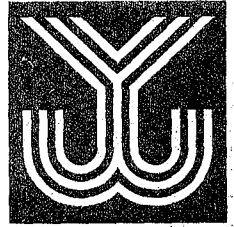


winsome Yarns Limited

Regd. Office : SCO # 191-192, Sector 34-A,
Chandigarh - 160 022 INDIA
CIN : LI7115CH1990PLG010566
Phones : +91-172-2603966, 4612000, 4613000
Fax : +91-172-4614000
e-mail : exports@winsomegroup.com
website : www.winsomegroup.com



WYL/SECT/
12.08.2019

BSE Limited
Dept. of Corporate Service
1st Floor, New Trading Ring
Rotunda Building, P. J. Towers
Dalal Street, Fort, **MUMBAI-400001**

Script Code : 514348

National Stock Exchange of India Ltd
Listing Department
"Exchange Plaza" Bandra-Kurla Complex
Bandra (E), **MUMBAI - 400051**

Script Code : WINSOME

**Sub : Outcome of Board Meeting under Regulation 33 of LODR.
(Unaudited Financial Results # Qtr- June, 2019)**

Dear Sir/Madam,

Pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Unaudited Financial Results of the Company for the Quarter ended June 30, 2019, duly approved by the Board of Directors of the Company in their meeting held on August 12, 2019.

Also enclosed a copy of the Limited Review Report of the Auditors of the Company, as required under Regulation 33 of the Listing Regulations.

The meeting of the Board of Directors of the Company commenced at 12.45 P.M. and concluded at 5.30 P.M.

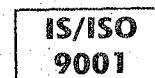
This is for your information and records please.

Thanking you,

Yours faithfully,
For WINSOME YARNS LIMITED



(K. V. SINGHAL)
GM (Legal) & Company Secretary
Mobile No. 9914030030
Email : kvsinghal@winsomegroup.com, cshare@winsomegroup.com



WINSOME YARNS LIMITED

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

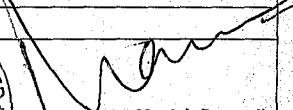
CIN : L17115CH1990PLC010566, Email - cshare@winsomegroup.com, Website - www.winsomegroup.com Phone No.91-172-4613000, Fax No.91-172-4614000

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED ON 30TH JUNE 2019

PART-I	Sr. No.	Particulars	Standalone				Consolidated				Rs.in Lakhs
			Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	
			Quarter Ended		Year Ended		Quarter Ended		Year Ended		
			30.06.2019	31.03.2019	30.06.2018	31.03.2019	30.06.2019	31.03.2019	30.06.2018	31.03.2019	
		Revenue									
1		Income from operations	4120	4238	7319	25025	4120	4238	7319	25025	
2		Other Income	11	67	46	204	11	67	46	204	
3		Total Revenue(1+2)	4,131	4,305	7,365	25,229	4,131	4,305	7,365	25,229	
4		Expenses									
	(a)	Cost of Material consumed	1975	2267	5006	15085	1975	2267	5006	15085	
	(b)	Purchase of stock-in-trade	-	-	-	22	-	-	-	22	
	(c)	Excise Duty	-	-	-	0	-	-	-	0	
	(d)	Changes in Inventories of finished goods, Work in progress & stock in trade	197	(41)	274	1,179	197	(41)	274	1,179	
	(e)	Employee Benefit expense	741	722	863	3354	741	722	863	3354	
	(f)	Finance cost	2	4	12	26	2	4	12	26	
	(g)	Depreciation & Amortisation expenses	383	401	402	1610	383	401	402	1610	
	(h)	Other expenses	1520	1608	1807	6439	1522	1610	1809	6445	
		Total Expenses	4,818	4,961	8,364	27,715	4,820	4,963	8,366	27,721	
5		Profit/(Loss) from Operations before Exceptional Items and tax.(3-4)	(687)	(656)	(999)	(2,486)	(689)	(658)	(1,001)	(2,492)	
6		Exceptional Items	-	10	(9,026)	(9,016)	-	10	(9,026)	(9,016)	
7		Profit/(Loss) before Tax (5+6)	(687)	(646)	(10,025)	(11,502)	(689)	(648)	(10,027)	(11,508)	
8		Tax Expense	-	-	-	-	-	-	-	-	
		- Current Tax	-	-	-	-	-	-	-	-	
		- Earlier years Tax	-	-	-	-	-	-	-	-	
		- Deferred Tax Liability/(Asset)	-	-	-	-	-	-	-	-	
9		Profit/(Loss) after tax (7-8)	(687)	(646)	(10,025)	(11,502)	(689)	(648)	(10,027)	(11,508)	
10		Other Comprehensive income	-	15	-	15	-	15	-	15	
11		Total Comprehensive income(9+10)	(687)	(631)	(10,025)	(11,487)	(689)	(633)	(10,027)	(11,493)	
12		Paid - up Equity Capital (Face Value - Rs. 10/- each)	7,071	7,071	7,071	7,071	7,071	7,071	7,071	7,071	
13		Earnings Per Share of Rs 10/- each (Not Annualised) - Basic & Diluted (Rs.)	(0.97)	(0.89)	(14.18)	(16.25)	(0.97)	(0.89)	(14.18)	(16.25)	
14		Reserve excluding revaluation reserve as per Balance Sheet of Previous accounting year				(37,006)				(36,991)	

