioned on 12th June, 2010	900 KW
Bharowal	Commissioned on 12th January, 2013	750 KW
Isewal	Commissioned on 15th July, 2011	900 KW
Mansian	Commissioned on 22nd Sep., 2010	500 KW
Raowal	Commissioned on 29th August, 2011	850 KW

46. ENVIRONMENT AND POLLUTION CONTROL:
Top priority continues to be given to preservation of the environment by all the units of the Company. To combat pollution and strengthen the area ecology, considerable emphasis is placed on plantation of fragrant and shady trees. We are cautious of preserving water through recycling and rainwater harvesting to the extent possible. All manufacturing facilities possess the required environmental clearance from the respective Pollution Control Boards and do comply with the relevant legislation.

The Company is well aware of its responsibility towards a better and clean environment. Our efforts in environment management go well beyond mere compliance with statutory requirements. The Company has always maintained harmony with nature by adopting eco-friendly technologies and upgrading the same from time to time incidental to its growth programs.

47. PARTICULARS OF EMPLOYEES:
The prescribed particulars of employees required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **ANNEXURE 'J'** and forms a part of this Report of the Directors.

48. EXTRACT OF ANNUAL RETURN:
Pursuant to Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company in Form MGT-7 for FY 2025-26 shall be made available on the Company's website at www.winsomeyarns.com upon its filing.

49. WEBSITE:
Pursuant to the provisions of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is maintaining a website i.e. www.winsomeyarns.com.

50. RISK ASSESSMENT AND MANAGEMENT:
Your Company has a Risk Management Policy to identify, evaluate risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company’s competitive advantage. This framework is intended to assist in decision making process that will minimize potential losses, improve the management in the phase of uncertainty and the approach to new opportunities, thereby helping the Company to achieve its objectives.

Your Company has been on a continuous basis reviewing and streamlining its various operational and business risks involved in its business as part of its risk management policy. Your Company also takes all efforts to train its employees from time to time to handle and minimize these risks.

51. STATEMENT ON MATERNITY BENEFIT COMPLIANCE:
The Company declares that it has duly complied with the provisions of the Maternity Benefit Act, 1961. All eligible women employees have been extended the statutory benefits prescribed under the Act, including paid maternity leave, continuity of salary and service during the leave period, and post-maternity support such as nursing breaks and flexible return-to-work options, as applicable. The Company remains committed to fostering an inclusive and supportive work environment that upholds the rights and welfare of its women employees in accordance with applicable laws.

The Company also ensures that no discrimination is made in recruitment or service conditions on the grounds of maternity. Necessary internal systems and HR policies are in place to uphold the spirit and letter of the legislation

52. AUDIT TRAIL APPLICABILITY (AUDIT AND AUDITORS) RULES 2014 - RULE 11 OF THE COMPANIES ACT 2013:
The Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is applicable for the financial year ended March 31, 2026.

53. APPOINTMENT OF DESIGNATED PERSON (MANAGEMENT AND ADMINISTRATION) RULES 2014 - RULE 9 OF THE COMPANIES ACT 2013:
In accordance with Rule 9 of the Appointment of Designated Person (Management and Administration) Rules 2014, it is essential for the company to designate a responsible individual for ensuring compliance with statutory obligations.

The company has proposed and appointed a Designated person in a Board meeting, and the same has been reported in the Annual Return of the company.

54. HUMAN RESOURCES AND INDUSTRIAL RELATION:
Your Company considers people as its biggest assets and ‘Believing in People’ is at the heart of its human resource strategy. It has put concerted efforts in talent management and succession planning practices, strong performance management and learning and training initiatives to ensure that your Company consistently develops inspiring, strong and credible leadership.

Your Company has established an organization structure that is agile and focused on delivering business results. With regular communication and sustained efforts, it is ensuring that employees are aligned on common objectives and have the right information on business evolution. Your Company strongly believes in fostering a culture of trust and mutual respect in all its employees seek to ensure that business world values and principles are understood by all and are the reference point in all people matters.

Disclosures pertaining to remuneration and other details are required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is forming part of the Directors' Report for the year ended March 31, 2026 and is annexed to this Report and marked as **ANNEXURE-** J

The current workforce breakdown structure has a good mix of employees at all levels. Your Board confirms that the remuneration is as per the remuneration policy of the Company.

55. GENDER-WISE COMPOSITION OF EMPLOYEES:
In alignment with the principles of diversity, equity, and inclusion (DEI), the Company discloses below the gender composition of its workforce as of March 31, 2026

Male Employees: 7
Female Employees: 0
Transgender Employees:0

This disclosure reinforces the Company's efforts to promote an inclusive workplace culture and equal opportunity for all individuals, regardless of gender.

56. CASH FLOW ANALYSIS:
In conformity with the SEBI Listing Regulations, the Cash Flow Statement for FY 2025-26 is annexed with the financial statements. The Company's net cash flow from operating activities for FY 2025-26 was Rs. (143.70) lakhs, as compared to Rs. 1,875.58 lakhs for FY 2024-25; the net decrease in cash and cash equivalents for FY 2025-26 was Rs. (4.54) lakhs, as compared to a net increase of Rs. 1,959.93 lakhs for FY 2024-25, as per the Audited Standalone Cash Flow Statement.

57. PREVENTION OF INSIDER TRADING:
In compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has formulated and adopted the "Code of Conduct for Prevention of Insider Trading" ("the Insider Trading Code"). The object of the Insider Trading Code is to set framework, rules and procedures which all concerned persons should follow, while trading in listed or proposed to be listed securities of the Company. During the year, the Company has also adopted the Code of Practice and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("the Code") in line with the SEBI (Prohibition of Insider Trading) Amendment Regulations, 2018.

The Company also adopts the concept of Trading Window Closure, to prevent its Directors, Officers, designated employees and other employees from trading in the shares of the company at the time when there is unpublished price sensitive information.

58. FRAUD REPORTING:
There have been no frauds reported by the Auditors of the Company to the Audit Committee or the Board of Directors under sub-section (12) of section 143 of the Companies Act, 2013 during the financial year.

59. INSURANCE:
The properties of the Company have been adequately insured against fire, flood, earthquake and explosive risks etc.

60. OTHER DISCLOSURES:

The following disclosures are not applicable to the company:

a) The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year alongwith their status as at the end of the financial year.

b) The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

c) The Company has not issued Equity Shares with differential rights as to dividend, voting or otherwise, pursuant to the provisions of Section 43 of the Act and Rules made thereunder.

d) The Company has not issued any Sweat Equity Shares to its Directors or employees.

e) No Director of the Company is in receipt of any remuneration or commission from its subsidiaries.

f) There was no revision of financial statements

g) The Company has not made any provisions of money or has not provided any loan to the employees of the Company for purchase of shares of the Company, pursuant to the provisions of Section 67 of the Act and Rules made thereunder.

h) The Company's securities were not suspended.

61. CAUTIONARY STATEMENTS:
Statements in this Annual Report, particularly those which relate to Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances.

62. ACKNOWLEDGEMENTS:
Your Directors thank the various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

Registered Office:
Basement, SCO 13-14-15
Sector 34-A, Chandigarh – 160022

Dated: 29.08.2026

By order of the Board of Directors
For Winsome Yarns Limited
Sd/-

Vipan Kumar
Additional Director
DIN: 11551026

Chandigarh
Saturday, August 29, 2026

Sd/-

Avnish Bansal
Additional Director
DIN:02666814

Chandigarh
Saturday, August 29, 2026

ANNEXURE A
SECRETARIAL AUDIT REPORT

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED **31st MARCH, 2026**
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members/Monitoring Professional,
WINSOME YARNS LTD,
Chandigarh

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by WINSOME YARNS LIMITED (under Corporate Insolvency Resolution Process) (herein after called the "Company") having CIN: L17115CH1990PLC010566 and its registered office at Basement, SCO 13-14-15, Sector 34-A, Chandigarh, 160022, while taking review after completion of financial year. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

The Hon'ble National Company Law Tribunal ("NCLT"), Chandigarh Bench, admitted the Corporate Insolvency Resolution Process ("CIRP") application filed by an financial creditor of Winsome Yarns Ltd ("the Company") and appointed Mr. Sanjay Gupta (IBBI Registration No .IBBI/IPA-002/IP-N00982-C01/2017-2018/10354, as Interim Resolution Professional ("IRP"), in terms of the Insolvency and Bankruptcy Code, 2016 ("the Code") to manage the affairs of the Company vide CP (IB) No. 291/Chd /Chd/2018 dated 22.12.2023. Further Hon'ble National Company Law Tribunal ("NCLT"), Chandigarh Bench, vide order dated 14.03.2024 appointed M/s ARCK Resolution Professionals LLP having IBBI Registration No. IBBI/IPE-0030/IPA-1/2022-23/50013 as the new RP of Winsome Yarns Ltd ("the Company").

Furthermore, as per the provisions of the Section 17 and 18 of IBC, the powers of the directors and management of the Corporate Debtor (Winsome Yarns Limited) stand suspended from the initiation of the CIRP period, and the said powers stand vested with IRP/RP on the commencement of CIRP, and subsequently, on appointment of RP for the Corporate Debtor, the said powers stand vested with the RP.

The application bearing C.P (IB) No. 291/Chd/Chd/2018 filed by Edelweiss Asset Reconstruction Company Limited, the Financial Creditor, under section 7 of the Code for initiating CIRP against Winsome Yarns Limited (the Corporate Debtor), is admitted by Hon'ble NCLT vide its order dated 22.12.2023. Upon initiation of CIRP against corporate debtor, its management shall be vest with the interim resolution professional/resolution professional as the case may be, in terms of section 17 of the IBC, 2016. Accordingly, the powers of the board of directors of the Corporate Debtor are under suspension from the CIRP initiation order dated 22.12.2023 passed by Hon'ble NCLT.

It has been noted that Resolution Plan of M/s Mohini Health & Hygiene Limited was approved by Committee of Creditors in its 18th COC Meeting held on 12.11.2024. Furthermore, the Resolution Professional had filed an application for approval of the COC approved Resolution Plan with Hon'ble National Company Law Tribunal, Chandigarh Bench ('NCLT') for their approval.

It has been noted during the course of Audit that Hon'ble NCLT vide NCLT order dated 16.04.2026 approved the Resolution Plan IA(IBC)(PLAN)/1/(CH)/2025 of M/s Mohini Health & Hygiene Limited and other application bearing IA 213/2026 & IA 46 of 2026 were dismissed as infructuous and Disposed off.

The Code also mandated that the IRP/RP is required to do the necessary compliances as applicable to the Corporate Debtor.

After the approval of the Resolution Plan by the Hon'ble NCLT under the Insolvency and Bankruptcy Code, 2016, the affairs of the Company are presently being managed by the Monitoring Committee comprising representatives of the Committee of Creditors (CoC) and the Successful Resolution Applicant, chaired by an Insolvency Professional in accordance with the approved Resolution Plan. The powers of the existing Board of Directors remain suspended till the Transfer Date.

Auditors Responsibility

The Secretarial Audit was conducted in a manner that provided me reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. The responsibility of the Auditor is to express opinion on the compliance with the applicable laws and maintenance of records based on audit. The audit has been conducted in accordance with the applicable ICSI Auditing Standards (CSAS-1 to CSAS- 4). These standards require that the auditor comply with the statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of the audit as stated in the para on Disclaimer of Opinion, there is an element of unavoidable risk that some mis-statements or material non compliances may not be detected even though the audit is properly planned and performed in accordance with the standards.

Disclaimer of Opinion:

In view of the Company being into CIRP, the decisions taken by the Resolution Professional/Monitoring Professional and/or the decisions/resolutions passed by the Committee of Creditors/Monitoring Committee are material. However, as I am not privy to the minutes of the Committee of Creditors or the decisions taken by the Resolution Professional, I am unable to comment on the impact of the said decisions/resolutions by the Resolution Professional and Committee of Creditors even though I am aware that all such decisions may be in the interest of the Company or other stake holders. Further, I am unable to comment on compliances, if any, arising/required in respect of the decisions/resolutions of the Resolution Professional and Committee of Creditors.

In view of the unavailability of the (i) Minutes of the Committee of the Creditors, (ii) details of all the corporate decisions taken by the Resolution Professional, (iii) status of ongoing investigations by the regulatory agencies, I am unable to comment on the impact (whether material or otherwise), if any, which may arise out of the lack of audit evidence on the functioning of the Company.

The report as being submitted under the requirements of Secretarial Audit may be read with the qualified opinion of Statutory Auditor as below including basis of qualified opinion and emphasis of matter:

1. The financial result for the year ended on March 31, 2026 are understated due to:

i. non-provisioning of interest expenses, of Rs 30,790.32 Lakhs on borrowings for the year ended on March 31, 2026 (Rs 26,433.97 lakhs for the year ended on March 31,2025) and Rs 1,84,075.64 Lakhs being aggregate amount of interest un-provided till
the year ended March 31, 2026 (Rs 1,53,285.32 Lakhs till the year ended March 31,2025), and further amount towards penal interest, penalty, etc. as may be charged by the lenders. (In the absence of a statement of account, the above amount has been arrived at as per estimates of the Company, and the aggregate un-provided amount in the books of account of the Company is not ascertainable with accuracy)

ii. non-provisioning against long outstanding receivables of Rs. 120.16 Lakhs which is overdue for more than 365 days. Further Re-instatement of few debtors, advance from customers, creditors for export, etc. on exchange fluctuation is not recognize din line with Ind AS - 21 "The Effects of changes in Foreign Exchange Rates" the effect of which we are unable to comment.

iii. The Internal Control Systems need to be further strengthened in order that they are commensurate with the size of the Company and the nature of its business, more particularly in areas of, purchases and consumption of materials, charging of expenses, set-off of balances, and invoicing of sale of goods and services.

iv. As per the information given to us, the carrying value of investments have not been marked to realizable value, which if accounted would result in Investments reducing by Rs. 2568.41 Lakhs and Loss of the year ended 31.03.2026 increasing by Rs.2568.41 Lakhs.

v. Confirmation of balances and reconciliation thereof with respective parties are pending, which include balances pertaining to, accounts receivable and accounts payable, bank balances (including FDR), other current and non-

current assets, advance for leasing, security deposit, secured loans, other liabilities, provisions, and contingent liabilities. All balances and disclosures have been certified by the management of the Company. In the absence of the Company having aforementioned details and confirmations, the impact thereof is unascertainable, and therefore, not being commented. Further strengthening of internal controls by the Company will provide greater reliability.

vi. As per the information given to us, In reference to note no. 13 of financial Statements, we draw attention to the users of the financial statement for the year ended on 31st March, 2026. Fixed Deposit with Canara Bank Amount of Rs 30.66lakhs had been made for Margin Money for issuing Bank Guarantee, which was adjusted against the dues of working capital outstanding at the time of Account becoming NPA, has not been accounted for as it will change note in Financials of the borrowing amount as per books. We are unable to comment upon possible impact in the standalone financial statements for the year 31t March, 2026.

vii. Subsequent to the year ended March 31, 2026, but prior to the approval of the financial statements and the finalization of our audit report, the National Company Law Tribunal (NCLT) passed a final order dated 16t April 2026 approving a Resolution Plan. Under the terms of this approved order, certain liabilities and trade creditors of the Company Amount not yet ascertained, were permanently extinguished and waived. In accordance with Ind AS 10 (Events after the Reporting Period), this NCLT order constitutes an adjusting event as it provides conclusive evidence of conditions that existed at the balance sheet date. Management has failed to account for this extinguishment and its corresponding accounting effects in the financial statements for the year ended March 31, 2026.

2. Emphasis of Matter

i. As per information given to us, the company has made advance payment of Rs.2268.50 Lakhs to Edelweiss Assets Reconstruction Company as an advance against restructuring of loan. Loan outstanding from Edelweiss Assets Reconstruction Company amounting of Rs. 47071.08 Lakhs as on 31.03.2026.

ii. The company has not made provision for the demand raised by various authorities as the matters are pending before various appellate forum. We are unable to comment upon possible impact in the standalone financial statements for the year 31 March,2026.

iii. As per information given to us, we draw attention to the users of the financial statement of the company for the quarter ended 31t March,2026. The Hon'ble National Company Law Tribunal ("NCLT"), Chandigarh Bench, vide order dated 16April 2026, approved the Resolution Plan submitted by M/s Mohini Health & Hygiene Limited under the provisions of the Insolvency and Bankruptcy Code, 2016 ("IBC"). The implementation of the approved Resolution Plan is presently under progress.

Secretarial Standards issued by the Institute of Company Secretaries of India, which the company has followed to the extent feasible and possible in view of the CIRP and within the inherent limitations in the process. As per Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) — specifically SS-1 (Meetings of the Board of Directors) and SS-2 (General Meetings) the last date for holding the AGM of the company was 30.09.2025, However, AGM of the company was held on 30.12.2025, adjourned AGM was held on 06.01.2026. In terms of the applicable Circulars of the Ministry of Corporate Affairs, the Company has filed Form GNL-1, for the extension of holding Annual General Meeting. Subsequently the Company had filed Form GNL-2 for submission of documents which was filed by Resolution Professional.

I have relied on the representation made by the Company and its new management for the systems and mechanisms formed by the Company for compliances under applicable Acts, Rules. Laws and Regulations to the Company.

I have not examined the Compliance by the Company with other laws including applicable labour, industrial, environmental and other industry specific since the compliance and monitoring of the said laws are to be ensured by the management of the Company; with the applicable financial laws like direct and indirect laws, since the same have been subject to review by the statutory financial audit undertaken by other designated professionals.
During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc., subject to the following

g. The Companies Act, 2013 (the Act) and the rules made there under;

h. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

i. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

j. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.: -

(v) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

The provisions as specified in regulation 17 shall not be applicable during the insolvency resolution process period in respect of a listed entity which is undergoing corporate insolvency resolution process under the Insolvency Code. However, the role and responsibilities of the board of directors as specified under regulation 17 shall be fulfilled by the interim resolution professional or resolution professional in accordance with sections 17 and 23 of the Insolvency Code. Since, the power of the Board has been suspended during the Corporate Insolvency Resolution Process, the Regulations 18, 19, 20 and 21 shall not be applicable during the insolvency resolution process period in respect of a listed entity which is undergoing corporate insolvency resolution process under the Insolvency Code. However, the roles and responsibilities of the committees specified in the respective regulations shall be fulfilled by the IRP/RP. It is noted that the provisions of Regulations 22 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, pertaining to corporate governance—such as Vigil Mechanism, Related Party Transactions, Governance of Subsidiaries, Obligations of Independent Directors, and Senior Management responsibilities—continue to remain applicable during the CIRP period, subject to practical limitations and modifications due to the suspension of the Board. The RP, to the extent applicable and feasible, has ensured compliance with the said provisions during the CIRP period in accordance with SEBI circulars and regulatory guidelines.

(vi) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **No such transaction during the Financial year 2025-26.**

(vii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,2015; **No such transaction during the financial year 2025-26.**

(viii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **No such transaction during the financial year 2025-26.**

(ix) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **No such transaction during the financial year 2025-26.**

(x) The Securities and Exchange Board of India (Issue and Listing of Securities Debt instrument and security receipts) Regulations, 2008; **No such transaction during the financial year 2025-26.**

(xi) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **No such transaction during the financial year 2025-26.**

(xii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **No such transaction during the financial year 2025-26.**

(xiii) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **No such transaction during the financial year 2025-26.**

(xiv) Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 (in relation to obligations of Issuer Company); **No such transaction during the financial year 2025-26.**

VI. Compliance with Tax laws (Income Tax, VAT, Excise and Service Tax)

VII. And Labor Laws, Environment Laws, other applicable laws etc.

I have also examined compliance with the applicable clauses of the following:

(v) Secretarial Standards issued by The Institute of Company Secretaries of India.

(vi) The Listing Agreements entered into by the Company with Stock Exchange.

(vii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Guidelines Standards etc. mentioned above subject to the following observations.

We further report that:

Compliances of applicable Financial Laws including, Direct & Indirect Tax Laws by the Company has not been reviewed in this Audit Report; since the same is under the purview of Statutory Auditor & other Designated Professionals.

3. During the period under review Company has following Committees namely;

1) Audit Committee
2) Nomination & Remuneration Committee.
3) Stakeholders Relationship Committee
4) Risk Management Committee

Since the power of the Board is suspended during the CIRP, hence no board as well as committee meetings were held during the financial year 2025-26.

We further report that:

4. Non compliances as per SEBI (LODR) Regulations, 2015 for the year ended **31st March, 2026** are as follows:

i) The post of the Whole Time Company Secretary of the Company has been vacant since 22.12.2023.(20-02-2026 regulation 6 of SEBI (LODR) Regulations, 2015).

j) Late submission of financial results for the quarter/year ended March 31, 2025 within the prescribed time and quarterly financial results for FY 2025-26.
As per emails received from both NSE and BSE, the company has not complied with Regulation 33. BSE and NSE have levied a fine accordingly for the non-compliance.

5. As per the information provided, the company is not regular in depositing undisputed statutory dues including provident fund, employees' state insurance.

6. It was observed that during the Corporate Insolvency Resolution Process, the Resolution Professional filed statutory documents such as Annual Return and Financial Statements as attachments in Form GNL-2."

Sd/-
(Girish Madan)
Practicing Company Secretary
Membership No: 5017
Certificate of Practice No: 3577
UDIN: **F005017H001375540**
Peer Review Certificate No. 1514/2021

Date: 04/09/2026
Place: Panchkula

*This report is to be read with our letter which is annexed as Annexure A and forms an integral part of this report.

Annexure-A

To,

The Members/Monitoring Professional,
WINSOME YARNS LTD,
Chandigarh

My report is to be read along with this letter.

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

Sd/-
(Girish Madan)
Practicing Company Secretary
Membership No: 5017
Certificate of Practice No: 3577
UDIN: **F005017H001375540**
Peer Review Certificate No. 1514/2021

Date: 04/09/2026
Place: Panchkula

ANNEXURE B
CERTIFICATE OF SECRETARIAL AUDITORS ON CORPORATE GOVERNANCE UNDER SEBI (LODR) REGULATIONS, 2015

To,

The Members/Monitoring Professional,
WINSOME YARNS LTD,
Chandigarh

We, have examined the compliance of conditions of Corporate Governance by Winsome Yarns Limited, (CIN: L17115CH1990PLC010566) (under Corporate Insolvency Resolution Process) having its registered office at Basement, SCO 13-14-15, Sector 34-A, Chandigarh, while taking review after completion of financial year for the year ended March 31, 2026, as stipulated in Schedule V of SEBI (LODR) Regulations, 2015.