- Notes:**
- The above unaudited financial results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on August 12, 2019.
 - The Statutory Auditors of the Company have carried out the limited review of the above unaudited financial results for the quarter ended June 2019 in accordance with Regulation 33 of the SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015.
 - The Company has adopted Indian Accounting Standards ("Ind AS") from April 01, 2017 (transition date to Ind AS is April 01, 2016) and the unaudited financial results have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standards as notified under the Companies (Indian Accounting Standards) Rules, 2015, as specified in section 133 of the Companies Act, 2013.
 - Effective April 01, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch up transition method which is applied to contracts that were not completed as of April 01, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The effect of adoption of Ind AS 115 was insignificant on the financial statements.
 - In line with the provisions of Ind AS-10B 'Operating Segments' as notified under the Companies (Ind AS) Rules, 2015, and as provided in section 133 of the Companies Act, 2013, the operations of the Company fall under one line of business activity namely, Textiles (Yarn, Knitwear & related revenue), which is considered to be the only reportable segment by the management.
 - The Company has made provisions for doubtful debts of Rs.9016.05 Lakhs against long outstanding trade receivables including overseas overdue trade receivables of Rs.5989.20 Lakhs during the year ended March 31, 2019. The aforesaid provision for doubtful debts have been made based on continuous evaluation and assessment of recoverability of trade receivables by the Company, which is undertaken on regular basis.
 - Auditors remarks on accounts for the quarter ended June 30, 2019: (a) Regarding preparation of accounts on going concern basis despite accumulated losses of the Company being substantially in excess of its net worth: Management Response: Read with Note No. 8 hereinbelow; (b) Regarding no provision having been made against long outstanding loans and advances: Management response: The Management has taken up necessary steps for reconciliation and recovery, and the same is part of continuous evaluation and assessment of their recoverability, undertaken by the management of the Company on regular basis; (c) Regarding non-provision for interest and penalty on Borrowings: Management response: Read with Note No. 8 hereinbelow; (d) Regarding pending receipt of part money of GDR invested in money market instrument outside India, non accounting of the same at fair value and non-recognition of exchange fluctuation in respect thereto: Management response: Read with Note No. 9 hereinbelow; (e) Regarding provisions made in books of account in case of investments in subsidiaries, amounts to be written off/written back and adjustment/set off of payment of receivables/payable from/to overseas parties/suppliers, which are pending necessary approval of the competent authority: Management Response: The Company is in the process of obtaining necessary approvals from the competent authority/ies; (f) Regarding pending confirmation/reconciliation of balances of certain receivables (including overseas overdue receivables), bank balances, payables, secured loans, contingent and other liabilities, loans and advances - Impact unascertainable): Management response: Steps for confirmation and reconciliation of amounts have since been initiated. The Management is of the opinion that adjustments, if any, arising out of aforesaid reconciliation would not be material, except in case of unprovided interest on borrowings and that appropriate impact thereof will be ascertainable on restructuring of borrowings of the Company, currently in discussions with lenders of the Company.
 - Due to continuous losses and resulting constraints of liquidity, the Company was not able to make payments, including towards installments of borrowings and interest thereon, both in respect of term loans and working capital as they fell due. Interest on term loans and working capital, including overdue amount, penal interest, etc. for the period October 2014 to June 30, 2019 (amount unascertained) has not been provided in books of account, and that the same will be provided / accounted for as and when the Company's debt restructuring plan is approved and given effect to by the respective lenders / assignee thereof. 6 (six) number banks have since assigned and transferred their debts due from the Company, alongwith the underlying rights, title and interests in financial assistances granted to the Company, to Edelweiss Assets Reconstruction Company Limited (EARC), an Asset Reconstruction Company. The Company is also in discussions with EARC for a structured payment plan of its restructured dues. Considering the ongoing discussion for restructuring of debts with major lenders of the Company and implementation of business plan of the Company for technical upgradation and expected cash flows resulting thereafter, stable government policies for the business, the Management of the Company expects that its cash flows in the near future will be sufficient to meet the resulting payment and repayment obligations, and the accounts of the Company are therefore, prepared on 'Going Concern' basis.
 - An amount of USD 48,62,110 (Rs. 2568.41 Lakhs) out of GDR's issued by the Company, being balance pending repatriation, has been invested in money market instruments outside India as the GDR proceeds are earmarked for utilisation for setting up a Yarn Dying Plant, which could not be implemented for want of support of lenders. The Management of the Company is engaged in firming an active plan for implementation of its proposal for setting up of a Yarn Dying Plant, and upon its finalisation, the aforesaid amount will be utilised for investment and on that date effect of any gain/loss shall be accounted in the books of account of the Company on account accrual and exchange fluctuation. The GDR's, which was earlier listed at the Luxembourg Stock Exchange, have since been delisted.
 - The figures for the previous quarter and year have been regrouped / rearranged, wherever necessary, to conform to the current period's classification.

Place: Chandigarh
Date: 12th August, 2019.


Manish Bagrodia
 Chairman and Managing Director



Independent Auditor's Review Report on Standalone Financial Result of the Winsome Yarn Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To Board of Director of Winsome Yarn Limited

1. We have reviewed the accompanying statement of standalone unaudited financial result ("the statement") of WINSOME YARN LIMITED ("the company"), for the quarter ended 30th June, 2019, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. This statement which is the responsibility of company's management and approved by company's board of directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, "Interim financial reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountant of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with standards on auditing specified under section 143(10) of the companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



4. We draw attention to qualified opinion

- I. In view of accumulated losses of the Company as at the end of quarter ended June 30th, 2019, the net worth of the Company as at that date being negative, continuous losses, negative cash flows and due to financial constraints, material uncertainty exists about the company ability to continue as going concern. The decision of management of the Company to prepare the accounts of the Company on going concern basis for reasons that, (a) proposed rehabilitation plan of the Company is under discussions with majority of lenders, and (b) future business plans of the Company and expected cash flows therefrom will suffice to service restructured debts of the Company, 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.
- II. The unaudited standalone financial result for the quarter ended on June 30th, 2019 are understated due to:
Non provisioning of interest expenses, on borrowings, of Rs. 3028.02 Lakhs for the quarter ended on June 30th, 2019 (Rs. 2635.59 Lakhs for the quarter ended on June 30th, 2018), 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 unprovided amount in books of account of the Company is not ascertainable with accuracy).
- III. Non-provisioning against loans and advances (including other current assets) of Rs. 1311.91 Lakhs. (Rs. 1306.20 Lakhs as at June 30th, 2018)
- IV. As stated in note no. 9 of unaudited standalone financial result, company have investment in money market of 4862.11 redeemable shares of USD 1000 each in Arise Money Market Fund. As per information given to us, the balance above is as per rate of exchange prevailing at the time of investment, and is subject to adjustment in rate of foreign exchange and accruals on money market investments. In respect of its realisability/receipt, we are unable to comment. The non-accounting of investment at fair value and non-recognition of exchange fluctuation in respect thereto is not in line with Ind AS 109 "Financial Instruments" and Ind AS-21 "The Effects of Changes in Foreign Exchange Rates" respectively, which has the effect of understatement of investment by Rs. 787.18 lakhs as at June 30th, 2019 (Rs. 863.92 lakhs as at quarter ended June 30th, 2018) understatement of losses by Rs. 6.56 lakhs for the quarter ended June 30th, 2019 (overstatement of loss by Rs. 177.29 lakhs as at June 30th, 2018).