During the review the Hon'ble National Company Law Tribunal ("NCLT"), Chandigarh Bench, admitted the Corporate Insolvency Resolution Process ("CIRP") application filed by an financial creditor of Winsome Yarns Ltd ("the Company") and appointed Mr. Sanjay Gupta (IBBI Registration No .IBBI/IPA-002/IP-N00982-C01/2017-2018/10354, as Interim Resolution Professional ("IRP"), in terms of the Insolvency and Bankruptcy Code, 2016 ("the Code") to manage the affairs of the Company vide CP (IB) No. 291/Chd /Chd/2018 dated 22.12.2023. Further Hon'ble National Company Law Tribunal ("NCLT"), Chandigarh Bench, vide order dated 14.03.2024 appointed M/s ARCK Resolution Professionals LLP having IBBI Registration No. IBBI/IPE-0030/IPA-1/2022-23/50013 as the new RP of Winsome Yarns Ltd ("the Company").

Furthermore, as per the provisions of the Section 17 and 18 of IBC, the powers of the directors and management of the Corporate Debtor (Winsome Yarns Limited) stand suspended from the initiation of the CIRP period, and the said powers stand vested with IRP/RP on the commencement of CIRP, and subsequently, on appointment of RP for the Corporate Debtor, the said powers stand vested with the RP.

The application bearing C.P (IB) No. 291/Chd/Chd/2018 filed by Edelweiss Asset Reconstruction Company Limited, the Financial Creditor, under section 7 of the Code for initiating CIRP against Winsome Yarns Limited (the Corporate Debtor), is admitted by Hon'ble NCLT vide its order dated 22.12.2023. Upon initiation of CIRP against corporate debtor, its management shall be vest with the interim resolution professional/resolution professional as the case may be, in terms of section 17 of the IBC, 2016. Accordingly, the powers of the board of directors of the Corporate Debtor are under suspension from the CIRP initiation order dated 22.12.2023 passed by Hon'ble NCLT.

It has been noted that Resolution Plan of M/s Mohini Health & Hygiene Limited was approved by Committee of Creditors in its 18th COC Meeting held on 12.11.2024. Furthermore, the Resolution Professional had filed an application for approval of the COC approved Resolution Plan with Hon'ble National Company Law Tribunal, Chandigarh Bench ('NCLT') for their approval.

It has been noted during the course of Audit that Hon'ble NCLT vide NCLT order dated 16.04.2026 approved the Resolution Plan IA(IBC)(PLAN)/1/(CH)/2025 of M/s Mohini Health & Hygiene Limited and other application bearing IA 213/2026 & IA 46 of 2026 were dismissed as infructuous and Disposed off.

It was observed that during the Corporate Insolvency Resolution Process, the Resolution Professional filed statutory documents such as Annual Return and Financial Statements as attachments in Form GNL-2

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of 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, and the representations made by the Directors and the Management/ Resolution Professional of the Company, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (LODR) Regulations, 2015. Subject to the qualifications marked under Annual Secretarial Compliance Report dated 30.05.2026 and Secretarial Audit Report dated 04.09.2026 for the financial year ended 31.03.2026 to the extent applicable and as may deem fit and appropriate by Resolution Professional.

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

Sd/-
(Girish Madan)
Practicing Company Secretary
Membership No: 5017
Certificate of Practice No: 3577
UDIN : **F005017H001375606**
Peer Review Certificate No. 1514/2021

Date: 04/09/2026
Place : Panchkula

ANNEXURE C
CERTIFICATE OF DISQUALIFICATION OF DIRECTORS

CERTIFICATE

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

In pursuance of sub clause (I) of clause 10 of Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015) in respect of Winsome Yarns Limited (CIN:L17115CH1990PLC010566) (under Corporate Insolvency Resolution Process) having its registered office at Basement, SCO 13-14-15, Sector 34-A, Chandigarh- 160022, I hereby certify that:

On the basis of written representation/ declaration received from the Directors as on 11th June 2026, (Same has not taken on record by the Board of Directors, since the power of the Board has been suspended since the company is under Corporate Insolvency Resolution Process), Subsequently pursuant to the authorization granted to the Monitoring Committee. Monitoring Committee in its meeting held on 11 June 2026, appointed the Directors of the Company with effect from 23 June 2026. further, none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of the Company by the Board/Ministry of Corporate Affairs or any such Statutory Authority.

Sd/-
(Girish Madan)
Practicing Company Secretary
Membership No: 5017
Certificate of Practice No: 3577
UDIN : F005017H001375639
Peer Review Certificate No. 1514/2021

Date: 04/09/2026
Place : Panchkula

ANNEXURE 'D'
REMUNERATION POLICY

Extract From Nomination and Remuneration Policy:
POLICY RELATING TO THE REMUNERATION FOR THE MANAGING DIRECTOR, NON-EXECUTIVE/INDEPENDENT DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL.

General:

g. The remuneration/ compensation/ commission etc. to the Managing Director, Non-Executive/ Independent Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration/ compensation/ commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

h. The remuneration and commission to be paid to the Managing Director shall be in accordance with the percentage/ slabs/ conditions as per the provisions of the Companies Act, 2013, and the Rules made thereunder.

i. Increments to the existing remuneration/ compensation structure linked to performance, should be clear and meet appropriate performance benchmarks and may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managing Director.

j. The Committee does not propose to fix the actual amounts of remuneration that may be payable to each individual key managerial personnel or senior management personnel. However, the management, whilst fixing the remuneration of any such key personnel must consider the following:

i) The Industry practice for the same level of employment/office.

ii) Past performance/seniority of the concerned appointee.

iii) The nature of duties and responsibilities cast upon such person by reason of his holding that office.

iv) The remuneration should be such that it provides adequate incentive to the person to give his best to the Company and feel essence of high satisfaction with his employment.

v) The perquisites to be given to Managing Director/s, KMP & Senior Management Personnel will be as per industry practice and as may be recommended by the Committee to the Board.

Remuneration to Managing Director, KMP and Senior Management Personnel:
The Managing Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required, reflecting the short and long term performance objectives appropriate to the working of the Company and its goals.

Remuneration to Non-Executive / Independent Director:

k. Remuneration/ Commission:
The Committee noted that if the Company's net profits computed for the purpose under the applicable provisions of the Companies Act, 2013, so permits in future, the commission may be paid to executive and non-executive directors within the monetary limit fixed and approved by the Board subject to the overall limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

l. Sitting Fees:
The Non-Executive/ Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committees thereof as may be recommended by the Committee and approved by the Board provided that the amount of such fees shall not exceed amount prescribed by the Central Government from time to time. So far as the Sitting Fees are concerned, presently, for meetings of the various Committees, the same are at par for all the Committees which is per the industry practice.

ANNEXURE 'E'

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information as required under Rule 8(3) of the Companies (Accounts) Rules, 2014.

A. CONSERVATION OF ENERGY

i) **The steps taken or impact on conservation of energy;**
The Company has been giving high priority to conservation of energy by close monitoring of energy consuming equipments. All efforts are made for installing energy saving devices wherever required.

ii) **The steps taken by the company for utilising alternate sources of energy;**
The Company has already installed five micro hydel power projects with total generation capacity of 3.90 MW and the power so generated is being adjusted in the power bill raised by the concerned electricity department of Government of Punjab for Derabassi plant.

iii) **The capital investment on energy conservation equipments;**
Additional Investments, wherever required, are being made for reduction of consumption of energy.

B. TECHNOLOGY ABSORPTION

i) **The Efforts made towards technology absorption;**
Research & Development (R&D)
a) Specific area in which R&D carried by the Company:
- Latest new technology has been adopted.

b) Future plan of Action:
- This is an ongoing process and continuous improvements are being carried out in the Plant & Machinery maintenance and the quality of finished products.

ii) **The benefits derived like product improvement, cost reduction, product development or import substitution;**
- There has been benefit in respect of quality and Productivity of the product.
- Productivity International quality products.

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

iv) **The expenditure incurred on Research and Development.**

Capital	Nil
Recurring	Nil
Total R & D expenditure as a percentage of Total Turnover	Nil

C. FOREIGN EXCHANGE EARNING AND OUTGO;

Rs. in Lacs

	Particulars	2025-26	2024-25
(a)	Foreign exchange earned in terms of actual inflow during the year	0	0
(b)	Foreign exchange outgo in terms of actual outflow during the year	0	0

ANNEXURE F
CORPORATE GOVERNANCE REPORT

In accordance with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 with the Stock Exchanges, a Report containing the details of Corporate Governance of Winsome Yarns Limited for the year 2025-26 is given below.

1. Company's Philosophy on Code of Governance:
The Company lays emphasis on good corporate practices which will enable the management to conduct the affairs of the Company in a transparent manner and culminate in optimum use of its resources for achieving highest standards of corporate governance and the principles of integrity, transparency, accountability and commitment to values. The framework is driven by the objective of enhancing long term stakeholder value without compromising on ethical standards and corporate social responsibilities. The Company believes in transparency, empowerment, accountability and integrity in its operations having duly delegated authority to the various functional heads who are responsible for attaining the corporate plans with the ultimate purpose of enhancement of "stakeholder value".

2. Corporate Insolvency Resolution Process (CIRP):
The Corporate Insolvency Resolution Process ("**CIRP**") in the case of Winsome Yarns Limited ("Company/ Corporate Debtor") was initiated the Hon'ble National Company Law Tribunal, Chandigarh Bench ("Adjudicating Authority") under Section 7 of the IB Code vide its order dated 22nd December 2023. The Adjudicating Authority vide the order of the same date appointed Mr. Sanjay Gupta having Registration No. IBBI/IPA-002/IP-N00982-C01/2017-2018/10354 as the Interim Resolution Professional ("IRP") to conduct the CIRP of the Corporate Debtor. Later, in the CoC Meeting of the Corporate Debtor held on 23rd January, 2024, M/s. ARCK Resolution Professionals LLP, having Registration No. IBBI/IPE-0030/IPA-1/2022-23/50013 was appointed as the Resolution Professional ("RP") to run the CIRP of the Corporate Debtor.

Interim Resolution Professional had issued invitation for Expression of Interest (hereinafter referred as ''EOI'') in FORM G on February 20, 2024 in compliance with Regulation 36A of CIRP Regulations, 2016 in the newspaper in English language for the submission of a resolution plan in accordance with the provision of the code.

As per the published FORM G, the last date for submission of EOI was stipulated as March 5, 2024, and last date stipulated for submission of resolution plan was April 20, 2024 which was later on extended till 31.03.2024.

The Resolution Professional received three Resolution plans which were duly opened in presence of the COC Members in its 6th COC Meeting. Due discussion and negotiation on all three resolutions plans were conducted by the COC. The members of the COC in its COC Meeting decided that another FORM G be published for exploring more potential bidders and for wealth maximization to all Stakeholders.

Thereafter, Resolution Professional had re-published invitation for Expression of Interest (hereinafter referred as ''EOI'') in FORM G on July 18, 2024 in compliance with Regulation 36A of CIRP Regulations, 2016 in the newspaper in English and Vernacular (Punjabi) language for the submission of a resolution plan in accordance with the provision of the code.

As per the published FORM G, the last date for submission of EOI was stipulated as August 2, 2024 through Email and August 3, 2024 original in physical form at the office of the RP, and last date stipulated for submission of resolution plan was September 12, 2024, which was later on extended till 28.09.2024.

The Resolution Professional received four Resolution plans which were duly opened in presence of the COC Members in its 15th COC Meeting. The members of the COC duly discussed and negotiated in terms and clauses of the Resolution Plans including the financial bid and thereafter decided to go for inter-se bidding for challenge mechanism. Pursuant to inter se bidding convened on 22.10.2024, final Resolution Plans were submitted by all 4 RAs. All 4 compliant Resolution Plans have duly been placed to e-voting before the members of the COC for their approval.

A One-time settlement (OTS) proposal letter under section 12A of the Code has also been submitted by the promoters. However, as per the requirement laid down in Section 12 A read with Regulation 30 A, FORM FA along with requisite Bank Guarantee was not submitted by the Applicant, EARC to the Resolution Professional.

Further the Committee of Creditors (COC) of Winsome Yarns Limited in its 18th COC Meeting held on 12.11.2024 has approved with requisite majority, the Resolution Plan submitted by M/s. Mohini Health & Hygiene Limited through e-voting, in accordance with the provisions of the Insolvency & Bankruptcy Code, 2016. Furthermore, please also take note that the Resolution Professional has filed an application with Hon'ble National Company Law Tribunal, Chandigarh Bench ('NCLT') of the COC approved Resolution Plan for their approval. The said application is pending adjudication.

In terms of Section 17 of the Code, on commencement of the Corporate Insolvency Resolution Process (CIRP), the powers of the Board of Directors of Winsome Yarns Limited stands suspended and the same are being exercised by Mr. Anil Kohli, Partner of M/s. ARCK Resolution Professionals LLP, Resolution Professional. The management of the affairs of Winsome Yarns Limited is vested with Mr. Anil Kohli, Partner of M/s. ARCK Resolution Professionals LLP.

Thereafter, on April 16, 2026, Hon'ble NCLT, Chandigarh Bench approved Resolution Plan of the Company.

3. Board of Directors

The current strength of the Board of Directors (Board) of the Company is of three directors, who are senior, competent and eminent experts from diverse fields and professions. During the period under review, Shri Manish Bagrodia is Non-Executive, Non-Independent Director; Shri Rajiv Chadha and Shri Pankaj Mahajan are Non-Executive, Independent Director. Mr. Manish Bagrodia has 36 years' experience in the Textile Industry and Hydro Power Generation. Mr. Rajiv Chadha, Independent Director has more than 38 years services experience of various companies. Mr. Pankaj Mahajan, Independent Director has about 28 years of experience of Accounts and Finance activities and have good knowledge of matters related to accounts and Finance.

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 the regulations of the SEBI (LODR), Regulations, 2015), across all the Companies in which they are Directors. The necessary disclosures regarding Committee memberships have been made by the Directors.

The names and categories of directors on the board as on date and their attendance at board meetings during the year 2025-26 and at the last annual general meeting and the number of directorships in other Companies and committee memberships/ chairmanship held by the directors are given below:

Name of the Directors	Category	Securities held (Equity Shares)	Attendance Particulars		No. of Directorship in other Companies	No. of Membership/ Chairmanship in Committees		
			Board Meeting (Company is under CIRP)	Last AGM		Membership	Chairmanship	Total
Shri Manish Bagrodia	Managing Director	52040	--	No	3	2	1	3
Shri Rajiv Chadha	Non-Executive & Independent Director	Nil	--	--	--	0	0	0
Shri Pankaj Mahajan	Non-Executive & Independent Director	Nil	--	--	2	0	0	0

The Composition of Board w.e.f. June 23, 2026 as follows:

S. No.	Name of Director	Designation	Date of Change	Reason for change
1.	Mr. Manish Bagrodia	Managing Director	10/07/2026	Vacation of Office pursuant to approval of Resolution Plan dated April 16, 2026
2.	Mr. Vipan Kumar	Additional Director	23/06/2026	Appointment
3.	Mr. Avnish Sarvapriya Bansal	Additional Director and Chairperson	23/06/2026	Appointment

S. No.	Name of Director	Designation	Date of Change	Reason for change
4.	Ms. Parul Bansal	Additional Director	23/06/2026	Appointment
5.	Mr. Mahesh Fogla	Additional Director	23/06/2026	Appointment
6.	Mr. Sanjeev Nahar	Additional Director	23/06/2026	Appointment
7.	Mr. Bibhudutta Satpathy	Additional Director	23/06/2026	Appointment

Disclosure of relationship between Directors inter-se
None of the Directors of the Company are related with the other Directors in any manner as per the provisions of Companies Act, 2013 and SEBI LODR Regulations.

Number of Shares & Convertible instruments held by Non-Executive Directors
Mr. Manish Bagrodia, Non-Independent Director of the company hold 52040 equity shares in the company. Further, none of the other Non-Executive Directors holds any Shares and Convertible instruments, in the company, during the year under review.

Separate Meeting of Independent Director's & Familiarization Programme for Independent Directors
The Company is under Corporate Insolvency Resolution Process from 22.12.2023, during the year no Separate Meeting of the Independent Directors of the Company was held. Further, No Familiarization program has been carried out by the company during the period under review.

Confirmation with respect to the Independent Directors
As specified above that w.e.f. December 22, 2023 the Company has been admitted to CIRP under Section 7 of the Code. Thereafter, in accordance with Section 17 of the Code, the powers of the Board stood suspended and be exercised by the Interim Resolution Professional until replaced by Resolution Professional. Accordingly, the Company does not have the necessary declaration, for period under review, from the Independent Director as required in accordance with Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013 read with Clause 16(1)(b) and 25 of the Listing Regulations, 2015.

Details of Board Meetings held during the year
The Company is under Corporate Insolvency Resolution Process from 22.12.2023, during the year no Board meeting was held.

Key Board Skills, Expertise and Competencies
The Board comprises qualified members who bring in the required skills, competence and expertise to enable them to effectively contribute in deliberations at Board and Committee meetings. The below matrix summarizes a mix of skills, expertise and competencies expected to be possessed by our individual Directors, which are key to corporate governance and Board effectiveness.

Name of the Director	Entrepreneur/ Leadership	Financial Expertise	Global Exposure	Board Service & Governance
Shri Manish Bagrodia	Yes	Yes	Yes	Yes
Mr. Rajiv Chadha	Yes	Yes	Yes	Yes
Mr. Pankaj Mahajan	Yes	Yes	Yes	Yes

Key Board Skills/ Expertise/ Competencies

Entrepreneur/ Leadership: Extended entrepreneurial / leadership experience for a significant enterprise, resulting in a practical understanding of organisations, processes, strategic planning, and risk Management. Demonstrated strengths in developing talent, planning succession, and driving change and long term-growth.

Financial Expertise: Education and experience as an Auditor or Public Accountant or a principal financial officer, comptroller or principal accounting officer or holding a position involving performance of similar functions.

Global Exposure: Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks, and a broad perspective on global market opportunities.

Diversity: Representation of gender, ethnic, geographic, cultural, or other perspectives that expand the Board's understanding of the needs and viewpoints of our customers, partners, employees, governments, and other stakeholders worldwide.

Board Service and Governance: Service on other public Company Boards, to develop insights about maintaining Board and Management accountability, protecting shareholder interests, and observing appropriate governance practices.

Maximum tenure of Independent Directors

The maximum tenure of Independent Directors shall be in accordance with the provisions of the Companies Act, 2013 and clarifications/ circulars issued by the Ministry of Corporate Affairs, in this regard, from time to time.

No Independent Directors resigned before completion of their tenure.

4. Code of Conduct

The Company has framed a code of conduct for the members of the Board of Directors and Senior Management Personnel of the Company. The said code of conduct is available on the website of the Company. The declaration by Shri Manish Bagrodia, Non-Independent Director of the Company, regarding compliance by the Board members and Senior Management Personnel, with the said code of conduct is given as **ANNEXURE 'J'** to this report.

5. Whistle Blower Policy

Pursuant to the provision of section 177(9) of the Companies Act, 2013 and as required under the provisions of regulations of the Listing Regulation, 2015, the Company has adopted the 'Whistle Blower Policy' and authorized to the Audit Committee of the Board to look after all the matters relating to Whistle Blower Policy and to submit its report to Board at regular intervals, on the receipt of any concerned matter, for any appropriate action.

6. CEO/ CFO Certification

Mr. Sanjay Sharma, Chief Financial Officer (CFO) have issued certificate and taken on record by the Resolution Professional pursuant to the provisions of Regulation17(8) of the Listing Regulations certifying that the "Financial Statements" do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed as **ANNEXURE 'I'** and forms part of the Annual Report.

7. Audit Committee

The Audit Committee functions in accordance with the terms of reference set out under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read together with Section 177 of the Companies Act, 2013, and additional responsibilities assigned to it by the Board of Directors. The Committee also reviews the reports of the Internal Auditors along with the comments of management. The functions of the Audit Committee among others, include approving and implementing the audit procedures, reviewing the financial reporting system, internal controls and procedures and ensuring compliance with regulatory guidelines.

With effect from 22.12.2023, the powers of the Board of Directors of the Company stand suspended and such powers shall be vested with the Resolution Professional.

The attendance of the members during the financial year 2025-26 and present composition of the Committee are as below:

Name of members	Chairmanship/ Membership in the Committee	Category	No. of meetings attended during the year 2025-26
Shri Manish Bagrodia	Member	Non-Independent/ Non-Executive	There was no meeting held during the year, since the company is under Corporate
Shri Rajiv Chadha	Member	Independent/ Non-Executive	

Name of members	Chairmanship/ Membership in the Committee	Category	No. of meetings attended during the year 2025-26
Shri Pankaj Mahajan	Chairman	Independent/ Non-Executive	Insolvency Resolution Process from 22.12.2023.

Further, w.e.f. July 16, 2026, the Audit Committee constituted as follows:

S.no	Name	Designation	Position
1.	Mahesh Fogla	Non-executive Independent Director	Chairperson
2.	Avnish Sarvapriya Bansal	Non-executive Director	Member
3.	Sanjeev Nahar	Non-executive Independent Director	Member
4.	Bibhudutta Satpathy	Non-executive Independent Director	Member

8. Nomination and Remuneration Committee

The brief description of Terms of Reference of Nomination and Remuneration Committee is to guide the Board in relation to the appointment and removal, identifying persons and to recommend/ review remuneration of the directors including Managing Director/Executive Directors, Key Managerial Personnel (KMP) and Senior Management Personnel.

Remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in accordance with the existing industry practice.

With effect from 22.12.2023, the powers of the Board of Directors of the Company stand suspended and such powers have been vested with the Resolution Professional.

The attendance of the members during the financial year 2025-26 and present composition of the Committee are as below:

Name of members	Chairmanship/ Membership in the Committee	Category	No. of meetings attended during the year 2025-26
Shri Rajiv Chadha	Chairman	Independent/ Non-Executive	**There was no meeting held during the year, since the company is under Corporate Insolvency Resolution Process from 22.12.2023.**
Shri Pankaj Mahajan	Member	Independent/ Non-Executive	

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 and Committee Meetings attended. The aforesaid sitting fees is within the limits prescribed under the sections/rules of Companies Act, 2013.