- V. Regarding provisions in case of investments in subsidiaries, written off/written back and adjustment/ set off of payment of receivables/payables from/to overseas parties/suppliers, which is pending necessary approval of the competent authority.
- VI. 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.
- VII. Confirmation of balances and reconciliation thereof with respective parties are pending, which include balances pertaining to, accounts receivable and payable (including Associate Company/ies), bank balances, secured loans, other liabilities, loans and advances recoverable, and contingent liabilities. All balances have been certified by the management of the Company. In the absence of the Company having aforementioned details, the impact thereof is unascertainable, and therefore, not being commented. Further strengthening of internal controls by the Company will provide greater reliability.
- VIII. As per the audit report for the year ended 31st March 2018 and 31st March 2019, they noticed and found fraud in the nature of shortage/misappropriation of goods stored at its Ludhiana Branch during the financial year 2017-18 by its employee/s against which the management took action by lodging F.I.R. with the concerned Police Station and investigation in the matter is pending. The misappropriation of goods has been valued at Rs. 70 Lakhs against which some of the parties to whom goods were sold by the concerned employees have confirmed having received the goods and also confirmed to the Company as having made payment against the same. The Company also filed its claim to insurance company under Employee Fidelity Insurance, effect whereof has been accounted in the books of account of the Company, considering the ongoing recovery process of its claims and as per information given to us by management the matter is still pending and same as it is in previous financial year.
5. We would like to draw attention to the following matters as stated in the unaudited standalone financial result:
- i) As stated in Note no. 8 in the standalone financial result, as per information given to us, the company has made advance payment of Rs. 2268.50 Lakhs to Edelweiss Assets Reconstruction Company during the financial ending March 31st, 2019 for advance against restructuring of loan. Loan outstanding from Edelweiss Assets Reconstruction Company amounting of Rs. 47049.46 Lakhs.



- ii) The lender Edelweiss Assets Reconstruction Company Limited and Indian Overseas Bank has filed an application against company under section 7 of the Insolvency & Bankruptcy Code, 2016 before National Company Law Tribunal, Chandigarh Branch.
- iii) The company has written off Deferred Tax Assets of Rs. 44.36 Lakhs during the quarter ended 30.06.2019.

For Khandelia& Sharma

Chartered Accountants

Firm Registration No: 510525C




CA. Arun Khandelia

Partner

Membership No.: 089125

Place : New Delhi (Camp at Chandigarh)

Date : 12-Aug-2019

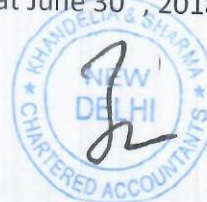
Independent Auditor's Review Report on Consolidated Financial Result of the Winsome Yarn Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To Board of Director of Winsome Yarn Limited

1. We have reviewed the accompanying statement of consolidated unaudited financial result ("the statement") of WINSOME YARN LIMITED ("the parent"), and its subsidiaries (the parent and its subsidiaries together referred to as "the group"), for the quarter ended 30th June, 2019, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. This statement which is the responsibility of parent's management and approved by parent's board of directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, "Interim financial reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountant of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with standards on auditing specified under section 143(10) of the companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



4. We draw attention to qualified opinion:
- I. In view of accumulated losses of the Group as at the end of quarter ended June 30th, 2019, the net worth of the Group as at that date being negative, continuous losses, negative cash flows and due to financial constraints, material uncertainty exists about the Group ability to continue as going concern. The decision of management of the Group to prepare the accounts of the Company on going concern basis for reasons that, (a) proposed rehabilitation plan of the Holding Company is under discussions with majority of lenders, and (b) future business plans of the Group and expected cash flows therefrom will suffice to service restructured debts of the Holding Company, 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.
 - II. The unaudited consolidated financial result for the quarter ended on June 30th, 2019 are understated due to:
Non provisioning of interest expenses, on borrowings, of Rs. 3028.02 Lakhs for the quarter ended on June 30th, 2019 (Rs. 2635.59 Lakhs for the quarter ended on June 30th, 2018), 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 Holding Company, and the aggregate unprovided amount in books of account of the Holding Company is not ascertainable with accuracy).
 - III. Non-provisioning against loans and advances (including other current assets) of Rs. 1311.29 Lakhs. (Rs. 1306.20 Lakhs as at June 30th, 2018)
 - IV. As stated in note no. 9 of unaudited consolidated financial result, the holding company have investment in money market of 4862.11 redeemable shares of USD 1000 each in Arise Money Market Fund. As per information given to us, the balance above is as per rate of exchange prevailing at the time of investment, and is subject to adjustment in rate of foreign exchange and accruals on money market investments. In respect of its realisability/receipt, we are unable to comment. The non-accounting of investment at fair value and non-recognition of exchange fluctuation in respect thereto is not in line with Ind AS 109 "Financial Instruments" and Ind AS-21 "The Effects of Changes in Foreign Exchange Rates" respectively, which has the effect of understatement of investment by Rs. 787.18 lakhs as at June 30th, 2019 (Rs. 863.92 lakhs as at quarter ended June 30th, 2018) understatement of losses by Rs. 6.56 lakhs for the quarter ended June 30th, 2019 (overstatement of loss by Rs. 177.29 lakhs as at June 30th, 2018).



- V. Regarding written off/written back and adjustment/ set off of payment of receivables/payables from/to overseas parties/suppliers, which is pending necessary approval of the competent authority.
- VI. The Internal Control Systems need to be further strengthened in order that they are commensurate with the size of the Group 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.
- VII. Confirmation of balances and reconciliation thereof with respective parties are pending, which include balances pertaining to, accounts receivable and payable (including Associate Company/ies), bank balances, secured loans, other liabilities, loans and advances recoverable, and contingent liabilities. All balances have been certified by the management of the Holding Company. In the absence of having aforementioned details, the impact thereof is unascertainable, and therefore, not being commented. Further strengthening of internal controls by the Holding Company will provide greater reliability.
- VIII. As per the audit report for the year ended 31st March 2018 and 31st March 2019, the Holding Company had noticed and found fraud in the nature of shortage/misappropriation of goods stored at its Ludhiana Branch during the financial year 2017-18 by its employee/s against which the management of holding company took action by lodging F.I.R. with the concerned Police Station and investigation in the matter is pending. The misappropriation of goods has been valued at Rs. 70 Lakhs against which some of the parties to whom goods were sold by the concerned employees have confirmed having received the goods and also confirmed to the Holding Company as having made payment against the same. The holding Company also filed its claim to insurance company under Employee Fidelity Insurance, effect whereof has been accounted in the books of account of the holding Company, considering the ongoing recovery process of its claims and as per information given to us by management of holding company the matter is still pending and same as it is in previous financial year.
- IX. We have not been provided the financial statement/financial information of subsidiary companies (1) Winsome Yarns (Cyprus) Ltd., (2) Winsome Yarns FZE, (3) S.C. Winsome Romania s.r.l., (4) I.M.M Winsome Italia s.r.l., (5) S.C. Textile s.r.l. . Therefore, we are



unable to comment about any possible effect of these subsidiary companies in consolidated unaudited financial result for the period ending June 30th, 2019.

5. We would like to draw attention to the following matters as stated in the unaudited consolidated financial result:

- i) As stated in Note no. 8 in the unaudited consolidated financial result, as per information given to us, the holding company has made advance payment of Rs. 2268.50 Lakhs to Edelweiss Assets Reconstruction Company during the financial ending March 31st 2019 for advance against restructuring of loan. Loan outstanding from Edelweiss Assets Reconstruction Company amounting of Rs. 47049.46 Lakhs.
- ii) The lender Edelweiss Assets Reconstruction Company Limited and Indian Overseas Bank has filed an application against the holding company under section 7 of the Insolvency & Bankruptcy Code, 2016 before National Company Law Tribunal, Chandigarh Branch.
- iii) The holding company has written off Deferred Tax Assets of Rs. 44.36 Lakhs during the quarter ended 30.06.2019.

For Khandelia & Sharma

Chartered Accountants

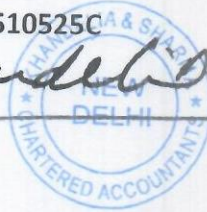
Firm Registration No: 510525C



CA. Arun Khandelia

Partner

Membership No.: 089125



Place : New Delhi (Camp at Chandigarh)

Date : 12-Aug-2019