The Company is under Corporate Insolvency Resolution Process, hence no board or committee meeting were held during the financial year 2025-26.

Name of Non-Executive Directors	Sitting Fees (Amount in Rs.)
Shri Rajiv Chadha	--
Shri Pankaj Mahajan	--
Total	--

ii) For Executive Director

Shri Manish Bagrodia had been re-appointed as Managing Director of the Company for a period of five years with Now Shri Manish Bagrodia is Non-Executive and Non-Independent Director of the Company.

None of the Non-Executive Directors has any material financial interest in the Company apart from the remuneration by way of sitting fees received by them during the year.

Further, he ceased to hold office w.e.f. July 10, 2026 pursuant to NCLT order.

Further, w.e.f. July 16, 2026, the Nomination and Remuneration Committee constituted as follows:

S. No.	Name	Designation	Position
1.	Sanjeev Nahar	Non-executive Independent Director	Chairperson
2.	Mahesh Fogla	Non-executive Independent Director	Member
3.	Avnish Sarvapriya Bansal	Non-executive Director	Member
4.	Bibhudutta Satpathy	Non-executive Independent Director	Member

9. Stakeholders Relationship Committee

The Stakeholders Relationship Committee functions with the following objectives:

Redressing of Shareholders and Investors complaints, regarding transfer of shares, non-receipt of balance sheet, non-receipt of dividend, demat and remat the shares, duplicate share certificates, change of address etc. During the financial year 2025-26, no Stakeholders Relationship Committee meeting was held. During the financial year no grievance was received, hence no grievance was pending at the end of the financial year.

With effect from 22.12.2023, the powers of the Board of Directors of the Company stand suspended and such powers are vested with the Resolution Professional.

The attendance of the members during the financial year 2025-26 and present composition of the Committee are as below:

Name of members	Chairmanship/ Membership in the Committee	Category	No. of meetings attended during the year 2025-26
Shri Manish Bagrodia,	Member	Non-Independent/ Non-Executive	**There was no meeting held during the year, since the company is under Corporate Insolvency Resolution Process from 22.12.2023.**
Shri Rajiv Chadha	Member	Independent/ Non-Executive	
Shri Pankaj Mahajan	Chairman	Independent/ Non-Executive	

Further, w.e.f. July 16, 2026, the Stakeholders Relationship Committee constituted as follows:

S.no	Name	Designation	Position
1.	Sanjeev Nahar	Non-executive Independent Director	Chairperson
2.	Mahesh Fogla	Non-executive Independent Director	Member
3.	Avnish Sarvapriya Bansal	Non-executive Director	Member

Compliance Officer

Ms, Neha Singhal, who was the Company Secretary and Compliance Officer of the Company and as per the available information, w.e.f 22.12.2023 has resigned from the post of company secretary. After that the company is under the process of appointing right person as the company secretary and compliance officer of the company.

Status of Investor complaints received by the Company during the year under review is as follows:

Particulars	Pending as on April 1, 2024	Received during the Year	Disposed during the Year	Pending as on March 31, 2025
No of Complaints	0	0	0	0

Ms. Riya Pawar has been appointed from July 18, 2026 as a Company Secretary and Compliance Officer of the Company.

10. Risk Management Committee

The Board of Directors of the Company had already constituted a Risk Management Committee of the Board. With effect from 22.12.2023, the powers of the Board of Directors of the Company stands suspended and such powers are vested with the Resolution Professional.

The attendance of the members during the financial year 2024-25 and present composition of the Committee are as below:

Name of members	Chairmanship/ Membership in the Committee	Category	No. of meetings attended during the year 2024-25
Shri Manish Bagrodia	Chairman	Non-Independent/ Non-Executive	**There was no meeting held during the year, since the company is under Corporate Insolvency Resolution Process from 22.12.2023.**
Shri Rajiv Chadha	Member	Independent/ Non-Executive	

Further, w.e.f. July 16, 2026, the Risk Management Committee constituted as follows:

S. No	Name	Designation	Position
1.	Sanjeev Nahar	Non-executive Independent Director	Chairperson
2.	Vipan Kumar	Executive Director	Member
3.	Avnish Sarvapriya Bansal	Non-executive Director	Member

Risk Management

Risk encapsulates the element of uncertainty in business that may impact short-term and long-term corporate objectives. At Winsome Yarns Limited, our de-risking discipline identifies major risks through consistent and enterprise-wide solutions. The Company's risk management framework is driven by a comprehensive organization wide culture of governance. Only those decisions are taken that balance risks and rewards, ensuring that the Company's revenue-generation initiatives are consistent with the risks taken. Besides risk management conforms to the Company's overarching strategic direction and is consistent with shareholder's desired total returns and risk appetite.

Senior Management

S. No.	Name of Director	Designation	Date of Change	Reason for change
1.	Mr. Manish Bagrodia	Managing Director	10/07/2026	Vacation of Office pursuant to approval of Resolution Plan dated April 16, 2026
2.	Mr. Vipan Kumar	Additional Director	23/06/2026	Appointment
3.	Mr. Avnish Sarvapriya Bansal	Additional Director and Chairperson	23/06/2026	Appointment
4.	Ms. Parul Bansal	Additional Director	23/06/2026	Appointment
5.	Mr. Mahesh Fogla	Additional Director	23/06/2026	Appointment
6.	Mr. Sanjeev Nahar	Additional Director	23/06/2026	Appointment

S. No.	Name of Director	Designation	Date of Change	Reason for change
7.	Mr. Bibhudutta Satpathy	Additional Director	23/06/2026	Appointment
8.	Ms. Riya Pawar	Company Secretary & Compliance Officer	18/07/2026	Appointment

Remuneration to directors
All pecuniary relationship or transactions of the non-executive directors vis-à-vis the Company: During the financial year under review, apart from payment of annual remuneration and sitting fees, there was no pecuniary relationship or transaction with independent directors of the Company.
The criteria of making payments to non-executive directors are disclosed under the NRC Policy available at Link.
Disclosure with respect to remuneration:
During the financial year under review, the annual remuneration payable to a single non-executive director did not exceed fifty per cent of the total annual remuneration payable to all the non-executive directors of the Company.

Some of the major risks and their mitigation measures are discussed below:

i. Foreign exchange risk
The Company's policy is to actively manage its long term foreign exchange risk within the framework laid down by the Company's forex policy.
ii. Interest rate risk
Given the interest rate fluctuations, the Company has adopted a prudent and conservative risk mitigating strategy to minimize the interest costs.
iii. Commodity price risk
The Company is exposed to the risk of price fluctuation on raw materials as well as finished goods in all its products. The Company proactively manages these risks in inputs through forward booking, inventory management, proactive management of vendor development and relationships. The Company's strong reputation for quality, product differentiation and service, the existence of a powerful brand image and a robust marketing network mitigates the impact of price risk on finished goods.
iv. Risk element in individual businesses
Apart from the risks on account of interest rate, foreign exchange and regulatory changes, business of the Company is exposed to certain operating business risks, which are managed by regular monitoring and corrective actions.
v. Compliance risks
The Company is exposed to risks attached to various statutes and regulations including the Competition Act. The Company is mitigating these risks through regular reviews of legal compliances, through internal as well as external compliance audits.
vi. People risks
Retaining the existing talent pool and attracting new manpower are major risks. The Company has initiated various measures such as rollout of strategic talent management system; training and integration of learning activities.

12. Compliance Certificate
Compliance Certificate for Corporate Governance from Company Secretary in Practice is given as **ANNEXURE - 'B'** to this report.

13. Certificate pursuant to clause 10 of Part C of Schedule V of SEBI (LODR), Regulations, 2015
A Certificate from a Company Secretary in practice pursuant to clause 10 of Part C of Schedule V of SEBI (LODR), Regulations, 2015 is given as **ANNEXURE - 'C'** to this report.

14. General Body Meetings
The last three Annual General Meetings of the Company were held as per the details given below:

Year	Venue	Date	Time	Particulars of special resolution passed
2022-2023	Regd. Office of the Company at SCO 191-192, Sector 34-A, Chandigarh	29.09.2023	11:15 A.M.	NIL
2023-2024	Through Video Conferencing (VC)/ Other Audio Visual Means("OAVM")	27.12.2024	2:30 P.M.	NIL

Year	Venue	Date	Time	Particulars of special resolution passed
2024-2025	Through Video Conferencing (VC)/ Other Audio Visual Means("OAVM")	06.01.2026	3:30 P.M.	NIL

During the last three financial years, all resolutions, as set out in the notices of General Meetings were passed by the shareholders. During the financial year, no postal ballots were used.

At the ensuing Annual General Meeting, there is no resolution proposed to be passed by postal Ballot.

Special Resolutions passed: No Special Resolution passed during last three years.

15. Details of Unclaimed Suspense Account of shares

As per circular/ guidelines of Securities and Exchange Board of India (SEBI), the Company opened a demat account on 07.05.2012 in the name of "WINSOME YARNS LIMITED-UNCLAIMED SUSPENSE ACCOUNT" and transferred the unclaimed shares in this account of those shareholders who had not claimed the shares after giving the notices to the respective shareholders.

The details of unclaimed shares are as under:

Unclaimed shares' details as on 01.04.2026		Details of claimed shares during the financial year		Balance as on 31.03.2026
No. of shareholders	No. of shares	No. of shareholders	No. of shares	No. of shareholders
1418	296500	--	--	1418

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

16. Means of Communications

The financial results are published in widely circulating national & local dailies newspapers such as Financial Express in English and Jansatta in Hindi. The financial results have been uploaded on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com) under the Scrip Code '514348' and Symbol 'WINSOME' respectively. The Company has also uploaded the same on its website (www.winsomeyarns.com).

17. General Shareholder information

Day, Date and time of Annual General Meeting	28th September, 2026 @ 1:00 P.M.
Venue of Annual General Meeting	Registered Office
Financial Year	1st April, 2025 to 31st March, 2026
Listing of equity shares on Stock Exchanges	BSE Limited (BSE) National Stock Exchange of India Ltd (NSE)
Scrip Code/ Symbol	BSE – 514348, NSE – WINSOME
ISIN Number	INE784B01035

Listing Fee :- The Annual Listing fees for the financial year 2025-26 have been paid to NSE and BSE.

DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32 (7A):- Not Applicable

The Company's securities are not suspended during financial year under review. The Company's securities are suspended w.e.f. August 01, 2026 due to capital reduction pursuant to NCLT Order.

Registrar and Share Transfer Agent	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. No. 011-41410592-94, Fax No. 011-41410591 E-mail: delhi@linkintime.co.in; sunil.mishra@linkintime.co.in
Share Transfer System	In respect of shares held in dematerialised mode, the transfer takes place instantaneously between the transferor, transferee through Depository Participant in electronic mode.
E-mail IDs	cshare@winsomegroup.com

Distribution of shareholding as on 31st March, 2026

Range of Shares	No. of Shareholders	% of total Shareholders	No. of Shares
1 to 500	13911	77.8151	2000475
501 to 1000	1593	8.9109	1394521
1001 to 2000	916	5.1239	1480948
2001 to 3000	366	2.0473	965771
3001 to 4000	178	0.9957	648382
4001 to 5000	240	1.3425	1152195
5001 to 10000	310	1.7341	2404739
10001 and above	363	2.0305	60660198
Total	18877	100.0000	70707229

Shareholding Pattern as on 31st March, 2026

Category	**No. of Shares**	**Percentage**
Corporate Bodies (Promoter Co)	27177487	38.4366
Clearing Members	50775	0.0718
Other Bodies Corporate	15101709	21.3646
Hindu Undivided Family	1776738	2.5128
Mutual Funds	11800	0.0167
Non Resident Indians	287389	0.4064
Non Resident (Non Repatriable)	359236	0.5587
Public	24717003	35.9791
Promoters	162122	0.2293
Trusts	111	0.0002
Body Corporate - Ltd Liability Partnership	3112	0.0044
Unclaimed Shares	296500	0.4193
TOTAL	**70707229**	**100.00**

Details of shareholding of Directors in the Company as on 31.03.2026.

Name of Director	No. of shares held
Shri Manish Bagrodia	52040

Dematerialisation of shares and liquidity.	Out of total 70707229 nos. of shares, 69943982 shares have been dematerialized upto 31.03.2026.
Outstanding GDRS/ ADRS/ Warrants or any convertible instruments, conversion date and likely impact on equity.	The Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments, the conversion of which will have an impact on equity shares.
Plant Location (Yarn)	Village - Kurawala, Tehsil – Derabassi, Distt. Mohali (Punjab)

(Knitwear)	Winsome Knitwear (Prop. Winsome Yarns Limited) B-58, Industrial Area, Phase-VII, Mohali (PB)
Micro Hydel Power Projects	Barewal, Bharowal, Isewal, Mansion, Raowal at Sidhwan Bate, Distt. Ludhiana, Punjab
Address for correspondence	The Company Secretary Winsome Yarns Limited Basement, SCO 13-14-15, Sector 34-A Chandigarh-160022
E-mail IDs / Website	winsomeyarnslimited@gmail.com / www.winsomeyarns.com

Disclosures:

i. The Company did not have any material significant related party transactions having a potential conflict with the interests of the Company at large. Transactions with the related parties are disclosed in the audited financial statements.

ii. The financial statements have been prepared in accordance with the Indian Accounting Standards (IND-AS).

iii. Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchange or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years.

iv. The Company has a vigil mechanism for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of our code of conduct, and confirms that no personnel have been denied access to the Audit Committee.

v. **Details of mandatory requirements and adoption of the non-mandatory requirements**: The Company has complied with mandatory requirements specified from Regulations 17 to 27 and clauses (b) to (i) of sub –sub-sub-regulation (2) of Regulation 46 of the Listing Regulations. The company did not adopt any non-mandatory requirements.

vi. The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory/regulatory compliances.

vii. Policy for determining ‘material’ subsidiaries and Policy on dealing with related party transactions is available on https://www.winsomeyarns.com/.

viii. **Disclosure of commodity price risks and commodity hedging activities:** N.A

ix. Disclosure of non-acceptance of any recommendation of any committee by the Board in the Financial Year 2025- 26 and its reason: There was no such instance during the Financial Year 2025-26 when the Board had not accepted any recommendation of any Committee of the Board.

x. The Company has complied with mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of the listing regulations

xi. The CFO have issued certificate pursuant to the provisions of Regulation 17(8) of the SEBI (LODR) Regulations, 2015 certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company‘s affairs. The said certificate is annexed and forms part of the Annual Report.

xii. Pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a certificate from M Rupareliya & Associates, Practicing Company Secretaries, certifying the compliance by the Company with the provisions of the Corporate Governance of the Listing Regulations forms part of this Report.

xiii. Pursuant to SEBI (LODR) Regulations, 2015, that none of the Directors on the Board of the Company have been debarred or disqualified as Directors of Companies by SEBI or Ministry of Corporate Affairs or any such other Authority is issued by M/s Girish Madan, Practicing Company Secretaries, annexed to this report and forms part of this Report.

xiv. Disclosures of the number of complaints received, disposed of, and pending during the financial year 2025-26 under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company is committed to providing a work environment that ensures that every employee is treated with dignity, respect, and afforded equal treatment. In accordance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (―POSH Act‖), along with Rules made thereunder, the Company has in place a policy which mandates no tolerance against any conduct amounting to sexual harassment of women at the workplace. There were no cases/complaints filed during the year under the POSH Act. Further, the Company has constituted an Internal Complaints Committee for various workplaces to redress and resolve any complaints arising under the POSH Act.

xv. The Company has paid fees to the statutory auditor of the subsidiaries of the Company and the Company. The total fees paid by the Company to Statutory Auditors (including tax audit fees and certification fees) during the financial year 2025-26 are Rs. 7,00,000/- As confirmed by Statutory Auditors of the Company, they are not part of any network firm/network entity.

xvi. Loans and advances in the nature of loans to firms/companies in which directors are interested: Particulars of loans given, investments made, guarantees given and securities provided are provided in the financial statements which forms an integral part of this Report.

xvii. Details of material subsidiaries of the listed entity, including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries: Not Available

1. Non-compliance of any requirement of Corporate Governance Report:

There have been no instances of non-compliance with any requirement of the Corporate Governance Report as prescribed by the SEBI LODR.

2. Disclosure of compliance with the SEBI LODR:

The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 and Schedule V - Part C to F of the Listing Regulations.

The CFO has issued a certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations, certifying that the financial statements do not contain any untrue statement and that these statements represent a true and fair view of the Company’s affairs. The said certificate is annexed and forms part of the Annual Report.

Pursuant to Listing Regulations, a certificate from Girish Madan, Company Secretaries, certifying the compliance by the Company with the provisions of the Corporate Governance of the Listing Regulations forms part of this Report.

Pursuant to Listing Regulations, that none of the Directors on the Board of the Company have been debarred or disqualified as Directors of Companies by SEBI or Ministry of Corporate Affairs or any such other Authority is issued by M/s Girish Madan, Practicing Company Secretaries, annexed to this report and forms part of this Report.

Registered Office:
Basement, SCO 13-14-15
Sector 34-A, Chandigarh – 160022

Dated: 29.08.2026

By order of the Board of Directors
For Winsome Yarns Limited
Sd/-

Vipan Kumar
Additional Director
DIN: 11551026

Chandigarh
Saturday, August 29, 2026

Sd/-

Avnish Bansal
Director
DIN:02666814

Chandigarh
Saturday, August 29, 2026

ANNEXURE G
MANAGEMENT DISCUSSION & ANALYSIS REPORT

OVERALL REVIEW, INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian textile industry is one of the oldest and most significant industries in the Indian economy and continues to play an important role in employment generation, industrial production, exports and value creation. The industry has a diverse structure comprising traditional hand-spun and hand-woven segments, organised textile mills, power looms, hosiery, knitting, processing, garment manufacturing and technical textiles. The sector is closely linked with agriculture, particularly through the availability and pricing of cotton and other natural fibres, and is also influenced by evolving consumer preferences, global trade dynamics, technological developments and sustainability requirements.

India continues to possess significant capabilities across the textile value chain, enabling manufacturers to cater to diverse domestic and international markets. At the same time, the industry remains exposed to volatility in raw-material prices, availability of cotton and other fibres, energy costs, labour availability, global demand conditions, exchange-rate movements, international competition and changes in trade and regulatory policies.

REVIEW OF OPERATIONS

The financial year 2025-26 continued to remain challenging for the Company, primarily on account of the prolonged impact of the Corporate Insolvency Resolution Process ("CIRP"), subdued market conditions, limited working capital availability, operational constraints and changes in customer demand and preferences.

The Company's operations and financial performance were adversely affected during the year under review, resulting in a substantial reduction in revenue from operations as compared with the previous year.

The CIRP of the Company, initiated pursuant to the order dated 22 December 2023 of the Hon'ble National Company Law Tribunal ("NCLT"), Chandigarh Bench, continued during FY 2025-26. The powers of the Board of Directors remained suspended during the CIRP and the affairs of the Company were managed in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 ("IBC") and the applicable regulations.

A significant development subsequent to the end of the financial year was the approval of the Resolution Plan submitted by M/s Mohini Health & Hygiene Limited by the Hon'ble NCLT, Chandigarh Bench, vide its order dated 16 April 2026. The Resolution Plan had earlier been approved by the Committee of Creditors ("CoC").

The approval of the Resolution Plan represents a significant milestone in the restructuring and revival of the Company and provides a framework for addressing the Company's financial liabilities, restoring operational viability and enabling the Company to pursue sustainable business operations under the new management.

OPPORTUNITIES AND THREATS:

The Company is engaged in the manufacturing and allied activities relating to textiles, including yarn, knitwear and related products. The textile industry continues to offer long-term growth opportunities; however, the Company operates in a highly competitive and rapidly evolving environment.

The principal opportunities and challenges relevant to the Company are set out below.

1. **Government initiatives and policy support**

   The textile sector continues to benefit from various Government initiatives aimed at strengthening domestic manufacturing, improving technological capabilities, promoting technical textiles, enhancing employment and increasing India's competitiveness in global markets.

   Initiatives relating to technical textiles, skill development, technology upgradation, export promotion and capacity building provide opportunities for Indian textile manufacturers to modernise operations and improve productivity.

2. **China-plus-one strategy**

The global diversification of sourcing away from concentrated manufacturing bases provides Indian textile manufacturers with an opportunity to increase their participation in international supply chains. India's integrated textile ecosystem, availability of skilled manpower and large domestic market provide a favourable platform for attracting additional textile and apparel manufacturing opportunities.

3. Growth in technical textiles

Technical textiles represent a high-value and technology-oriented segment with applications across healthcare, infrastructure, automotive, agriculture, defence, sports and other sectors. The growth of this segment provides opportunities for textile manufacturers to diversify their product portfolio and move towards higher-value-added products.

4. Growth of organised retail and e-commerce

The continuing expansion of organised retail and e-commerce is creating additional channels for textile and apparel products. Increasing digital penetration and changing consumer purchasing behaviour are expected to support long-term demand for differentiated textile and apparel products.

5. Rising domestic consumption

Increasing disposable incomes, urbanisation, changing lifestyles and greater awareness of branded and value-added products are expected to support domestic demand for textiles and apparel over the medium to long term.

6. Revival and restructuring pursuant to the Resolution Plan

The approval of the Resolution Plan by the Hon'ble NCLT provides the Company with an opportunity to restructure its financial position, strengthen its operational platform, improve working-capital availability and revive its manufacturing activities.

The Resolution Plan provides, inter alia, for settlement of claims of various stakeholders, capital restructuring and infusion of funds for revival and working capital requirements. The implementation of the approved Resolution Plan is therefore expected to provide a foundation for the Company to restore operational stability and pursue long-term growth

THREATS AND CHALLENGES

1. Availability and cost of raw materials

Raw materials constitute a significant portion of the overall cost of textile manufacturing. Volatility in cotton and other fibre prices, variations in crop production, weather conditions, supply-chain disruptions and fluctuations in international commodity prices can materially affect production costs and operating margins.

The availability of suitable quality cotton, including long-staple varieties, remains an important consideration for the textile industry. Any significant increase in raw-material prices which cannot be passed on to customers may adversely affect profitability.

2. Technological obsolescence and productivity

The textile industry is highly competitive and increasingly technology-driven. Manufacturers that adopt modern machinery, automation, energy-efficient processes and advanced manufacturing practices are able to achieve better productivity, quality and cost efficiencies.

The Company therefore needs to continuously evaluate opportunities for technological upgradation and modernisation of its manufacturing facilities in order to remain competitive.

3. Competition

The Company faces competition from organised as well as unorganised manufacturers operating across various textile-producing regions in India and overseas. Competition may result in pressure on selling prices, margins, and customer retention and market share.
The increasing adoption of advanced technologies by competitors may further intensify competitive pressure on

companies operating with older manufacturing infrastructure.

4. Labour availability and productivity

The textile industry remains labour-intensive in several stages of the manufacturing process. Availability of skilled and productive manpower, employee retention and wage costs continue to be important factors affecting operating efficiency.

5. Energy and infrastructure costs

Textile manufacturing is dependent upon reliable and cost-effective power and other utilities. Increases in electricity, fuel, transportation and logistics costs, together with infrastructure constraints or interruptions in power supply, may adversely affect manufacturing costs and profitability.

6. Changing customer preferences

The textile and apparel industry is influenced by rapidly changing fashion trends, consumer preferences, product designs, quality expectations and delivery requirements. The Company needs to remain responsive to such changes to maintain its competitiveness.

7. Global economic and geopolitical environment

The Company's industry is exposed to global economic conditions, international trade policies, geopolitical developments, foreign-exchange movements and changes in demand in key export markets. Any deterioration in global economic conditions may adversely affect export demand and overall industry growth.

INITIATION OF CORPORATE INSOLVENCY RESOLUTION PROCESS (CIRP) AND APPROVAL OF THE RESOLUTION PLAN:

The Corporate Insolvency Resolution Process ("CIRP") in the case of Winsome Yarns Limited ("Company/ Corporate Debtor") was initiated the Hon'ble National Company Law Tribunal, Chandigarh Bench ("Adjudicating Authority") under Section 7 of the IB Code vide its order dated 22nd December 2023. The Adjudicating Authority vide the order of the same date appointed Mr. Sanjay Gupta having Registration No. IBBI/IPA-002/IP-N00982-C01/2017-2018/10354 as the Interim Resolution Professional ("IRP") to conduct the CIRP of the Corporate Debtor. Later, in the CoC Meeting of the Corporate Debtor held on 23 rd January, 2024, M/s. ARCK Resolution Professionals LLP, having Registration No. IBBI/IPE-0030/IPA- 1/2022-23/50013 was appointed as the Resolution Professional ("RP") to run the CIRP of the Corporate Debtor.

Interim Resolution Professional had issued invitation for Expression of Interest (hereinafter referred as ''EOI'') in FORM G on February 20, 2024 in compliance with Regulation 36A of CIRP Regulations, 2016 in the newspaper in English language for the submission of a resolution plan in accordance with the provision of the code.

As per the published FORM G, the last date for submission of EOI was stipulated as March 5, 2024, and last date stipulated for submission of resolution plan was April 20, 2024 which was later on extended till 31.03.2024.

The Resolution Professional received three Resolution plans which were duly opened in presence of the COC Members in its 6th COC Meeting. Due discussion and negotiation on all three resolutions plans were conducted by the COC. The members of the COC in its COC Meeting decided that another FORM G be published for exploring more potential bidders and for wealth maximization to all Stakeholders.

Thereafter, Resolution Professional had re-published invitation for Expression of Interest (hereinafter referred as ''EOI'') in FORM G on July 18, 2024 in compliance with Regulation 36A of CIRP Regulations, 2016 in the newspaper in English and Vernacular (Punjabi) language for the submission of a resolution plan in accordance with the provision of the code.

As per the published FORM G, the last date for submission of EOI was stipulated as August 2, 2024 through Email and August 3, 2024 original in physical form at the office of the RP, and last date stipulated for submission of resolution plan was September 12, 2024, which was later on extended till 28.09.2024.

The Resolution Professional received four Resolution plans which were duly opened in presence of the COC Members in its 15th COC Meeting. The members of the COC duly discussed and negotiated in terms and clauses of the Resolution Plans including the financial bid and thereafter decided to go for inter-se bidding for challenge mechanism.

Pursuant to inter se bidding convened on 22.10.2024, final Resolution Plans were submitted by all 4 RAs. All 4 compliant Resolution Plans have duly been placed to e-voting before the members of the COC for their approval.

The Resolution Plan submitted in respect of M/s. Mohini Health & Hygiene Limited was approved by the Committee of Creditors (CoC) at its 18th meeting held on 12.11.2024. Subsequently, the Hon'ble NCLT, Chandigarh Bench, vide order dated 16.04.2026 in IA(IBC)(PLAN)/1/(CH)/2025, approved the Resolution Plan.

SEGMENT WISE AND PRODUCT WISE PERFORMANCE

The Company's business activities falls within a single primary segment viz. Textiles (Yarn, Knitwear & related revenue). The Company does not have any other segment as of now. The products and dealings are closely related with textiles and its allied products.

COMPANY OUTLOOK:

The Resolution Plan for the Company, as approved by the Committee of Creditors (CoC), was subsequently approved by the Hon'ble National Company Law Tribunal (NCLT), Chandigarh Bench, vide its order dated 16.04.2026. The approval of the Resolution Plan marks an important step towards the revival and restructuring of the Company and provides an opportunity for the Company to strengthen its operations and compete effectively with other players in the market under the supervision and guidance of the new management. The Company remains committed to implementing the approved Resolution Plan and is optimistic about improving its operational and financial performance in the forthcoming years.

FINANCIAL PERFORMANCE:

During the year ended 31.03.2026, the Company incurred a loss of Rs. 1255.24 lakhs in comparison to the loss of Rs. 1729.69 lakhs during the previous year ended 31.03.2025. Your Company's turnover of Rs.21.79 lakhs against the previous year's turnover of Rs. 419.08 lakhs for the aforementioned reasons. The Company has since undertaken manufacturing for third parties on a job-work basis, and is able to recover variable costs and part of fixed costs.

RISKS AND CONCERNS:

The Company's operations are exposed to various business, operational, financial, market, regulatory and industry-specific risks. The Company seeks to identify, assess and manage these risks through appropriate internal controls, management oversight and periodic review.

The key risks relevant to the Company include the following:

- Volatility in prices and availability of cotton and other raw materials.
- Increased manufacturing, power, fuel and logistics costs.
- Intense competition from domestic and international textile manufacturers.
- Technological obsolescence and the need for continuous modernisation.
- Availability and productivity of skilled labour.
- Changes in customer preferences, fashion trends and product demand.
- Global economic slowdown and fluctuations in export demand.
- Foreign-exchange and international trade-related risks.
- Supply-chain disruptions and delays in procurement or delivery.
- Regulatory, taxation and compliance-related changes.

The management will continue to monitor these risks and take appropriate mitigation measures commensurate with the nature and magnitude of the risks involved.
The implementation of the Resolution Plan is expected to significantly alter the Company's financial and operational profile. Accordingly, the Company will focus on establishing appropriate systems for financial discipline, working-capital management, operational efficiency and compliance monitoring.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company maintains an efficient internal control system commensurate with the size, nature and complexity of its business. The internal control system is responsible for addressing the evolving risks in the business, reliability of financial information, timely reporting of operational and financial transactions, safeguarding of assets and stringent adherence to the applicable laws and regulations. The internal auditors of the Company are responsible for regular monitoring and review of these controls. The Company is committed to strengthening its internal control systems and processes as part of the implementation of the approved Resolution Plan and the revival of its operations.

HUMAN RESOURCES / INDUSTRIAL RELATIONS

The Company considers its employees as the most important asset and integral to its competitive position. It has a well-designed HR policy that promotes a conducive work environment, inclusive growth, equal opportunities, and competitiveness and aligns employees' goals with the organisation's growth vision. Its human resource division plays a crucial role in nurturing a strong and talented workforce. It provides opportunities for professional and personal development and implements comprehensive employee engagement and development programmes to enhance the productivity and skills of its employees. The Company's employee strength stood at 7 as on March 31, 2026. Further, industry relations remained peaceful and harmonious during the year.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE (Forms part of Director's Report)

MATERIAL DEVELOPMENT IN HUMAN RESOURCES/ INDUSTRIAL RELATION FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:

The Company continues to recognise its employees as an important stakeholder group in its revival and growth process.

With the implementation of the approved Resolution Plan and restoration of normal business operations, the Company intends to progressively align its manpower requirements with the scale and nature of its operations.

The Company will continue to focus on employee engagement, productivity, skill development and maintaining a positive and harmonious relationship between employees and management.

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT:

This is to confirm that the Company has adopted a Code of conduct for its employees including the director. It is confirmed that the Company has in respect of the financial Year ended 31st March, 2026, received from the Senior Management team of the Company and the members of the Board, a declaration of Compliance with the code of Conduct as applicable to them.

DETAILS OF CHANGE IN RETURN ON NET WORTH

The Return on Net Worth ("RoNW") of the Company for the financial year ended 31 March 2026 has been significantly influenced by the Company's financial and operational position during the Corporate Insolvency Resolution Process ("CIRP"), including the substantial decline in revenue from operations, continued operating constraints, limited working capital availability and the resultant losses incurred during the year.

The Company's Return on Net Worth for FY 2025-26 stood at 0.03 times, as compared to 0.04 in FY 2024-25, representing a change of -25% over the immediately preceding financial year.

The change in RoNW is primarily attributable to the significant reduction in the Company's revenue from operations and the loss incurred during the year under review. The Company's operations continued to be adversely affected by the constraints associated with the CIRP, subdued market conditions, reduced business activity and limited availability of working capital.

A significant development subsequent to the end of the financial year, the approval of the Resolution Plan is expected to provide a framework for financial restructuring and revival of the Company's operations.

Going forward, the Company will focus on implementation of the approved Resolution Plan, restoration of operational efficiency, optimum utilisation of manufacturing capacity, improvement in working-capital management, cost rationalisation and strengthening of its customer base. These measures are expected to support improvement in the Company's profitability and Return on Net Worth over the medium to long term.

MEDIUM-TERM AND LONG-TERM STRATEGY AND LONG-TERM PERFORMANCE METRICS

Following the approval of the Resolution Plan by the Hon'ble National Company Law Tribunal ("NCLT"), Chandigarh Bench, the Company has entered into a phase focused on revival, restructuring and restoration of sustainable business operations. The Company's medium-term and long-term strategy is aimed at creating a financially stable, operationally efficient and competitive textile business.

The Company's strategic priorities, within the limits of its competitive position and subject to prevailing market conditions, are as follows:

Medium-Term Strategy

Over the medium term, the Company intends to focus on:

- Implementation of the approved Resolution Plan: Ensuring timely and effective implementation of the Resolution Plan and compliance with the terms and conditions contained therein.
- Revival of manufacturing operations: Gradually restoring and strengthening manufacturing activities and improving utilisation of the Company's available manufacturing infrastructure.
- Strengthening working-capital management: Ensuring prudent deployment of funds, efficient working-capital management and disciplined financial planning to support the Company's operating requirements.
- Improvement in operational efficiency: Focusing on productivity improvement, cost optimisation, energy efficiency and better utilisation of available resources.
- Customer and market development: Rebuilding and strengthening relationships with existing customers while developing new customers and commercially viable market opportunities.
- Product and order optimisation: Focusing on products and orders that provide sustainable contribution margins and efficient utilisation of available manufacturing capacity.
- Technology and process improvement: Evaluating appropriate technological and process improvements to enhance productivity, product quality and competitiveness, subject to availability of funds and commercial viability.

Long-Term Strategy

Over the long term, the Company aims to establish a sustainable and competitive textile business with a focus on:

- achieving sustainable revenue growth and profitability;
- improving capacity utilisation and manufacturing productivity;
- strengthening the Company's presence in domestic and, where commercially viable, international markets;
- developing higher-value-added textile products;
- adopting appropriate technology and modern manufacturing practices;
- maintaining prudent financial and working-capital management;
- improving cost competitiveness and operating margins;
- strengthening customer relationships and diversifying the customer base; and
- Creating sustainable value for all stakeholders.

OTHER DISCLOSURES

FINANCIAL STATEMENT

In accordance with SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018, the Company is required to provide details of significant changes (a change of 25% or more as compared to the previous financial year) in key financial ratios, along with detailed explanations thereof. The key financial ratios are given below:

Key financial ratios	2025-26	2024-25	Difference (%)
Debtors' turnover	00	103.19	100%
Inventory turnover	1.12	5.69	-80.32%
Interest coverage ratio	NA	NA	NA
Current ratio (in times)	0.62	0.63	-1.59%
Debt equity ratio (in times)	-1.24	-1.28	-3.13%
Operating Profit	-64.42	-4.33	1387.53%

Margin(times)			
Net profit margin(in times)	-57.61	-4.12	1298.3%
Return on net worth(in times)	0.03	0.04	-25%

The change in Debtors' Turnover, Inventory Turnover, Operating Profit Margin, Net Profit Margin and Return on Net Worth is more than 25% compared to the previous financial year. The variation is primarily attributable to the substantial decline in sales, adverse market conditions, changes in customer preferences and the impact of the CIRP process undertaken by the Company pursuant to the NCLT order dated 22 December 2023, which affected the marketability, operations and overall financial performance of the Company.

ANNEXURE H

COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS

To,
The Board of Directors
(Powers vested with Resolution Professional w.e.f. 22 December 2023)
Winsome Yarns Limited (Under CIRP)
Basement, SCO 13-14-15, Sector 34-A, Chandigarh-160022

The Company has framed a specific Code of Conduct for the members of the Board of Directors and the Senior Management Personnel of the Company pursuant to the Regulation 17 of the SEBI (LODR) Regulations, 2015 entered with Stock Exchanges to further strengthen corporate governance practices of the Company.

In accordance with Regulation 17 & Regulation 26(3) and Schedule V (D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that the Directors and the Senior Management Personnel of the Company have confirmed compliance with the Code of Business Conduct and Ethics as on 31 March, 2026.

Registered Office:
Basement, SCO 13-14-15
Sector 34-A, Chandigarh – 160022

Dated: August 29, 2026

By order of the Board of Directors
For Winsome Yarns Limited
Sd/-

Vipan Kumar
Additional Director
DIN: 11551026

Chandigarh
Saturday, August 29, 2026

Sd/-

Avnish Bansal
Additional Director
DIN:02666814

Chandigarh
Saturday, August 29, 2026

ANNEXURE I

Compliance Certificate from Chief Financial Officer under Regulation 17(8) of SEBI (LODR) Regulations, 2015 for the Financial Year ended 31.03.2026. [Schedule-II, Part-B of SEBI (LODR), Regulations, 2015]

I, Mr. Sanjay Sharma, Chief Financial Officer of Winsome Yarns Limited, certify that:

A. I, have reviewed financial statements and the cash flow statement for the year ended 31.03.2026 and that to the best of my knowledge and belief:

   1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year ended 31.03.2026, which are fraudulent, illegal or violative of the company's code of conduct.

C. I, accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I, have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps have taken or propose to take to rectify these deficiencies.

D. I, have indicated to the auditors and the audit committee that:

   i. Significant changes (if any) in internal control over financial reporting during the year ended 31.03.2026;
   ii. Significant changes (if any) in accounting policies during the year ended 31.03.2026 and that the same have been disclosed in the notes to the financial statements and;
   iii. During the year, there were no instances of significant fraud of which I have become aware and involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For and on behalf of Winsome Yarns Limited

Sd/-
Sanjay Sharma
Chief Financial Officer
Date: 29.08.2026

ANNEXURE J

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

1. **Information as per Rule 5(1) of Chapter XIII, of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2025-26 and the percentage increase/(decrease) in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during the financial year 2025-26:

(Amount in Rupees)

Sr. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for financial year 2025-26	% increase in Remuneration in the the financial year ended 31 March, 2026	Ratio of the remuneration of each Director to the median remuneration of the employees
1	Shri Manish Bagrodia Non-Independent Director	--	--	--
4	Shri Rajiv Chadha Independent Director	--	--	--
5	Pankaj Mahajan Independent Director	--	--	--
6	Shri Sanjay Sharma Chief Financial Officer	972000	NIL	--

2. The median remuneration of employees of the Company during the financial year was Rs. 77.43 lakh.
3. In the financial year, there was a decrease of 85.50% in the median remuneration of employees.
4. There were 07 employees of Company as on March 31, 2026.
5. Relationship between average increase in remuneration and company performance:-
   The Loss after Tax for the financial year ended March 31, 2026, reduced by 27.46%whereas there was no Increase/(decrease) in median remuneration
6. The remuneration paid is as per the Remuneration Policy of the Company

(Rs. in lacs)

Average remuneration of Key Managerial Personnel (KMP) in 2025-26	9.72
Revenue	21.79
Aggregate Remuneration of KMP (as % of revenue)	44.61%
Profit/ (Loss) before Tax (PBT)	-(1255)
Remuneration of KMP (as % of PBT)	N.A.

7. Variations in the market capitalization of the Company: As on 31.03.2026, the closing price of shares on BSE and NSE was Rs. 1.71 and Rs. 1.64 respectively. Accordingly, the market capitalization of the Company was Rs. 12.09 crore based on BSE closing price and Rs. 11.60 crore based on NSE closing price
8. Price Earnings Ratio of the Company as at March 31, 2026, was Rs. (-) 3.80 and as at March 31, 2025 was Rs. -0.68.
9. Percent increase over/ decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer. The Company has not made any public issue or rights issue of securities in the recent past, so comparison have not been made of current share price with public offer price. The Company's shares are listed on BSE Limited and National Stock Exchanges of India Limited.
10. Average percentage increase made in the salaries of employees in the financial year i.e. 2025-26 - there was no increase in the key managerial remuneration for the same financial year.
11. There are no variable component of remuneration availed by the directors.
12. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year. – Not Applicable

Sr. No.	Name of Employee	Designation/Department	Total Net Pay Per Annum (in`)	Nature of employment whether contractual or otherwise	Qualification &Experience	Date of commencement of employment	Age	Experienc e (Yrs)
1.	Pradeep Kumar	Foreman	335305	Blow-Room-Card(Mt	I.T.I	21/05/24	55	35
2.	Surjit Singh	Officer	383268	ENGG	I.T.I	1/07/06	59	39
3.	Rajinder Kumar	Asstt. Officer	436212	Maintenance	10TH	1/07/06	58	35
4.	Manoj Kumar Trivedi	Asstt. Manager	468000	Commercial And Export	B. .A.	2/03/13	58	36
5.	Parvinder Kumar	Sr. Executive	471024	Accounts	M.COM	22/10/07	53	30
6.	Arun Grover	Asstt. Manager	744000	Marketing/Exports	MBA	1/02/23	53	32
7.	Rajpal Singh Rathore	Sr. Manager	782712	Legal And Secretary	M.A	2/08/94	61	40
8.	Sukhwant Singh	Sr. Manager	937584	I .T.	DIP.IT	1/03/13	55	35
9.	Sanjay Sharma	CFO	972012	Accounts	PGDBM	1/12/08	61	40
10	Rohit Narwal	Sr. Manager	1062600	Power Project	MBA(HR)	28/01/19	36	15

ANNEXURE K

STATEMENT OF IMPACT OF AUDIT QUALIFICATIONS (FOR AUDIT REPORT WITH MODIFIED OPINION) SUBMITTED ALONG-WITH ANNUAL AUDITED FINANCIAL RESULTS – WINSOME YARNS LIMITED (UNDER CIRP)

Statement of Impact of Audit Qualifications for the Financial Year ended March 31, 2026
[See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations 2016]

(Rs. in Lakhs)

I.	**Sl. No.**	**Particulars**	**Audited Figure (as reported before adjusting for qualifications)**	**Adjusted Figures (audited figures after adjusting for qualifications)***
	1	Turnover/ Total income	170	155
	2	Total Expenditure	1425	34904
	3	Net Profit/(Loss)	(1255)	(34734)
	4	Earnings Per Share	(1.77)	(49.12)
	5	Total Assets	19520	16831
	6	Total Liabilities	64496	248572
	7	Net Worth	(44977)	(231742)
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
	* all adjustments are without tax effect.			

II.		Audit Qualifications	
	(a)	Details of Audit qualification	Reference is invited to Para (4) of Independent Auditor's Report on Standalone audited financial results: **m.** In view of accumulated losses of the company as at the end of March 31, 2026, the net worth of the company as at that date being negative, continuous losses, negative cash flows and due to financial constraints, resignation of KMP and non-deposit of statutory dues on time, material uncertainty exists about the company ability to continue as going concern. The decision of management and RP of the company to prepare the accounts of the company on going concern basis for the reason mentioned in standalone financial result note no 4 there would arise a need to adjust the realizable value of assets and liabilities in the event of failure of assumptions as to going concern, and in the absence of impact of aforesaid assumptions having been un-ascertained, we are unable to comment thereon. **n.** Non-provisioning of interest expenses, of Rs 30,790.32 Lakhs on borrowings for the year ended on March 31, 2026 (Rs 26,433.97 lakhs for the year ended on March 31, 2025) and Rs 1,84,075.64 Lakhs being aggregate amount of interest un-provided till the year ended March 31, 2026 (Rs 1,53285.32 Lakhs till the year ended March 31, 2025), and further amount towards penal interest, penalty, etc. as may be charged by the lenders. (In the absence of statement of account, the above amount has been arrived at as per estimates of the Company, and the aggregate un-provided amount in books of account of the Company is not ascertainable with accuracy).

			b) Non-provisioning against long outstanding receivables of Rs. 120.16 Lakhs which is overdue for more than 365 days. Further Re-instatement of few debtors, advance from customers, creditors for export, etc. on exchange fluctuation is not recognized in line with Ind AS - 21 “The Effects of changes in Foreign Exchange Rates” the effect of which we are unable to comment. **o.** The Internal Control Systems need to be further strengthened in order that they are commensurate with the size of the Company and the nature of its business, more particularly in areas of, purchases and consumption of materials, charging of expenses, set-off of balances, and invoicing of sale of goods and services. **p.** As per the information given to us, the carrying value of investments have not been marked to realizable value, which if accounted would result in Investments reducing by Rs. 2568.41 Lakhs and Loss of the year ended 31.03.2026 increasing by Rs. 2568.41 Lakhs. **q.** Confirmation of balances and reconciliation thereof with respective parties are pending, which include balances pertaining to, accounts receivable and accounts payable, bank balances (including FDR), other current and non-current assets, advance for leasing, security deposit, secured loans, other liabilities, provisions, and contingent liabilities. All balances and disclosures have been certified by the management of the Company. In the absence of the Company having aforementioned details and confirmations, the impact thereof is unascertainable, and therefore, not being commented. Further strengthening of internal controls by the Company will provide greater reliability. **r.** As per the information given to us, In reference to note no. 13 of financial Statements, we draw attention to the users of the financial statement for the year ended on 31st March, 2025. Fixed Deposit with Canara Bank Amount of Rs 30.66 lakhs had been made for Margin Money for issuing Bank Guarantee, which was adjusted against the dues of working capital outstanding at the time of Account becoming NPA, has not been accounted for as it will change note in Financials of the borrowing amount as per books. We are unable to comment upon possible impact in the standalone financial statements for the year 31st March, 2025.
		Type of Audit Qualification	Qualified Opinion
	(c)	Frequency of Qualification	o In case of point no (i), (iv) and (v) – Appeared since F.Y. 2014-15 o In case of point no (ii) – Appeared since F.Y. 2013-14 (However, there is change in amount) o In case of point no (iii) – Appeared since F.Y. 2013-14 o In case of point no (vi) – Appeared since F.Y. 2023-24

	(d)	For Audit Qualification(s) where the impact is quantified by the Auditor, Management views	With regard to Auditors Qualification No. (i)(ii), (iii), (iv),(v) and (vi) :- • The management has prepared its Financial Statement on Going Concern basis- Refer Note No.4 of Results k) Regarding non-provision of interest expenses, penal interest, penalty, etc. in respect of borrowings of the Company from banks - As stated in Note No. 3.15 of the Audited Financial Statement, The operating losses suffered by the Company for reasons beyond control of the Company, including due to non-performance of commitments and obligations by the lenders of the Company, consequently led to financial stress being faced by the Company. The unilateral recall of borrowings by the lenders and followed by lock downs to contain the spread of pandemic of Covid-19, resulted in an alleged claim of an unpaid principal and overdue interest . Provision for upto date interest,has not been made in the books of account, and disputing the liability of the Company in its borrowings, it had filed a counter claim against the lenders, which is for an amount larger than the amount claimed by the lenders and the matter is pending adjudication before the Hon'ble Debt Recovery Tribunal, Chandigarh. The Company will account the effects of payment of restructured liabilities on approval of resolution plan or otherwise on failure of insolvency proceedings and during liquidation of the Company. **(viii)** Regarding further strengthening the system of internal controls – Necessary steps have been initiated by the Company to further strengthen the system of internal controls w.r.t. purchases and consumption of inventory, booking of expenses, set off of balances, for the sale of goods and services, etc. **(ix)** Regarding non provision of dimunition in carrying value of investment : Company response : The changes in value of investments will be accounted for after reconciliation. **k.** The balances of certain Trade Receivables , Bank Balances including other bank balances, Investments,Trade Payables , Secured Borrowings, Other Financial Liabilities and Financial Assets including other current assets are subject to reconciliation. Contingent liabilities (read with note no. 3.1) are as as certified by the management. Further, necessary steps have been initiated to further strengthen system of internal controls in this regard. **l.** This Fixed Deposit had been made for Margin Money for issuing Bank Guarantee, Which was adjusted against the dues of working capital outstanding at the time of Account becoming NPA, has not been accounted for as it will change note in Financials of the borrowing amount as per books.The above amount is not recoverable .

	(iii)	Auditors' comments on (i) or (ii) above	Refer details of audit qualification [para II(a) above]
II.	Signatories		
	• Manish Bagrodia- Director DIN 0046944		Sd/-
	• Chief Financial Officer-Sanjay Sharma		Sd/-
	• Anil Kohli Resolution Professional		Sd/-
	• Statutory Auditor		For Dhana & Associates (Formerly Khandelia & Sharma, Chartered Accountants Firm Registration No. 510525C Sd/- (Arun Khandelia) Partner Membership No. 089125

Place: Chandigarh
Date: August 29, 2026

INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

To

THE MONITORING COMMITTEE,

WINSOME YARN LIMITED

Report on the Audit of the Standalone Financial Statement

1. **Qualified Opinion.**
   We have audited the accompanying Standalone Ind AS financial statements of Winsome Yarns Limited ("the Company under CIRP process"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

   The Hon'ble National Company Law Tribunal ("NCLT"), Chandigarh Bench, admitted the Corporate Insolvency Resolution Process ("CIRP") application filed by a financial creditor of Winsome Yarn Ltd ("the Company") and appointed Mr Sanjay Gupta (IBBI Registration No.IBBI/IPA-002/IP-N00982-C01/2017-2018/10354, as Interim Resolution Professional ("IRP"), in terms of the Insolvency and Bankruptcy Code, 2016 ("the Code") to manage the affairs of the Company vide CP (IB) No. 291/Chd /Chd /2018 dated 22.12.2023. Further, the Hon'ble National Company Law Tribunal ("NCLT"), Chandigarh Bench, vide order dated 14.03.2024, appointed M/S ARCK Resolution Professionals LLP, having IBBI Registration No. IBBI/IPE-0030/IPA-1/2022-23/50013 as the new RP of Winsome Yarns Ltd ("the Company").

   The Resolution Professional (RP) had filed an application before the NCLT for the approval of resolution plan submitted by Mohini Health and Hygiene Limited which was approved by NCLT on April 16, 2026 in pursuance to section 30(6) and section 31(1) of the Insolvency & Bankruptcy Code, 2016 read with regulation 39(4) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

   After the approval of the Resolution Plan by the Hon'ble NCLT under the Insolvency and Bankruptcy Code, 2016, the affairs of the Company are presently being managed by the Monitoring Committee comprising representatives of the Committee of Creditors (CoC) and the Successful Resolution Applicant, chaired by an Insolvency Professional in accordance with the approved Resolution Plan. The powers of the existing Board of Directors remain suspended till the Transfer Date.

   In our opinion and to the best of our information and according to the explanations given to us, **except for the effects/possible effects of the matters described in paragraph under 'Basis of Qualified Opinion',** the aforesaid Ind AS financial statements give the information required by the companies Act,2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, State of affairs of the Company as at March 31, 2026, and profit/loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

2. Basis for Qualified Opinion.

1) In view of accumulated losses of the Company as at the end of March 31, 2026, the net worth of the Company as at that date being negative, continuous losses, negative cash flows and due to financial constraints, resignation of KMP and non-deposit of statutory dues on time, material uncertainty exists about the company ability to continue as going concern. The decision of management (Power suspended) and RP of the Company to prepare the accounts of the Company on going concern basis for reasons that mentioned in standalone financial statement note no 3.2 (e) there would arise a need to adjust the realizable value of assets and liabilities in the event of failure of assumptions as to going concern, and in the absence of impact of aforesaid assumptions having been un-ascertained, we are unable to comment thereon.

2) The Financial statement for the year ended on March 31, 2026 are understated due to:

a) Non- provisioning of interest expenses, of Rs 30,790.32 Lakhs on borrowings for the year ended on March 31, 2026 (Rs 26,433.97 lakhs for the year ended on March 31, 2025) and Rs 1,84,075.64 Lakhs being aggregate amount of interest un-provided till the year ended March 31, 2026 (Rs 1,53,285.32 Lakhs till the year ended March 31, 2025), and further amount towards penal interest, penalty, etc. as may be charged by the lenders. (In the absence of a statement of account, the above amount has been arrived at as per estimates of the Company, and the aggregate un-provided amount in the books of account of the Company is not ascertainable with accuracy)

b) Non-provisioning against long outstanding receivables of Rs. 120.16 Lakhs which is overdue for more than 365 days. Further reinstatement of few debtors, advance from customers, creditors for export, etc. on exchange fluctuation is not recognized in line with Ind AS - 21 "The Effects of changes in Foreign Exchange Rates" the effect of which we are unable to comment.

3) The Internal Control Systems need to be further strengthened in order that they are commensurate with the size of the Company and the nature of its business, more particularly in areas of, purchases and consumption of materials, charging of expenses, set-off of balances, and invoicing of sale of goods and services.

4) As per the information given to us, the carrying value of investments have not been marked to realizable value, which if accounted would result in Investments reducing by Rs. 2568.41 Lakhs and Loss of the year ended 31.03.2026 increasing by Rs. 2568.41 Lakhs.

5) Confirmation of balances and reconciliation thereof with respective parties are pending, which include balances pertaining to, accounts receivable and accounts payable, bank

balances (including FDR), other current assets, advance for leasing, security deposit with government, loans and advances recoverable, secured loans, other liabilities, provisions, and contingent liabilities. All balances have been certified by the management of the Company. In the absence of the Company having aforementioned details and confirmations, the impact thereof is unascertainable, and therefore, not being commented. Further strengthening of internal controls by the Company will provide greater reliability.

6) As per the information given to us, In reference to note no. 13 of financial Statements, we draw attention to the users of the financial statement for the year ended on 31st March, 2026. Fixed Deposit with Canara Bank Amount of Rs 30.66 lakhs had been made for Margin Money for issuing Bank Guarantee, which was adjusted against the dues of working capital outstanding at the time of Account becoming NPA, has not been accounted for as it will change note in Financials of the borrowing amount as per books. We are unable to comment upon possible impact in the standalone financial statements for the year 31st March, 2026.

7) Subsequent to the year ended March 31, 2026, but prior to the approval of the financial statements and the finalization of our audit report, the National Company Law Tribunal (NCLT) passed a final order dated 16th April 2026 approving a Resolution Plan. Under the terms of this approved order, certain liabilities and trade creditors of the Company Amount not yet ascertained, were permanently extinguished and waived. In accordance with Ind AS 10 (Events after the Reporting Period) , this NCLT order constitutes an adjusting event as it provides conclusive evidence of conditions that existed at the balance sheet date. Management has failed to account for this extinguishment and its corresponding accounting effects in the financial statements for the year ended March 31, 2026.

We conducted our audit in accordance with the standard on auditing ("SA") specified under section 143(10) of the Act. Our responsibilities under those standards are further describes in the Auditor's Responsibilities for the audit of the standalone financial statement section of our report. We are independent of the company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion.

3. Emphasis of matter

i) As per information given to us, the company has made advance payment of Rs. 2268.50 Lakhs to Edelweiss Assets Reconstruction Company as an advance against restructuring of loan. Loan outstanding from Edelweiss Assets Reconstruction Company amounting of Rs. 47071.08 Lakhs as on 31.03.2026.

ii) The company has not made provision for the demand raised by various authorities as the matters are pending before various appellate forum. We are unable to comment upon possible impact in the standalone financial statements for the year 31st March, 2026.

iii) As per information given to us, we draw attention to the users of the financial statement of the company for the quarter ended 31st March,2026. The Hon'ble National Company Law Tribunal ("NCLT"), Chandigarh Bench, vide order dated 16 April 2026, approved the Resolution Plan submitted by M/s Mohini Health & Hygiene Limited under the provisions of the Insolvency and Bankruptcy Code, 2016 ("IBC"). The implementation of the approved Resolution Plan is presently under progress.

Our opinion is not modified in respect of these matters

4. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. There matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition, the matters described in the basis for qualified opinion and emphasis of matter paragraph are by their nature are key audit matters.

5. Information Other than the Financial Statement and Auditor's Report

The Company's Board of Directors is responsible for the other information but does not include the financial statements and our auditors report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In Connection with our audit of the financial statements, our responsibilities is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statement or our Knowledge obtained in the audit or otherwise appears to be materially misstate. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

6. Responsibilities of Management and Those Charged with Governance for the standalone Financial Statements.

The company is under CIRP process vide CP (IB) No.291/chd/chd/2018 by Hon'ble NCLT Chandigarh Bench dated 22.12.2023 and all management responsibilities vested with Resolution professional

The Company's Board of Directors (Powers suspended) is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as application, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.
Those board of directors (Powers suspended) are also responsible for overseeing the company's financial reporting process.

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

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

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of the Company of which we are the independent auditors. For the subsidiaries included in the Statement, which have been audited by other auditors or not have been audited by other auditors, such other auditors or management remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

8. Report on Other Legal and Regulatory Requirement

i) As required by the Companies (Auditor's Report) Order, 2020 (the Order) issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

ii) As required by section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit, except as stated in para under the head "Basis of Qualified Opinion".

b) Except for the effects/possible effects of the matters described in the "Basis of Qualified Opinion" paragraph above, in our opinion, proper books of account as required by law have been kept by the Company in so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) Except for the matter described in para under the "Basis for Qualified Opinion", in our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

e) The matters described in the "Basis of Qualified Opinion" paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

f) The company is under corporate Insolvency Resolution process vide the order of Hon'ble NCLT, Chandigarh Bench dated 22.12.2023 and all management responsibilities vest with the Resolution professional, Hence the requirement to comment upon the Director's qualification is not Applicable

g) The matters described in the "Basis of Qualified Opinion" paragraph above, in our opinion, may have an adverse Impact Relating to maintenance of Accounts and other matters connected there with.

h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules,2014, in our opinion and to the best of our information and according to the explanations given to us:

I. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements Refer Note no. 3.2 to the standalone financial statement.

II. Except as matter described under paragraph of "basis for qualified opinion" as required under the applicable law or Accounting Standards, The Company has made provision, for material foreseeable losses, if any, on long term contracts including derivative contracts;

III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

IV.

a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the Accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kinds of funds) by the company to or in any other person(s) or entities including foreign entities ("intermediaries"), with the understanding whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity (ies) including foreign entities ("Funding parties"), with the understanding whether recorded in writing or otherwise, that the company shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding parties ("ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries; and

c) Based on the audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representation under sub point (a) and (b) contain any mis-statement.

V. The company does not declare or paid any dividend during the year

VI. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books if account for the financial year ended 31st March 2026 which has a feature of recording audit trail (edit Log) facility and same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1st April, 2023 reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention. The audit trail of the prior period has been preserved by the company as per statutory requirement for record retention to the extend it was enabled.

For Dhana & Associates
(Formerly Khandelia & Sharma)
Chartered Accountants
Firm Registration No: 510525C

Sd/-
CA. Arun Khandelia
Partner
Membership No.: 089125

Place: New Delhi
Date: 29th August, 2026
UDIN : 26089125EFSGON3332

"ANNEXURE A" TO INDEPENDENT AUDITOR'S REPORT
(Annexure referred to in paragraph 7 on Report on Other Legal and Regulatory Requirements)

i)

a) As per information and explanation given to us, the Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

b) As per information and explanation given to us, the fixed assets have been physically verified by the management at reasonable intervals. However, we have not been provided complete physical verification report.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable freehold properties are held in the name of the Company. However, we have not been provided complete title deed of immovable property situated at Derabassi (Punjab) location.

d) According to the information given to us the Company has not revalued its property plant, and equipment during the year

e) According to the information and explanation given to us, no proceedings have been initiated or are pending against the company for holding any Benami property under the benami Transactions (prohibition) Act 1988.

ii)

a) According to the information, explanation and representation provided by the management, physical verification of inventory has been conducted at reasonable intervals by the management. But, in our opinion the coverage and procedure of such verification by the management is not appropriate. Further, according to information and explanation given to us no material discrepancy was noticed in such verification by management.

b) According to the information, explanation and representation provided by the management, during any point of time of the year, the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current Assets.

iii) According to the information, explanation given to us, the Company has not made investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or other parties. Accordingly, sub-clause (a),(b),(c),(d),(e) of clause (iii) para 3 of the order is not applicable to the company.

iv) According to the information, explanation and representation provided by the management and based upon audit procedures performed, the Company has not given any loans, provided any guarantee or security in connection with any loan and/ or acquiring securities of any other body corporate.

v) As explanation given to us and on the basis of our examination of the records, the Company has accepted deemed deposits in violation of provisions of section 73 to 76 of companies act 2013 read with rule 3 of companies (acceptance of deposits) Rules, 2014. The nature of the contraventions is trade advance for supply of goods which is not appropriated against supply of goods within a period of 365 days from the date of acceptance of such advances.

vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the Company's products to which the said Rules apply and are of the opinion that prima facie, the prescribed records have been made and maintained. However; we have not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

vii)

a) According to the information and explanations given to us, the company is not regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authority. However, the arrear of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date, they became payable, are not provided.

Name of the statue	Nature of the dues	Amount(Rs.)	Period to which amount relates	Due date	Date of payment
Employee State Insurance Act, 1948	Employee State Insurance Fund	Full Information Not Provided	Full Information Not Provided	Full Information Not Provided	Full Information Not Provided
Employees' Provident Funds & miscellaneous Provisions Act ,1952	Employees Provident Fund	Full Information Not Provided	Full Information Not Provided	Full Information Not Provided	Full Information Not Provided
Income Tax Act, 1961	Tax Deducted at Source	Full Information Not Provided	Full Information Not Provided	Full Information Not Provided	Full Information Not Provided
Punjab Labor Welfare Fund Act, 1965	Labor Welfare fund	Full Information Not Provided	Full Information Not Provided	Full Information Not Provided	Full Information Not Provided

b) According to the information and explanations given to us, the following dues of income tax, sales tax, service tax, duty of excise and Value added tax have not been deposited by the company on account of disputes:

Name of the Statute	Nature of Dues	Amount (Rs. in Lakhs)	Period to which relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	182.71	2005-2007	ITAT, Chandigarh

Central/State Sales Tax				
	-do-	111.81	2014-2015	Asstt .Excise &Taxation commissioner, Mohali
	-do-	1759.65	2015-2016	Asstt .Excise &Taxation commissioner, Mohali
	-do-	3.87	2016-2017	Asstt .Excise &Taxation commissioner, Mohali
	-do-	2.98	2017-2018	Asstt .Excise &Taxation commissioner, Mohali
	-do-	53.50	2008-2009	Sales Tax tribunal
	-do-	1.84	2017-18	DETC cum Joint Director (Enf.), Patiala
	-do-	10.34	2010-11	DETC cum Joint Director (Enf.), Patiala
Central Excise Act	Excise Duty	7.63	2008-09	CESTAT, New Delhi
	-do-	5.04	2010-11	CESTAT, New Delhi
	-do-	13.42	2011-12	CESTAT, New Delhi
Goods and Service Tax	GST	423.53	2018-19	DTC Appeals
	GST	6.43	2017-18	DTC Appeals

*This para to be read with note no. 3.1(A) and 3.1(B) to the financial statements

viii) According to information and explanation given to us, there is not any transactions which have been surrender or disclosed as income during the year in the tax assessment under the income Tax 1961 and not recorded in the books of accounts

ix)

a) In our opinion based on audit procedures performed and according the information and explanation given to us, the Company has defaulted in repayment of loans and borrowings to bank. However, the Company has not taken loans from any bank, financial institution, and Government or debenture holders during the year. The lender wise details of default is as under;

SI No.	Name of Bank	Total Default Amount* (Rs. Lakhs)	Maximum Delay (in days)	Remark
1.	Bank of India	2514.00	4655	Term Loan
2.	Bank of Maharashtra	2506.00	4565	Term Loan
3.	Indian Overseas Bank	2045.00	4473	Term Loan
4.	ICICI Bank Ltd.	611.00	4655	Working Capital Term Loan and FITL
5.	Oriental Bank of Commerce	1965.00	4655	Term Loan
6.	Canara Bank	12782.66	4380	Term Loan and Working Capital Loan – Assigned to EARC

7.	Punjab National Bank	14813.88	4456	Term Loan and Working Capital Loan – Assigned to EARC
8.	State Bank of Patiala	9789.44	4324	Term Loan and Working Capital Loan – Assigned to EARC
9.	Dena Bank	3973.01	4563	Term Loan – Assigned to EARC
10.	UCO Bank	4244.62	4382	Term Loan – Assigned to EARC
11.	United Bank of India	1467.46	4563	Term Loan – Assigned to EARC

EARC = Edelweiss Asset Reconstruction Company Ltd

***Total default amount excludes the interest that is not provided in the book**

b) According to information given to us, the company appears as a wilful defaulter as **per RBI guidelines**
c) According to information and explanation given to us, term loans were applied for the purposes for the purpose for which the loans were obtained.
d) According to information and explanation given to us, the company has not utilized funds for long term purposes for those funds which were raised for short term basis
e) According to information and explanation given to us, the company has not taken funds from any entity or persons on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
f) According to information and explanation given to us, the company has not raised loans raised loans during the year on the pledge of securities in its subsidiaries, associates or joint ventures.

x)

a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, sub-clause (a) of clause (x) of para 3 of the order is not applicable.
b) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, sub-clause (b) of clause (x) of para 3 of the order is not applicable.

xi)

a) According to the information and explanations given to us, no material fraud by the company or on the company has been noticed or reported during the year.
b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the company's act has been filed by auditors in Form ADT-4 as prescribed under rule 13 of companies (audit or auditors) rules,2014 with the central government.
c) According to information and Explanation given to us, there is no whistle-blower complaints, received by the company during the year.

xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, sub clause (a), (b) and (c) clause (xii) of para 3 of the order is not applicable.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS standalone financial statements as required by the applicable accounting standards.

xiv)

a) The internal Audit system of the company not commensurate with the size and nature of its business.
b) Internal audit report for the period under audit not provided to us, hence the internal audit reports have not been considered by us.

xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him.

xvi)

a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
b) According to information and explanation given to us, the company has not conducted any non- banking or Housing financial activities. Accordingly, sub-clause (b) of clause (xvi) of para 3 of the order is not applicable.
c) According to information and explanation given to us the company is not a core investment company (CIC) as defined in the regulation made by the Reverse Bank of India. Accordingly, sub-clause (c) of clause (xvi) para 3 of the order is not applicable to the company.
d) According to information and explanation given to us, there have not any CIC in the group. Accordingly, sub-clause (d) of clause (xvi) para 3 of the order is not applicable to the company.

xvii) According to information and explanation given to us, the company has incurred cash losses of Rs 275.21 Lakhs current financial year and also incurred cash loss of Rs 747.15 Lakhs in immediately preceding financial year.

xviii) According to information and Explanation given to us, there has been no resignation of the statutory auditor during the year and accordingly this clause is not applicable.

xix) According to information and explanation given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, auditor's knowledge of boards of directors and managements plan, our opinion is that there is material uncertainty exists as on the date of audit report that company is capable is meeting its liability existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

xx) According to information and explanation given to us, section 135 of company's act is not applicable on the company. Accordingly, clause (xx) of paragraph 3 of the order is not applicable

xxi) According to information and explanation given to us, the company does not have joint venture, subsidiary and Associates and has not required prepared consolidated financial statement. Accordingly, clause (xxi) of paragraph 3 of the order is not applicable to the company.

For Dhana & Associates
(Formerly Khandelia & Sharma)
Chartered Accountants
Firm Registration No: 510525C

Sd/-
CA. Arun Khandelia
Partner
Membership No.: 089125

Place: New Delhi
Date: 29th August, 2026
UDIN : 26089125EFSGON3332

ANNEXURE 'B TO INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF WINSOME YARNS LTD.

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of the section 143 of the Act

We have audited the internal financial controls over financial reporting of Winsome Yarns Limited ("the Company under CIRP process") as of March 31, 2026, in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for laying down and maintaining internal financial controls based on 'the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial Controls Over Financial Reporting (Guidance Note) issued by the Institute Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the Act).

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Standards of Auditing, to the extent applicable to an audit of internal financial controls and the Guidance Note, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain the reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of its inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not to be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis of Qualified Opinion

We draw attention to the paragraph 2 "Basis for Qualified Opinion" of our main report and the same to be read with our comments as stated below:

According to the information and explanation given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2026:

1. The Company did not have appropriate internal control system for-
   a) Adjustment/Set off and written off/write back, payment of receivables/payables.
   b) Credit control policy and procedure
   c) No policy or procedure for receipt of balance confirmation of receivables, particularly overseas overdue receivables, bank balances, payables (including of an associate company), secured loans and other liabilities and loans and advances.

2. The company did not have any extensive internal control system for follow up/recovery/adjustment of old outstanding receivables and payables including balance confirmation and reconciliation.

Material weakness is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual financial statements will not be prevented or deleted on a timely basis.

In our opinion, except for the effects/possible effects of the material weaknesses described above and on the achievement of the objectives of control criteria, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

We have considered the material weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the March 31, 2026 standalone financial statements of the Company and these material weaknesses does not affect our opinion on the standalone financial statements of the Company.

For Dhana & Associates
(Formerly Khandelia & Sharma)
Chartered Accountants
Firm Registration No: 510525C

Sd/-
CA. Arun Khandelia
Partner
Membership No.: 089125

Place: New Delhi
Date: 29th August, 2026
UDIN : 26089125EFSGON3332

Winsome Yarns Limited(Under CIRP)
Regd. Office: Basement,SCO 13-14-15, Sector 34-A, Chandigarh -160022
(Vacated on 30.12.2024 and presently working from B-58, Ind.Area Phase 7, Mohali.)
BALANCE SHEET AS AT MARCH 31, 2026

(Rs. in Lakhs)

Particulars	Notes	March 31, 2026	March 31, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	4 (a)	11,635.08	12,613.86
Capital work in progress		-	-
Other intangibles assets	4(b)	1.25	2.49
Financial assets			
Investments	5	-	-
Loans	6	-	-
Deferred tax assets (net)	7	-	-
Other non current assets	8	2,613.26	2,699.65
		14,249.58	15,316.00
Current assets			
Inventories	9	145.01	156.54
Financial assets			
Loans	6	-	-
Investment	10	2,568.41	2,568.41
Trade receivables	11	121.66	120.12
Cash and cash equivalents	12	53.21	57.75
Other bank balances	13	2,050.66	2,050.66
Other financial assets	14	(0.00)	(0.00)
Current tax assets	15	86.47	95.38
Other current assets	16	244.70	208.05
		5,270.11	5,256.90
TOTAL ASSETS		19,519.69	20,572.90
EQUITY AND LIABILITIES			
Equity			
Share capital	17	7,070.72	7,070.72
Other equity		(52,047.22)	(50,791.98)
		(44,976.50)	(43,721.26)
Liabilities			
Non-current liabilities			
Deferred grant income	18	32.14	41.37
Provisions	19	253.66	252.66
		285.80	294.03
Current liabilities			
Financial liabilities			
Borrowings	20	55,657.63	55,657.63
Trade Payables	21		
Outstanding dues of Micro and small enterprises		71.56	71.56
Outstanding dues of creditors other than Micro and small enterprises		2,719.48	2,724.72
Other financial liabilities	22	5,479.58	5,244.79
Deferred grant income	18	9.23	9.23
Other current liabilities	23	228.91	248.20
Provisions	19	44.00	44.00
		64,210.39	64,000.13
Total liabilities		64,496.19	64,294.16
TOTAL EQUITY AND LIABILITIES		19,519.69	20,572.90

For Dhana & Associates
Chartered Accountants
Firm Registration No: 510525C

For and on behalf of the Board of
Winsome Yarns Limited

Sd/-
CA. Arun Khandelia
Partner
Membership No.: 089125

Place : New Delhi
Date : 29th August, 2026

Sd/-
Vipan Kumar
Additional Director
DIN : 11551026
Date : 29th August, 2026

Sd/-
Avnish Bansal
Additional Director
DIN : 02666814
Date : 29th August, 2026

Sd/-
Sanjay Sharma
Chief Financial Officer
Date : 29th August, 2026

Sd/-
Riya Pawar
Company Secretary
and Compliance Officer
Date: 29th August, 2026

Taken on Record
Sd/-
Anil Kohli
Designated Partner and Authorised Signatory
ARCK Resolution Professionals LLP acting as
Monitoring Professional
Date : 29th August, 2026

Winsome Yarns Limited(Under CIRP)
Regd. Office: Basement,SCO 13-14-15, Sector 34-A, Chandigarh -160022
(Vaccated on 30.12.2024 and presently working from B-58, Ind.Area Phase 7, Mohali.)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2026

(Rs. in Lakhs)

Particulars	Notes	Year Ended March 31, 2026	Year Ended March 31, 2025
INCOME			
Revenue from operations	24	21.79	419.08
Other income	25	148.39	86.43
Total Income		**170.18**	**505.51**
EXPENSES			
Cost of material consumed		-	2.93
Purchase of stock-in-trade		-	-
Excise duty		-	-
Change in inventories of finished goods, work in process and stock in trade	26	11.54	183.11
Employees benefit expenses	27	77.43	533.85
Finance costs	28	-	-
Depreciation and amortisation	29	980.03	982.54
Other expenses	30	356.42	532.77
Total Expense		**1,425.42**	**2,235.21**
Loss before exceptional items and tax		**(1,255.24)**	**(1,729.69)**
Less: Exceptional items		-	-
Loss before tax		**(1,255.24)**	**(1,729.69)**
Less/(-Add): Tax expense			
Current tax		-	-
Deferred tax	7	-	-
Loss after tax		**(1,255.24)**	**(1,729.69)**
Other comprehensive income		-	-
Total Comprehensive Income		**(1,255.24)**	**(1,729.69)**
Earnings per equity share [par value of Rs. 10 (Rs. 10) each]			
1. Basic (Rs.)	31	**(0.45)**	**(2.45)**
2. Diluted (Rs.)	31	**(0.45)**	**(2.45)**

For Dhana & Associates
Chartered Accountants
Firm Registration No: 510525C

For and on behalf of the Board of
Winsome Yarns Limited

Sd/-
CA. Arun Khandelia
Partner
Membership No.: 089125

Place : New Delhi
Date : 29th August, 2026

Sd/-
Vipan Kumar
Additional Director
DIN : 11551026
Date : 29th August, 2026

Sd/-
Avnish Bansal
Additional Director
DIN : 02666814
Date : 29th August, 2026

Sd/-
Sanjay Sharma
Chief Financial Officer
Date : 29th August, 2026

Sd/-
Riya Pawar
Company Secretary
and Compliance Officer
Date: 29th August, 2026

Taken on Record
Sd/-
Anil Kohli
Designated Partner and Authorised Signatory
ARCK Resolution Professionals LLP acting as
Monitoring Professional
Date : 29th August, 2026

Winsome Yarns Limited(Under CIRP)
Regd. Office: Basement,SCO 13-14-15, Sector 34-A, Chandigarh -160022
(Vaccated on 30.12.2024 and presently working from B-58, Ind.Area Phase 7, Mohali.)
STATEMENT OF CASH FLOW FOR THE YEAR ENDED ON MARCH 31, 2026

(Rs. in Lakhs)

	Particulars		Year Ended March 31, 2026	Year Ended March 31, 2025
A.	**CASH FLOW FROM OPERATIONS**			
	Loss before tax		(1,255.24)	(1,729.69)
	Adjustment for:			
	Depreciation		980.03	982.54
	Amortisation of lease hold land		3.31	3.31
	Prorata capital subsidy		(9.23)	(9.23)
	(Profit)/Loss on sale of fixed assets		-	-
	Interest expense		-	-
	Interest income		(139.16)	(84.35)
	Operating profit before working capital changes		**(420.28)**	**(837.42)**
	Adjustment for working capital changes:			
	Increase/(Decrease) in financial liabilities			
	Trade payables		(5.26)	108.44
	Revenue received in advance		41.23	(12.70)
	Other payables		193.56	2,236.27
	Increase/(Decrease) in other current liabilities		(19.29)	20.79
	Increase/(Decrease) in provisions		1.00	44.00
	(Increase)/Decrease in financial assets			
	Trade and other receivables		(1.53)	133.16
	Loans		-	-
	Investment		-	-
	Interest accrued but not due		-	-
	Other loan		0.00	0.00
	(Increase)/Decrease in other current assets		(36.65)	(8.00)
	(Increase)/Decrease in other non current assets		83.08	-
	(Increase)/Decrease)in inventories		11.53	199.55
			(152.61)	1,884.10
	Current tax liabilities (Net)		8.91	(8.52)
	Net cash flow from operating activities	**(A)**	**(143.70)**	**1,875.58**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Additions/Deletion to property, plant and equipment			
	Reductions to property, plant and equipment		-	-
	Interest receipts		139.16	84.35
	Net cash used in investing activities	**(B)**	**139.16**	**84.35**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Interest paid		-	-
	Increase/(Decrease) in financial liabilities			
	Proceeds from borrowings		-	-
	Repayment of borrowings		-	-
	Net cash used in financing activities	**(C)**	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(A+B+C)**	**(4.54)**	**1,959.93**
	Cash and cash equivalents - Opening balance		2,108.41	148.48
	Cash and cash equivalents - Closing balance		2,103.87	2,108.41
			2,103.87	2,108.41
(Figures in bracket represents cash outflow)			-0.00	-0.00

For Dhana & Associates
Chartered Accountants
Firm Registration No: 510525C

For and on behalf of the Board of
Winsome Yarns Limited

Sd/-
CA. Arun Khandelia
Partner
Membership No.: 089125

Place : New Delhi
Date : 29th August, 2026

Sd/-
Vipan Kumar
Additional Director
DIN : 11551026
Date : 29th August, 2026

Sd/-
Avnish Bansal
Additional Director
DIN : 02666814
Date : 29th August, 2026

Sd/-
Sanjay Sharma
Chief Financial Officer
Date : 29th August, 2026

Sd/-
Riya Pawar
Company Secretary
and Compliance Officer
Date: 29th August, 2026

Taken on Record
Sd/-
Anil Kohli
Designated Partner and Authorised Signatory
ARCK Resolution Professionals LLP acting as
Monitoring Professional
Date : 29th August, 2026

Winsome Yarns Limited(Under CIRP)

Regd. Office: Basement,SCO 13-14-15, Sector 34-A, Chandigarh -160022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2026

(Rs. In Lakhs)

Particulars	Equity share capital (A)	OTHER EQUITY						Total equity attributable to equity holders of the Company (A)+(B)
		Reserve & Surplus					Total Other Equity (B)	
		Securities premium reserve	Capital reserve	Retained earnings	Capital redemption reserve	Other Comprehensive Income		
Balance as at April 1, 2024	**7,070.72**	**5,181.95**	**261.03**	**(54,779.75)**	**124.44**	**150.04**	**(49,062.29)**	**(41,991.57)**
Loss for the year	-	-	-	(1,729.69)	-	-	**(1,729.69)**	(1,729.69)
Balance as at March 31,2025	**7,070.72**	**5,181.95**	**261.03**	**(56,509.44)**	**124.44**	**150.04**	**(50,791.98)**	**(43,721.26)**
Loss for the year	-	-	-	(1,255.24)	-	-	(1,255.24)	(1,255.24)
Balance as at March 31, 2026	**7,070.72**	**5,181.95**	**261.03**	**(57,764.68)**	**124.44**	**150.04**	**(52,047.22)**	**(44,976.50)**

As per our report of even date.

For Dhana & Associates
Chartered Accountants
Firm Registration No: 510525C

For and on behalf of the Board of
Winsome Yarns Limited

Sd/-
CA. Arun Khandelia
Partner
Membership No.: 089125

Place : New Delhi
Date : 29th August, 2026

Sd/-
Vipan Kumar
Additional Director
DIN : 11551026
Date : 29th August, 2026

Sd/-
Avnish Bansal
Additional Director
DIN : 02666814
Date : 29th August, 2026

Sd/-
Sanjay Sharma
Chief Financial Officer
Date : 29th August, 2026

Sd/-
Riya Pawar
Company Secretary
and Compliance Officer
Date: 29th August, 2026

Taken on Record
Sd/-
Anil Kohli
Designated Partner and Authorised Signatory
ARCK Resolution Professionals LLP acting as
Monitoring Professional
Date : 29th August, 2026

Winsome Yarns Limited(Under CIRP)

Notes forming part of audited Financial statements as at and for the year ended on March 31, 2026

4 (a) Property, plant and equipment **(Rs., Lakhs)**

Particulars	Land	Buildings*	Plant & Machinery	Furniture & Fixtures*	Office equipments	Vehicles	Total
Gross carrying value							
As at April 1, 2024	271.13	8,643.25	40,063.63	369.81	130.68	44.55	49,523.05
-Additions*	-	-	-	-	-	-	-
-Disposals	-	-	-	-	-	-	-
As at March 31, 2025	271.13	8,643.25	40,063.63	369.81	130.68	44.55	49,523.05
	-	-	-	-	-	-	-
-Disposals	-	-	-	-	-	-	-
As at March 31, 2025	**271.13**	**8,643.25**	**40,063.63**	**369.81**	**130.68**	**44.55**	**49,523.05**
Depreciation and Impairment							
As at April 1, 2024	-	4,541.70	30,866.83	352.88	124.35	42.32	35,928.08
Depreciation charged during the year	-	241.94	739.13	0.02	0.02	-	981.11
Adjustments	-	-	-	-	-	-	-
As at March 31, 2025	-	4,783.64	31,605.96	352.90	124.37	42.32	36,909.19
Depreciation charged during the year	-	241.88	736.87	0.02	0.01	-	978.78
Adjustments	-	-	-	-	-	-	-
As at March 31, 2026	-	**5,025.52**	**32,342.83**	**352.92**	**124.38**	**42.32**	**37,887.97**
Net Book Value							
As at March 31, 2026	271.13	3,617.73	7,720.80	16.89	6.30	2.23	**11,635.08**
As at March 31, 2025	271.13	3,859.61	8,457.67	16.91	6.31	2.23	**12,613.86**
As at April 1, 2024	271.13	4,101.55	9,196.80	16.93	6.33	2.23	**13,594.97**

Winsome Yarns Limited(Under CIRP)

Notes forming part of audited Financial statements as at and for the year ended on March 31, 2026

4(b) Other Intangible Assets **(Rs., Lakhs)**

Particulars	Specialized Software	Total
Gross carrying value		
As at April 1, 2024	94.08	94.08
-Additions	-	-
-Disposals	-	-
As at March 31, 2025	94.08	94.08
-Additions	-	-
-Disposals	-	-
As at March 31, 2026	**94.08**	**94.08**
Depreciation and Impairment		
As at April 1, 2024	90.16	90.16
Depreciation charged during the year	1.43	1.43
-Disposals	-	-
As at March 31, 2025	91.59	91.59
Depreciation charged during the year	1.24	1.24
Adjustments	-	-
As at March 31, 2026	**92.83**	**92.83**
Net Book Value		
As at March 31, 2026	1.25	**1.25**
As at March 31, 2025	2.49	**2.49**
As at April 1, 2024	3.92	**3.92**

*Building and Furniture & Fixtures includes capital expenditure incurred on assets not owned by the Company of Rs.41.18 Lakhs (Gross) and Rs.56.94 Lakhs (Gross) (Previous year: Rs.41.18 Lakhs and Rs.56.94 Lakhs) respectively, and Nil and Rs.Nil (Previous year: Nil and Nil) respectively.

Notes:

(i) The Company's land at Derabassi, Punjab comprises a common passage (Passage Land), which is used by the owner of adjoining land as there is no direct access road available to him. The said owner of adjoining land filed an application in the Court of Additional Civil Judge, Dera Bassi, Punjab, under order 39 Rule 1 and 2 read with section 151 of CPC, 1908, seeking amongst others, restraint against the Company from selling or transferring or in any manner dealing with the Passage Land or causing any restriction on the use of Passage Land.

(ii) Certain employees of the Company, who are paying rent and maintenance charges to the Company for use of residential quarters occupied by them at the spinning mill of the Company situated at Village Kuranwala, Barwala Road, Dera Bassi, Punjab and knitwear unit of the Company situated at Plot No. B-58, Phase VII, Industrial Area, SAS Nagar, Mohali, Punjab obtained permanent injunction from the Hon'ble Civil Judge (Junior Division), Dera Bassi, Punjab and the Hon'ble Court of Civil Judge (Junior Division), SAS Nagar, Mohali vide order dated 05.08.2017 and 13.10.2017 respectively, against the Company from dispossessing them from the residential quarters located in the premise of the Company at Village Kuranwala, Barwala Road, Dera Bassi, Punjab and Plot No. B-58, Phase VII, Industrial Area, SAS Nagar, Mohali, Punjab and further stopping the ingress and outgress of their vehicles and evicting them forcibly from the said residential quarters only till their employment continues with the Company.

(iii) A tenant having shop situated in the spinning mill complex of the Company situated at Village Kurranwala, Barwala Road, Dera Bassi, Punjab, paying rent to the Company, obtained permanent injunction from the Hon'ble Court of Civil Judge (Junior Division), Dera Bassi, Punjab vide order dated August 12, 2015 against the Company from interfering in the peaceful possession of the tenant and further restrained the Company from dispossessing the tenant otherwise than in due course of law from the aforesaid shop.

(iv) A theft has been reported in Transformer of copper winding apprx.4200 KG (Cost .Rs.1200/- per kg Approx. ,amount of loss is Rs.50,40,000/-)& 5500 litres oil (cost per litre Rs160/- Approx. Rs.8,80,000/- and loss Rs.59,20,000/- Approx.) from its housing is stolen by unknown persons in the spinning mill complex of the Company situated at Village Kurranwala, Barwala Road, Dera Bassi, Punjab, and complaint is given for registering FIR at Dera Bassi Police station & subsiquently Insurnce claim has been filed with the Insurance company.

Winsome Yarns Limited(Under CIRP)

Notes forming part of audited Financial statements as at and for the year ended on March 31, 2026

	Particulars	March 31, 2026	March 31, 2025
5	**Investments**		
		-	
6	**Loans**		
	Unsecured, considered good	-	-
	Security deposits		
	Non- Current	-	-
		-	-

	7 Deferred tax assets (net) Particulars	March 31, 2026	March 31, 2025	Charged to Statement of Profit and Loss for the year ended March 31, 2025
	i) Deferred tax asset (DTA)			
	MAT credit entitlement	--	--	
	DTA on accumulated losses (to the extent of DTL)	(2,304.54)	(2,304.54)	-
		(2,304.54)	(2,304.54)	-
	ii) Deferred tax liabilities (On Property, plant and equipment)	(2,304.54)	(2,304.54)	-
		(2,304.54)	(2,304.54)	-
	Net deferred tax assets/(liabilities) (i-ii) [Refer Note No. 3.10]		-	-

		March 31, 2026	March 31, 2025
8	**Other non current assets**		
	Unsecured, Considered Good Advance other than capital advance	250.00	250.00
	Unsecured, Considered Doughtful capital advance	250.00	250.00
		-	-
	Prepaid expense	-	-
	Security deposit with Government	87.97	171.40
	Security deposit – Others	41.36	41.02
	Advance against leasing	215.42	218.73
	Advance against restructuring	2,268.50	2,268.50
		2,613.25	**2,699.65**
9	**Inventories**		
		March 31, 2026	**March 31, 2025**
	Production supplies	52.37	52.37
	Stores and spares	49.68	49.68
	Work in progress	39.89	39.89
	Finished goods*	3.07	14.61
	Waste	0.00	0.00
		145.01	**156.54**
	*Includes in transit Nil (Previous Year Rs Nil)		
10	**Investments**	**March 31, 2026**	**March 31, 2025**
	Investment in Money Market		
	Value of Invetment USD 4819980 in KAS Capital Fund Formerly Aries Money Market Fund (Refer Note No. 3.3)	2,568.41	2,568.41
		2,568.41	**2,568.41**
11	**Trade receivables**		
	Unsecured, considered good	**121.65**	**120.12**
	Total Trade Receivable	**121.66**	**120.12**
12	**Cash and cash equivalents**		
	Balances with banks in current accounts	53.20	57.74
	Cash in hand	0.01	0.01
		53.21	**57.75**

	Particulars	March 31, 2026	March 31, 2025
13	**Other bank balances**		
	Earmarked balance		
	- On Margin money account	0.00	0.00
	- On Fixed deposits account*	30.66	30.66
	- On Fixed deposits account(EMD)**	2,020.00	**2,020.00**
		2,050.66	**2,050.66**

* This Fixed Deposit had been made for Margin Money for issuing Bank Guarantee, Which was adjusted against the dues of working working capital outstanding at the time of Account becoming NPA, has not been accounted for as it will change note in Financials of the borrowing amount as per books.

** This Fixed Deposit had been made for Earnest Moey Refundable received against Resolution Plans from the Applicants.

Winsome Yarns Limited

Notes forming part of audited Financial statements as at and for the year ended on March 31, 2026

	Particulars	March 31, 2026	March 31, 2025
14	**Other financial assets**		
	Interest subsidy receivable (Under TUFS)	899.05	899.05
	Interest accrued but not due	0.00	0.00
	Other loan	47.66	47.66
		946.71	**946.71**
	Less : Allowance for doubtful Refunds/Claims receivables/Credit Impaired**	946.71	946.71
		(0.00)	**(0.00)**
	** The Provisions may be modfied on further reconcilation and evaluation of the recoverability of the Current As		
15	**Current tax assets**		
	Advance income tax including TDS	86.47	95.38
		86.47	**95.38**
16	**Other current assets**		
	Unsecured,Considered Good Refunds/Claims receivables	149.37	155.78
	Unsecured,Considered Doubtful Refunds/Claims receivables	50.03	50.03
		199.40	**205.81**
	Less : Allowance for doubtful Refunds/Claims receivables/Credit Impaired	50.03	50.03
		149.37	**155.78**
	Unsecured, Considered Good		
	Prepaid expenses	1.62	4.41
	Balance with Government Authority	91.61	77.36
	Export incentive receivable	42.06	42.06
	Advance against leasing	3.31	3.31
	Advances to suppliers	174.10	142.51
		312.71	**269.65**
	Less : Allowance for doubtful Refunds/Claims receivables/Credit Impaired**	217.39	217.39
		95.32	**52.27**
		244.70	**208.05**
	** The Provisions may be modfied on further reconcilation and evaluation of the recoverability of the Current Assets.		
17	**Equity Share Capital**		
	Authorized Share Capital		
	8,50,00,000 (March 31, 2020: 8,50,00,000)		
	equity shares of Rs.10 (March 31, 2020) each	8,500.00	8,500.00
		8,500.00	8,500.00
	Issued Share Capital		
	7,10,86,829 (March 31, 2020: 7,10,86,829)		
	equity shares of Rs.10 (March 31, 2020: Rs.10) each	7,108.68	7,108.68
		7,108.68	7,108.68
	Subscribed and paid up Capital		
	7,07,07,229 (March 31, 2020: 7,07,07,229)		
	equity shares of Rs.10 (March 31, 2020: Rs.10) each fully paid up	7,070.72	7,070.72
		7,070.72	7,070.72

Notes:

a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:

Particulars	March 31, 2026		March 31, 2025
	Number	Rs. in Lakhs	Number
Outstanding at the beginning of the year	70707229	7070.72	70707229
Outstanding at the end of the period/year	70707229	7070.72	70707229

b) Terms/rights attached to equity shares

The Company has only one class of Equity Shares having face value of Rs. 10/- each (Previous Year Rs. 10/- each) in its issued, subscribed and paid up equity share capital. Each shareholder is entitled to one vote per share. Each shareholder has the right in profit/surplus in proportion to amount paid up with respect to share holding .

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.

c) Details of equity shares held by shareholders holding more than 5% shares in the Company:

Particulars	March 31, 2026		March 31, 2025	
	Number	% holding	Number	% holding
i) Shell Business (P) Ltd	21412414	30.28	21412414	30.28
ii) Satyam Combines (P) Ltd	5765073	8.15	5765073	8.15
iii) Aspire Emerging Funds	6355403	8.99	6355403	8.99

d) No bonus issue, buy back of shares and issue of shares other than cash in last five years.

Winsome Yarns Limited

Notes forming part of audited Financial statements as at and for the year ended on March 31, 2026

	Particulars		March 31, 2026	March 31, 2025
18	**Deferred Grant Income**			
	Non current			
	Unamortized grant		32.14	41.37
			32.14	**41.37**
	Current			
	Unamortized grant		9.23	9.23
			9.23	**9.23**
19	**Provisions**			
	Non current			
	Provision for employee benefit		-	-
	Gratuity		175.67	174.67
	Leave encashment		77.99	77.99
			253.66	**252.66**
	Current			
	Provision for employee benefit			
	Gratuity		30.00	30.00
	Leave encashment		14.00	14.00
			44.00	**44.00**
20	**Borrowings**			
	Secured			
	Loan payable on demand			
	to Banks		8,146.04	8,146.04
	to EARC		47,071.07	47,071.07
	Working capital term loan		440.52	440.52
			55,657.63	**55,657.63**

a) Loan repayable on demand consists of term loans and working capital facilities, which is secured by mortgage of immovable properties situated at (i) Village- Kurawala, Tehsil- Derabassi, Distt. Mohali (Punjab), (ii) Plot No. B-58, Industrial Area, Phase - VII, Mohali (Punjab), and (iii) Hydro Project situated at Ludhiana. It is further secured by hypothecation of Company's all movable properties including moveable plant and machinery, spares, tools and accessories, both present and future along with charge on current assets of the Company in respect of working capital facilities. The mortgage and charge shall rank pari-passu 'inter se' between banks.

b) Six banks have assigned and transferred the total debts of Rs. 47071.07 Lakhs due from the Company along with the underlying rights, titles and interests in financial assistances granted to the Company to Edelweiss Asset Reconstruction Company Limited (EARC) during the financial year 2015-16 (Canara Bank: Rs.12782.66 Lakhs, State Bank of Patiala: Rs.9,789.44 Lakhs, Punjab National Bank: Rs.14813.88 Lakhs, UCO Bank: Rs.4244.62 Lakhs, Dena Bank: Rs.3973.01 Lakhs, Union Bank of India: Rs.1467.46 Lakhs).

c) The total debts of the Company were recalled by lending banks and accordingly, the Company has classified the same as Borrowings under current liabilities. However, the Company's proposal for restructuring of its debts with majority lender is under consideration; upon approval thereof, the outstanding amount of borrowings shall be classified and presented in the financial statements.

d) Working Capital Term Loans of Rs.440.52 Lakhs (P.Y. 440.52 Lakhs) (As per CDR terms) are secured by way of first pari-passu charge on fixed assets and second pari-passu charge on current assets. Since, the same had been recalled by banks, they has been classified under current liabilities.

e) All the aforesaid credit facilities mentioned here in above are also guaranteed by two directors of the Company and by Pledge of Shares of the Company held by the Promoter Group read with Note no 3.2(A)(a).

21	**Trade payables**			
	Total outstanding dues of Micro and small enterprises*		71.56	71.56
	Total outstanding dues of creditors other than Micro and small enterprises		2,719.48	2,724.72
	*Refer Note No. 3.7		**2,791.04**	**2,796.28**
22	**Other financial liabilities**			
	Interest accrued and due on borrowings		1,052.85	1,052.85
	Book overdraft		-	-
	Revenue received in advance		554.50	513.28
	EMD Refundable		2,020.00	2,020.00
	Other payables			
	Capital payables		-	-
	Others		1,852.23	1,658.67
			5,479.59	**5,244.80**
23	**Other current liabilities**			
	Statutory dues and taxes		228.91	248.20
			228.91	**248.20**
24	**Revenue from operations**			
	Sale of products			
	- Yarns*		18.59	6.31
	- Knitwear*		-	168.28
	- Trading sale - Yarns		-	-
		(A)	**18.59**	**174.59**
	Sale of services			
	Yarns - Job work charges**		-	203.24
	Knitted - Job work charges**		-	40.25
		(B)	**-**	**243.49**

**The company has entered into job work agreement with M/S Bharti Syntex Ltd. they will supply Raw material (cotton & Other Fibres) for job work required for manufacturing of yarn of accepted standard quality. They will have lien on stocks of Raw Material/ Work in Progress/ Fininshed goods being manufactured from the Raw Materials supplied by them with rights of constructive pledge available to them in respect of materials .

Other operating revenue			
- Waste sales		3.20	-
- Sale of scraps		-	1.00
	(C)	**3.20**	**1.00**
Net Revenue from operations	**(A+B+C)**	**21.79**	**419.08**

*includes duty drawback & DEPB of Rs Nil (P.Y 65.12 Lakhs)

Winsome Yarns Limited(Under CIRP)
Notes forming part of audited Financial statements as at and for the year ended on December 31, 2025

	Particulars		Year Ended March 31, 2026	Year Ended March 31, 2025
25	**Other income**			
	Interest received		139.16	84.35
	Foreign exchange rate difference (net)		-	(7.15)
	Profit on sale of fixed assets		-	-
	Provisions written back		-	-
	Deferred grant income		9.23	9.23
	Miscellaneous income		-	-
			148.39	**86.43**
26	**Change in inventories of finished goods, work in process and stock in trade**			
	Closing Stock			
	Finished goods			
	- Yarn		0.73	12.27
	- Knitwear		2.34	2.34
			3.07	**14.61**
	Work in process			
	- Yarn		14.54	14.54
	- Knitwear		25.35	25.35
			39.89	**39.89**
		(A)	**42.96**	**54.50**
	Less : Opening Stock			
	Finished goods			
	- Yarn		12.27	34.10
	- Knitwear		2.34	149.90
			14.61	**184.00**
	Work in process			
	- Yarn		14.54	12.07
	- Knitwear		25.35	41.54
			39.89	**53.61**
		(B)	**54.50**	**237.61**
	(Increase) /Decrease in inventories	**(B-A)**	**11.54**	**183.11**
27	**Employee benefit expenses**			
	Salaries, wages, bonus, etc.		73.67	502.80
	Contribution to provident and other funds		3.02	23.72
	Employees welfare		0.74	7.33
			77.43	**533.85**
28	**Finance costs**			
	Interest paid on:			
	Borrowings		-	-
			-	-
29	**Depreciation and amortisation**			
	Depreciation		978.79	981.11
	Amortisation		1.24	1.43
			980.03	**982.54**
30	**Other expenses**			
	Stores and spares consumed		-	30.23
	Power and fuel		9.94	110.59
	(net of credit received on account of power generation by Captive MHPs)			
	Repairs and maintenance			
	-Building		9.24	5.47
	-Plant and machinery		51.67	0.09
	-Others		1.96	13.51
	Processing and dyeing charges		-	10.20
	Material handling charges		-	0.00
	Lease rent of land		3.31	3.31
	Rent		-	5.55
	Rates and taxes		0.01	0.01
	Printing and stationery		0.11	0.31
	Director's meeting fees		-	-
	Insurance		17.07	21.87
	Bank charges		0.29	0.74
	Traveling and conveyance		1.86	2.28
	Postage, telegrams and telephones		1.93	5.03
	CIRP Cost		214.81	150.75
	Legal and professional charges		7.20	13.39
	Foreign exchange rate difference (net)		17.40	7.15
	Payment to auditor			
	-Audit fees		5.00	5.00
	-Tax audit fees		-	1.00
	-Other services		2.05	2.71
	Commission on sales		-	-
	Freight and handling charges		0.02	0.78
	Advertisement and other selling expenses		0.05	125.19
	Miscellaneous		12.49	24.73
			356.42	**532.77**

Winsome Yarns Limited(Under CIRP)

Notes forming part of audited Financial statements as at and for the year ended on December 31, 2025

Particulars			Year Ended March 31, 2026	Year Ended March 31, 2025
31	**Earnings per share**			
	EPS is calculated by dividing the profit after tax attributable to the equity shareholders by the weighted average of the number of equity shares outstanding during the year. Numbers used for calculating basic and diluted earnings per equity share are as stated below:			
(a)	Net (loss)/profit available for equity shareholders	Rs., Lakhs	(1,269.85)	(1,094.24)
(b)	Weighted average number of equity shares outstanding for calculation of - Basic and diluted earnings per share	Nos., Lakhs	707.07	707.07
(c)	Nominal value	Rs.	10.00	10.00
(d)	Earnings per share (a)/(b)			
	- Basic and diluted	Rs.	(1.80)	(1.55)
	- Diluted	Rs.	(1.80)	(1.55)

32 Figures have been rounded off to the nearest Rupees in lakhs.

33 Figures of the previous year have been regrouped/recast, wherever necessary, to confirm to current years presentation.

The above accompanying notes are an integral part of the financial statements.

For Dhana & Associates
Chartered Accountants
Firm Registration No: 510525C

For and on behalf of the Board of
Winsome Yarns Limited

Sd/-	Sd/-	Sd/-	Sd/-
CA. Arun Khandelia	Vipan Kumar	Avnish Bansal	Sanjay Sharma
Partner	Additional Director	Additional Director	Chief Financial Officer
Membership No.: 089125	DIN : 11551026	DIN : 02666814	Date : 29th August, 2026
	Date : 29th August, 2026		

Place : New Delhi
Date : 29th August, 2026

Sd/-	Taken on Record
Riya Pawar	Sd/-
Company Secretary	Anil Kohli
and Compliance Officer	Designated Partner and Authorised Signatory
Date: 29th August, 2026	ARCK Resolution Professionals LLP acting as Monitoring Professional
	Date : 29th August, 2026

Winsome Yarns Limited

Notes to the financial statements as at and for the year ended March 31, 2026.

1 **Corporate Information:** Winsome Yarns Limited (the Company) having CIN: L17115CH1990PLC010566 is a public company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its shares are listed on the Bombay Stock Exchange and National Stock Exchange. The Company is engaged into manufacturing of Yarn, Knitwear and generation of power.

2 **BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

(a) Basis of preparation of financial statements

(a) Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (the Act), (Ind AS compliant Schedule III), as applicable to the Company.

Effective April 1, 2017, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 'First time adoption of Indian Accounting Standards', with April 1, 2016, as the transition date. The transition was carried out from Indian Accounting Principles Generally Accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(b) Functional and presentation currency

These financial statements are presented in Indian rupees (Rs.), which is the Company's functional currency. All amounts have been rounded to the nearest Lakh unless otherwise indicated [10 Lakh = 1 Million].

(c) Basis of Measurement

The financial statements are prepared as a going concern basis under historical cost convention basis, except for certain items with significant uncertainty, which are measured at fair values.

Determining the Fair Value

While measuring the Fair Value of an asset or a liability, the Company used observable market data as far as possible. Fair values are categorized into different levels in a Fair Value hierarchy based on the inputs used in the valuation techniques as follows:

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

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

Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis.

Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.

If the inputs used to measure the Fair Value of an asset or a liability fall into different levels of the Fair Value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the Fair Value hierarchy as the lowest level input that is significant to the entire measurement.

(d) Use of Estimate

The preparation of financial statements in conformity with the Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of the contingent asset and contingent liability at the date of the financial statements and reported amount of income and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from the estimates. Appropriate changes in estimate are made as the management become aware of the change in circumstances surrounding the estimates. Change in the estimates are reflected in the financial statements in the period in which the changes are made and, if material, their effect are disclosed in the notes to financial statements.

(e) Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements issued by the Ministry of Corporate Affairs based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

(b) Recent accounting pronouncement

(a) Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company adopted the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ended March 31, 2018 were not be retrospectively adjusted.

(b) Ind AS 116 on "Leases": On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116 on Leases. Ind AS 116 will replace the existing Ind AS 17 on Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the Lessee and the Lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit & Loss as per Ind AS 17. The Standard also contains enhanced disclosure requirements for lessees.

The effective date for adoption of Ind AS 116 is annual period beginning on or after April 1, 2019. The standard permits two possible methods of transition:

(a) Full retrospective: Retrospectively to each prior period presented applying Ind AS 8 on 'Accounting Policies, Changes in Accounting Estimates and Errors'.

(b) Modified retrospective: Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability at the present value of remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date certain practical expedients are available under both the methods. On completion of the evaluation of the Ind AS 116, the Company found that underlying value of leased assets of the Company is of low value and accordingly applying Para 4 of Ind AS 116, no adjustment is required to be made to the leased assets of the Company. Therefore, the Company is carrying its leased assets as per earlier standard.

(c) Significant accounting policies

(a) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of Property, Plant and Equipment recognized as at April 1, 2016 measured as per the previous GAAP. Cost directly attributable to acquisition are capitalized until the Property, Plant and Equipment are ready for use as intended by the management.

Property, Plant and Equipment are derecognized from financial statements, either on disposal or when no economic benefits are expected from its use. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the Property, Plant and Equipment and the resultant gains or losses are recognized in the Statement of Profit and Loss. Property, Plant and Equipment, which are to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Depreciation on Property, Plant and Equipment commences when the these assets are ready for their intended use . Items of Property, Plant and Equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of these assets, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis. Depreciation on Property, Plant and Equipment purchased or sold during the year is proportionately charged.

Depreciation methods, useful lives and residual values of Property, Plant and Equipment are reviewed periodically, including at each financial year end by the management of the Company.

(b) Intangible Assets

Intangible Assets are stated at cost of acquisition less accumulated amortization. Specialized Software is amortised over an estimated useful period of six year. Amortization is done on straight line basis.

(c) Impairment of non-financial assets

Property, Plant and Equipment are evaluated for recoverability, whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

(d) Inventories

i. Inventories are valued at lower of cost or net realizable value except for scrap and by-products which are valued at net realisable 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 and spares is determined on weighted Average Cost Basis.

(e) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

Financial Assets :

Recognition: Financial assets include Investments, Trade receivables, Advances, Security Deposits, Cash and cash equivalents. Such assets are initially recognized at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

Classification: Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at:

a) amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/ or interest.
b) fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognized in other comprehensive income.
c) fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognized in the Statement of Profit and Loss in the period in which they arise.

In case of investment in equity shares

a) For subsidiaries, associates and joint ventures: Investments in equity instruments are measured at fair value and considered as deemed cost. The value is tested for impairment on periodical basis. Provision for diminution in long term investments is made only if such decline is other than temporary.
b) For other than subsidiaries, associates and joint ventures: Investments in equity instruments are measured at FVTOCI.

Debt instruments:

Debt instruments are measured at amortised cost. Assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost is recognized when the asset is derecognized or impaired. Interest income from these financial assets is included as part of other income using the effective interest rate method.

Other:

Trade receivables, Advances, Security Deposits, Cash and cash equivalents etc., are reclassified for measurement at amortised cost.

Impairment: The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognized if the credit quality of the financial asset has deteriorated significantly since its initial recognition.

Reclassification: When and only when the business model is changed, the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognized gains, losses or interest and in terms of the reclassification principles

laid down in the Ind AS relating to Financial Instruments.
De-recognition: Financial assets are derecognized when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership. Concomitantly, if the asset is one that is measured at:

a) amortised cost, the gain or loss is recognized in the Statement of Profit and Loss;

b) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

Financial Liabilities
Initial and subsequent recognition: Borrowings, trade payables and other financial liabilities are initially recognized at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognized in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest rate method and adjusted to the liability figure disclosed in the Balance Sheet.

De-recognition: Financial liabilities are derecognized when the liability is extinguished, that is, when the contractual obligation in respect of the liabilities is discharged, cancelled and settled on expiry by the Company.

Offsetting Financial Instruments
Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Equity Instruments
Equity instruments are recognized at the value of the proceeds, net of direct costs of the capital issue.

(f) Government Grants
Group entities may receive government grants that require compliance with certain conditions related to the entity's operating activities or are provided to the entity by way of financial assistance on the basis of certain qualifying criteria.
Government grants are recognized when there is reasonable assurance that the grant will be received, and the Group entity will comply with the conditions attached to the grant. Accordingly, government grants:

a) related to or used for assets are included in the Balance Sheet as deferred income and recognized as income over the useful life of the assets.
b) related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.
c) by way of financial assistance on the basis of certain qualifying criteria are recognized as they become receivable.
Capital subsidy under TUFS from the Ministry of Textiles on specified processing machinery has been 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 to the Statement of Profit and Loss.
Duty drawback / DEPB is recognized at the time of exports and the benefits in respect of advance license received by the Company against export made by it are recognized as and when goods are imported against them.

(g) Claims, Provisions, Contingent assets and Liabilities:
Claims lodged by and lodged against the Company are accounted in the year of payment or settlement thereof.
Provisions are recognized when, as a result of a past event, the Company has a legal or constructive obligation; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The amount so recognized is the best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties

surrounding the obligation. In an event when the time value of money is material, the provision is carried at the present value of the cash flows estimated to settle the obligation.

Contingent liabilities are not recognized but are disclosed by way of notes to the financial statements, after careful evaluation by the management of the facts and legal aspects of each matter involved. Contingent assets are neither recognized nor disclosed in the financial statements. Contingent liabilities are assessed continually to determine whether an outflow of resources embodying the economic benefit has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as contingent liability, a provision is recognized in the financial statements of the period in which the change in probability occurs.

(h) Recognition of revenue and expenditure

(i) Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable. Revenue represents the net invoice value of goods and services provided to third parties after deducting discounts, volume rebates, outgoing taxes.

Revenue is recognized usually when all significant risks and rewards of ownership of the asset sold are transferred to the customer and the commodity has been delivered to the shipping agent. Revenue from sale of material by-products are included in revenue.

(ii) Interest and dividend income

Interest income is recognized using Effective Interest Method (EIR).

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

Dividend income is recognized in the Statement of Profit and Loss when the right to receive dividend is established.

(i) Borrowing Cost

Borrowing Cost attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets upto the date when such assets are ready for intended use. Other borrowing costs are charged as expense in the year in which they are incurred.

(j) Employee benefits

Benefits such as salaries, wages and short-term compensations etc. is recognized in the period in which the employee renders the related services.

The Company makes contributions to defined benefit schemes and defined contribution plans. Provident Fund contributions are in the nature of defined contribution scheme. Provident funds are deposited with government and recognized as an expense. The Company also make contribution to defined benefit plan i.e. gratuity plan. The cost of providing benefits under the defined benefit obligation is calculated by independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of re-measurements are recognized immediately through other comprehensive income in the period in which they occur.

The employees of the Company are entitled to compensated leave for which the Company records the liability based on actuarial valuation computed using projected unit credit method. These benefits are unfunded.

Actual disbursements made, under the Workers' Voluntary Retirement Scheme are accounted as revenue expenses.

(k) Taxes on income

Taxes on income comprises of current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

(l) Foreign currency transactions and translation

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.

Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of monetary items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts has been recognized over the life of the contract. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.

Non-monetary foreign currency items are carried at cost.

(m) Prior period errors

Prior Period Errors are omissions from, and misstatements in, prior period financial statements resulting from the failure to use, or the misuse of, reliable information that was available, or could not be reasonably expected to have been obtained, at the time of preparation of those financial statements.

Prior Period Errors have been corrected retrospectively in the financial statements. Retrospective application means that the correction affects only prior period comparative figures, current period amounts are unaffected. Comparative amounts of each prior period presented which contain errors are restated. If however, an error relates to a reporting period that is before the earliest prior period presented, then the opening balances of assets, liabilities and equity of the earliest prior period presented has been restated by following IAS 8.

(n) Earnings per share

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

(o) Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Amendment to Ind AS-7

Effective April 1, 2017, the Company adopted the amendment to Ind AS7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements.

(p) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

3

3.1 Explanatory notes forming part of the Balance Sheet

(A) Contingent Liabilities, not provided for in respect of; (As certified by the management)

(Rs. In Lakhs)

S.No.	Particulars	2025-26	2024-25
(i)	Sales Tax liability in respect of matters under appeal/Rectification Sales Tax liability appeal yet to be filed.	1918.22 25.80	1918.22 25.80
(ii)	Excise duty show cause notices / matters under appeal Sales Tax liability in respect of matters under appeal	26.10	26.10
(iii)	Income Tax Demand AY 2005-06 Income Tax Demand AY 2006-07	73.94 108.77	73.94 108.77
(iv)	GST liability in respect of matters under appeal for FY 2017-18 GST show cause notice for FY 2017-18.	6.43 423.53	6.43 423.53

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

Considering the past experience, Management of the Company is of the view that there will not be any material financial impact on the Company upon aforesaid determination by the Appellate Authorities.

(C) Estimated amount of Capital contracts remaining to be executed on Capital Account and not provided for is Nil (Previous year Nil) and net of advances is Nil (Previous year Nil), as certified by the management.

3.2 a) The loans from Banks are further secured by unconditional and irrevocable personal guarantees of promoters, promoters group/ associate companies and secured/ to be secured by pledge of 51% (Fifty one percent) of equity share capital (present /future) of the company or 100% of shares held/ to be held by promoters, promoters group/ associate companies, whichever is lower.

b) Appeals filed by the Company against its Lenders,viz., Bank of Maharashtra, Edelweiss Asset Reconstruction Company Limited and others, under section 17 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002) before the Hon'ble Debt Recovery Tribunal, Chandigarh (DRT), against notice u/s 13(4) of the SARFAESI Act, 2002 issued by the aforesaid lenders, were admitted and are pending adjudication before the Hon'ble DRT.The Company has alleged that the action taken by the aforementioned lenders was incorrect in law, and the Company has a claim for damages suffered by it.

c) The Lender Banks (Canara Bank, State Bank of Patiala, Punjab National Bank, UCO Bank, Union Bank of India, Dena Bank) of the Company which held more than 80% of total outstanding loans of the Company have assigned and transferred their debts along with underlying rights, benefits and obligations to Edelweiss Asset Reconstruction Company Limited (EARC).

d) Canara Bank, State Bank of Patiala, UCO Bank, Oriental Bank of Commerce, Dena Bank (now merged with Bank of Baroda), Indian Overseas Bank, Bank of India, ICICI Bank and Bank of Maharashtra had filed an Original Application under section 19(1) of the Recovery of Debts due to Banks and Financial Institutions Act, 1993 before the Hon'ble Debt Recovery Tribunal (DRT) at Chandigarh, which is pending adjudication. Besides this, Edelweiss Asset Reconstruction Company Ltd. being assignee of Punjab National Bank and United Bank of India has also separately filed an application under section 19(1) of the Recovery of Debts due to Banks and Financial Institutions Act, 1993 before the Hon'ble Debt Recovery Tribunal (DRT) at Chandigarh, which is pending adjudication.

e) Edelweiss Assets Reconstruction Company Ltd. (EARC) an Asset Reconstruction Company has claimed that it is an assignee of debt payable by the company by certain banks. The actions of the Banks and

Edelweiss Assets Rec3079onstruction Company Limited (EARC), amongst others, for recovery of debt held by them as owed by the Company and action to seek declaration that the Company being in default of the debt and be declared insolvent, were disputed by the Company as the debt was not acknowledged, and in any case the actions of Banks and EARC was barred by limitation. Additionally, the Company had a counter claim against the claimants for the losses caused by them to the Company. The Company had without prejudice to its rights and without acknowledging its liability, initiated discussions with claimants to settle the disputes, which failed. The Financial Commissioner of the State of Punjab has since determined that the Agreements for Assignment of debt by lenders of the Company to EARC are insufficiently stamped, and therefore, defective. A demand of Rs. 4.46 crores (interest and penalty to be applied) was raised against EARC.
A writ petition filed by EARC before the Hon'ble Punjab and Haryana High Court at Chandigarh against the proceedings initiated by the Financial Commissioner was allowed.
The State of Punjab and the Company have filed Letters Patent Appeal (LPA) against the order of the Single Judge Bench of the Hon'ble Punjab and Haryana High Court, which is being heard.EARC acting in the matter as assignee of debt by certain banks in case wherein the State of Punjab has held stamp duty to have been unpaid, had Petitioned the Hon'ble NCLT to initiate insolvency proceedings against the Company, which was dismissed by the Hon'ble NCLT vide its order dated 17th March 2020 as the assignment deed was held as unenforceable.

In an appeal filed by EARC against the order of the Hon'ble NCLT, the Hon'ble NCLAT vide order dated 21 Jul 2022 has set aside the order of the Hon'ble NCLT and remanded the matter to the Hon'ble NCLT for rehearing and without touching the merits of the case and permitting the parties to take all arguments before the Hon'ble NCLT, The Hon'ble NCLT vide its Order dated 22nd December, 2023, appointed Mr. Sanjay Gupta as an Interim Resolution Professional (IRP), who took over control of management and affairs of the Company. The NCLT, Chandigarh Bench, vide its Order dated 14.03.2024, appointed M/s. ARCK Resolution Professionals LLP having IBBI Registration No. IBBI/IPE-0030/IPA-1/2022-23/50013, as the new RP in CIRP of the Company, and the powers of the Board of Directors of the Company, earlier suspended on commencement of CIRP, are now vested with new RP. Committee of Creditors (COC) had approved the Resolution Plan for resolution of debts of the Company submitted by Mohini Health & Hygiene Limited and the Resolution Professional had filed an application before Hon'ble National NCLT for approval of Resolution Plan. The Resolution Plan on approval by Hon'ble NCLT will also make the Company eligible for certain reliefs, concessions and waivers from creditors and agencies, including from governmental bodies, and the Company will thus remain a Going; failure of the aforementioned resolution process will lead to liquidation of the Company.

Approval of Resolution Plan under the Insolvency and Bankruptcy Code, 2016
The National Company Law Tribunal, Chandigarh Bench (Court-I) ("NCLT"), vide its order dated 16 April 2026 in IA(IBC)(PLAN)/1/(CH)/2025 read with IA No. 213/2026 and IA No. 46/2026 in CP(IB) No. 291/Chd/Chd/2018, approved the Resolution Plan submitted by M/s Mohini Health and Hygiene Limited ("Successful Resolution Applicant") for M/s Winsome Yarns Limited ("the Company").

The Company was admitted into the Corporate Insolvency Resolution Process ("CIRP") on 22 December 2023 pursuant to an application filed by Edelweiss Asset Reconstruction Company Limited under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC").

The approved Resolution Plan, having a total value of ₹162.90 crore, provides for resolution of the claims and liabilities of the Company in accordance with its terms, infusion of funds for revival and operations of the Company and implementation of the Resolution Plan over the period specified therein. The implementation of the Resolution Plan is to be undertaken in accordance with the terms of the approved Resolution Plan and the directions contained in the NCLT order, under the supervision of the Monitoring Committee.

Pursuant to the approval of the Resolution Plan, the NCLT has, inter alia, directed that the crystallised and unclaimed liabilities of the Company as on the date of the order shall stand extinguished in accordance with the terms of the NCLT order and the Resolution Plan. The moratorium under Section 14 of the IBC ceased to have effect from the date of the NCLT order.

The Company is in the process of implementing the approved Resolution Plan. The implementation of the Resolution Plan and the consequential actions arising therefrom will have an impact on the financial position, liabilities, operations and capital structure of the Company in accordance with the terms of the approved Resolution Plan and applicable laws and regulations.

Indian Overseas Bank and 2 (two) operational creditors had filed separate petitions before the Hon'ble NCLT praying for commencement of insolvency of the Company, which after commencement of CIRP pursuant to petition of Edelweiss. The amounts claimed by creditors were disputed by the Company, and the petitions were disposed off by the Hon'ble NCLT after the aforementioned petition of Edelweiss was allowed.

(B) Certain winding-up petitions filed against the Company by its creditors, including persons claiming to be creditors, had been adjourned sine-die by the Hon'ble Punjab and Haryana High Court. There have been no proceedings in the matters thereafter.

(C) As per information obtained by the Company from CIBIL, (i) The Company was declared wilful defaulter more than 5 years ago, and (ii) concurrently Mr. Manish Bagrodia, a Director of the Company, was declared wilful defaulter. The Company has not raised any securities during the period of 5 years from the last date of aforementioned declaration. However as per current CIBIL reports only the Company appears as a wilful defaulter as per RBI guidelines. The promoters and directors do not appear in the list of wilful defaulters.

3.3 **a)** As per report of overseas investment manager, the remaining amount out of GDR issued earlier by the Company in 2011, then invested in Unit of market instruments had lost value after the crisis due to covid and wars had set in as the underlying investments eroded to NAV of NIL, and the Units were thereafter discarded.

b) The balances of certain Trade Receivables, Bank Balances including other bank balances, Investments, Trade Payables, Secured Borrowings, Other Financial Liabilities and Financial Assets including other current assets are subject to reconciliation. Contingent liabilities (read with note no. 3.1) are as as certified by the management. Further, necessary steps have been initiated to further strengthen system of internal controls in this regard.

3.4 Research and Development Expenditure (as certified by management) amounting to Rs. Nil (Previous Period Rs. 3.18 Lakhs) have been debited to Statement of Profit and Loss during the year.

3.5 In earlier year a fraud had come to be discovered by the Company in the nature of shortage/ misappropriation of goods stored at its Ludhiana Branch (Punjab), committed by its employee/s. A complaint was lodged with the concerned Police Station and First Information Report was registered by the Authorities. The loss of goods is valued at about Rs. 70.00 Lakhs. It has since revealed that some of the parties to whom goods were allegedly sold by the concerned employees have confirmed their receipt and also confirmed having made payment therefor. The Company is hopeful of full recovery of loss from the Insurance Company under Employee Fidelity Insurance, and has accounted the same in its books of account.

3.6 **Employees Benefits:**

a) Defined Contribution Plan:

Contribution to Defined Contribution Plan, i.e. contribution to provident fund amounting to Rs. 3.02 Lakhs (Previous year Rs. 23.72 Lakhs) has been recognized as expense for the period under sub-head

'Contributions to Provident and other Funds' and under head 'Employee Benefit Expenses' of the Statement of Profit and Loss.

b) Defined Benefit Plan:

The employee's gratuity fund is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the projected Unit Credit Method till 31.03.2022, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded	
	2025-26	2024-25	2025-26	2024-25
I. Amount to be recognized in the Balance sheet				
Present Value of Obligation as at 31.03.2026	204.67	204.67	91.99	91.99
Fair value of plan assets as at 31.03.2026	-	-	-	-
Funded Status [surplus/(Deficit)]	-204.67	-204.67	-91.99	-91.99
Net Assets/(Liability) Recognized in Balance Sheet	-204.67	-204.67	-91.99	-91.99
II. Expenses recognized during the period				
Current Service Cost	-	30.00	-	14.00
Interest Cost	-	-	-	-
Expected Return on Plan Assets	-	-	-	-
Actuarial (gain)/ loss	-	-	-	-
Net Expenses Recognized	-	30.00	-	14.00
III. Reconciliation of opening and closing balance of Defined Benefit Obligation				
Present Value of Obligation at the beginning of the period	204.67	174.67	91.99	77.99
Current Service Cost	-	30.00	-	14.00
Interest Cost	-	-	-	-
Actuarial (gain)/ loss on obligations	-	-	-	-
Benefit Paid	-	-	-	-
Present Value of Obligation as at the end of the period	204.67	204.67	91.99	91.99
IV. Actuarial / Demographic assumptions:-				
Indian Assure Lives Mortality Table	2012-14	2012-14	2012-14	2012-14
Discount rate (Per annum)	6.25%	7.50%	6.25%	7.50%
Expected Return on Plan Assets (Per annum)	8.00%	8.00%	8.00%	8.00%

37th Annual Report 2025-26

Winsome Yarns Limited

Notes to the financial statements as at and for the year ended March 31, 2026.

Estimated rate of increase in compensation level	5.00%	5.00 %	5.00%	5.00%
Retirement Age	58 Years			
Withdrawal Rate (All Ages)	10%			
Disability	No explicit allowance			
Leave Accumulation Ratio	0.58 (PY 0.58)			

(i) The estimate of rate of escalation in salary considered in actuarial valuation, takes 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.

(ii) The principal assumptions are the discount rate and 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 with
That of the liabilities.

3.7 The Company has computed the amount due to vendors registered under the Micro, Small and Medium Enterprises Development Act, 2006 (Act) as per information provided by them, and the requisite disclosures are under: The Company is updating the information with details.

S. No.	Particulars	2025-26	2024-25
a)	(i) Principal amount remaining unpaid at the end of the accounting year (ii) Interest due on above	71.56 111.79	71.56 98.42
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	111.79	98.42
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 period) 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.	111.79	98.42

3.8 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.

3.9 (i) The Company is engaged only in one line of business namely Textile (Yarn and Knitting)

(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 Lakhs)

S. No.	Particulars	India	Outside India	Total
(i)	External Revenue-Sale*	21.79 (419.08)	- (-)	21.79 (419.08)
(ii)	Carrying amount of segment assets by location of assets	16864.82 (17896.41)	- (12.79)	16864.82 (17909.20)
*Includes Export Incentives of Rs. Nil Lakhs (Previous Period Rs. Nil Lakhs) as part of Sales outside India.				

3.10 As on March 31, 2025, the Company has net deferred tax assets (on timing difference including of carry over losses and unabsorbed depreciation). However, considering the losses incurred in recent past by the Company, deferred tax assets have been restricted to the amount of deferred tax liability for want of virtual certainty of its realisation in near future.

3.11 Related party disclosures

(a) Key management personnel and their relatives.

Shri Manish Bagrodia(Ceased wef 10th July,2026) Chairman and Managing Director

Shri Sanjay Sharma^ Chief Financial Officer

(b) Organizations where Key Management Personnel & their relative have significant influence

Star Point Financial Services (Pvt.) Ltd.
Shell Business Pvt. Ltd.
Satyam Combines Pvt. Ltd.
Winsome Textile Industries Limited^

Transactions with the Related Parties during the year ended 2025-26 (Rs. In Lakhs)

Particulars	2025-26	2024-25
Starpoint Financial Services Pvt. Ltd. --Balance Outstanding as at period end Receivable / (Payable)	(48.49)	(48.49)
S.C. Winsome Romania --Balance Outstanding as at period end Receivable / (Payable)	-	-
IMM Winsome Italia --Balance Outstanding as at period end --Balance Outstanding as at period end Receivable / (Payable)	-	-
Shri Sanjay Sharma (Salary)	9.72	9.72

^Pursuant to Companies Act 2013.

3.12 (A) (i) Details of WIP: (Rs. In Lakhs)

Particulars	2025-26	2024-25
Mixed Materials (natural and man-made fibres)	-	14.54
Fleece	-	-
Winding	-	-
Garments	-	25.35
Total	-	**39.89**

(ii) Raw Material Consumed (Net of adjustment of waste) :- (Rs. In Lakhs)

Particulars	2025-26	2024-25
Yarns	-	2.93
Others	-	-
Total	-	**2.93**

(iii) Total Value of Raw Materials and Stores & Spares consumed: (Rs. In Lakhs)

Particular	Raw Material				Stores & Spares			
	2025-26	%	2024-25	%	2025-26	%	2024-25	%
Imported	-	-	-	-	-	-	-	-
Indigenous	-	-	2.93	100	-	-	30.23	100.00
Total	-	-	**2.93**	**100**	-	-	**30.23**	**100.00**

Profit or loss on sale of stores/raw materials remains adjusted in their respective consumption accounts.

(B) CIF Value of imports: (Rs. In Lakhs)

Particulars	2025-26	2024-25
Spare Parts & Components	-	-
Raw Material	-	-

(C) Earnings in Foreign Exchange: (Rs. In Lakhs)

Particulars	2025-26	2024-25
Exports of goods on FOB basis (excluding export through export houses)	-	-

(D) Expenditure in Foreign currency: (Rs. In Lakhs)

Particulars	2025-26	2024-25
Foreign Traveling	-	-
Commission on sales	-	-
Others	-	-

3.13 Due to financial tightness and losses Company could not make due payments against various statutory dues (PF, ESIC, PWF,TDS etc.) . Penal interest and penalty in this regard (amount unascertained) if any, will be accounted for as and when the same will be paid.

3.14 **(a)** The Foreign Currency Exposure that are not hedged by a derivative instrument or otherwise are as follows (as certified by the management):

Particulars	Domestic Currency	Amount in Document Currency		Amount in INR (In Lakhs)	
		31.03.2026	31.03.2025	31.03.2026	31.03.2025
Advance From Customer	USD	553975.53	553975.53	352.99	352.99
	EURO	-	-	-	-
Sundry Creditors	HKD	3009.40	3009.40	0.34	0.32
	Euro	17691.11	24910.74	16.99	18.36
	USD	189608.42	257002.34	165.53	159.27
	CHF	15250.37	15250.37	15.38	14.60
Advance To Suppliers	EURO	84.08	84.08	0.06	0.06
	USD	1733.46	24056.79	1.11	1.11
	HKD	10451	10451	0.91	0.91
	GBP	488.45	488.45	0.36	0.36
	JPY	25672	25672	0.12	0.12
Foreign Commission Payable	USD	-	-	-	-

(b) Forward contract taken to hedge the foreign currency receivables are outstanding as at 31/03/2026 Rs. Nil (Previous Year Rs. Nil)

3.15 The operating losses suffered by the Company for reasons beyond control of the Company, including due to non-performance of commitments and obligations by the lenders of the Company, consequently led to financial stress being faced by the Company. The unilateral recall of borrowings by the lenders and followed by lock downs to contain the spread of pandemic of Covid-19, resulted in an alleged claim of an unpaid principal and overdue interest.

Provision for upto date interest, as calculated/estimated by the Management on secured loans and short term borrowings being Rs. 30792.32 Lakhs (Including Rs. 26433.97 Lakhs, previous year) and Rs. 184075.64 Lakhs (Including Rs. 153285.32 Lakhs, previous year) respectively has not been made in the books of account, and disputing the liability of the Company in its borrowings, it had filed a counter claim against the lenders, which is for an amount larger than the amount claimed by the lenders and the matter is pending adjudication before the Hon'ble Debt Recovery Tribunal, Chandigarh.

The Company will account the effects of payment of restructured liabilities on approval of resolution plan or otherwise on failure of insolvency proceedings and during liquidation of the Company.

3.16 **Financial risk management**

i. Financial instrument by category

a) Investment in equity shares of subsidiaries are measured in accordance with Ind AS 27 in its Separate financial statements as issued by "Ministry of Corporate Affairs", Government of India.

b) For amortised cost instruments, carrying value represents the best estimate of fair value except investment in other instruments.

ii. Risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

(A) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits. Other financial assets measured at amortized cost includes loans to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensures the amounts are within defined limits.

Credit risk management: The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

a) Low credit risk
b) Moderate credit risk
c) High credit risk

Credit risk exposures: The Company's trade receivables, wherever they are substantially exceeding the credit period, may have a loss of credit inbuilt in the outstanding amount. The Company will recognise loss of credit outstanding, if any, on outcome of its efforts for recovery.

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains adequate liquidity for meeting its obligations by monitoring the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows from the operations.

(C) Market risk

Market risk is the risk of changes in the market prices on account of foreign exchange rates, interest rates and Commodity prices, which shall affect the Company's income or the value of its holdings of its financial instruments . The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the returns.

a) Currency risk

The Company undertakes transactions denominated in foreign currency (mainly US Dollar and GBP), which are subject to the risk of exchange rate fluctuations. Financial assets and liabilities denominated in foreign currency, except the Company's net investments in foreign operations (with a functional currency other than Indian Rupee), are subject to reinstatement risks.

b) Interest rate risk

i) Assets: The company's fixed deposits, are carried at fixed rate. Therefore, not subject to interest rate risk as defined in Ind AS 107 issued by "Ministry of Corporate Affairs, Government of India" since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

ii) Liabilities: The Company had borrowings from banking institutions, majority whereof are assigned to an Asset Reconstruction Company (ARC). The outstanding of banks and ARC is since classified as Non-Performing Loans and the Company has not recognized interest as an expenses thereon. The liability on account of interest rate will be accounted on approval and implementation of the debt settlement and repayment plan, including inter-alia, amount on account of interest rate risk.

3.17 The Company is registered as a Medium Enterprise under MSME Act with the Ministry of Micro, Small and Medium Enterprises, Government of India, vide Udyam Registration number UDYAM-CH-01-0000261 dated 18 July, 2020.

As per our report of even date

Dhana & Associates
(Formerly Khandelia & Sharma.)
Limited
Chartered Accountants
FRN: 510525C
By the hand of

For and on behalf of the Board
(Directors) of Winsome Yarns

Sd/- **CA. Arun Khandelia** **Partner** **M. No. 089125** **New Delhi** **(Camp at Chandigarh)** **Date: 29th August, 2026**	**Sd/-** **Vipan Kumar** **Additional Director** **DIN: 11551026** **Date: 29th August, 2026**	**Sd/-** **Avnish Bansal** **Additional Director** **DIN: 0266814** **Date: 29th August, 2026**	**Sd/-** **Sanjay Sharma** **Chief Financial Officer** **Date: 29th August, 2026**
	Sd/- **Riya Pawar** **Company Secretary and Compliance Officer** **Date: 29th August, 2026**	**Taken on Record** **Sd/-** **Anil Kohli** **Designated Partner and Authorised Signatory** **ARCK Resolution Professionals LLP acting as Monitoring Professional** **Date: 29th August, 2026**	