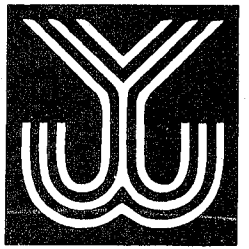


# Winsome Yarns Limited

Regd. Office : SCO # 191-192, Sector 34-A,  
Chandigarh - 160 022 INDIA  
CIN : LI7115CH1990PLC010566  
Phones : +91-172-2603966, 4612000, 4613000  
Fax : +91-172-4614000  
e-mail: info@winsomegroup.com  
website: www.winsomegroup.com



WYL/SECT/  
12.08.2021

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**

Symbol : WINSOME

**Sub : Outcome of Board Meeting under Regulation 30 of SEBI (LODR).  
(Unaudited Financial Results for the quarter ended June, 2021)**

Dear Sir/Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith following documents/ information duly approved by the Board of Directors of the Company in their meeting held on **August 12, 2021**.

1. Unaudited Financial Results of the Company for the Quarter ended **June 30, 2021**.
2. Limited Review Report of the Auditors of the Company, as required under Regulation 30 of the Listing Regulations.

The meeting of the Board of Directors of the Company commenced at 12.15 P.M. and concluded at 8.30 P.M.

This is for your information and records please.

Thanking you,

Yours faithfully,  
For **WINSOME YARNS LIMITED**

RAJPAL S. RATHORE  
Dy. Manager (Legal & Secretarial)  
Mobile No. 9855601267  
Email : [cshare@winsomegroup.com](mailto:cshare@winsomegroup.com)



IS/ISO  
9001



**Works** : Village Kurawala, Barwala Road, Derabassi-140507, Distt. Mohali (Pb.)  
**Ludhiana** : Office No. 3, MD Complex, Near Samrala Chowk, Ludhiana -141008  
**Tirupur** : No. 2, First Floor, Mahaveer Colony, Valipalayam Main Road, Tirupur - 641601

**WINSOME YARNS LIMITED**

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

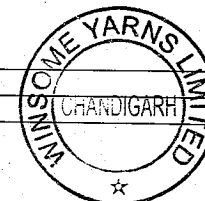
CIN : L17115CH1990PLC010566,Email – cshare@winsomergroup.com, Website – www.winsomergroup.com Phone No.91-172-4613000, Fax No.91-172-4614000

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED ON 30TH JUNE 2021**

PART-I		Rs.in Lakhs							
Sr. No.	Particulars	Standalone				Consolidated			
		Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
		Quarter Ended		Year Ended		Quarter Ended		Year Ended	
		30.06.2021	31.03.2021	30.06.2020	31.03.2021	30.06.2021	31.03.2021	30.06.2020	31.03.2021
	<b>Revenue</b>								
1	Income from operations								
2	Other Income	476	1,013	600	3,571	476	1,013	600	3,571
3	Total Revenue(1+2)	3	3	34	17	3	3	34	17
		<b>479</b>	<b>1,016</b>	<b>634</b>	<b>3,588</b>	<b>479</b>	<b>1,016</b>	<b>634</b>	<b>3,588</b>
4	<b>Expenses</b>								
	(a) Cost of Material consumed								
	(b) Purchase of stock-in-trade	113	64	43	504	113	64	43	504
	(c) Excise Duty	-	-	-	-	-	-	-	-
	(d) Changes in Inventories of finished goods,Work in progress & stock in trade	-	-	-	-	-	-	-	-
	(e) Employee Benefit expense	(257)	(77)	(93)	87	(257)	(77)	(93)	87
	(f) Finance cost	446	527	347	1,780	446	527	347	1,780
	(g) Depreciation & Amortisation expenses	-	-	-	6	-	-	-	6
	(h) Other expenses	373	375	374	1,493	373	375	374	1,493
	<b>Total Expenses</b>	<b>459</b>	<b>618</b>	<b>386</b>	<b>1,839</b>	<b>459</b>	<b>618</b>	<b>388</b>	<b>1,839</b>
5	<b>Profit /(Loss) from Operations before Exceptional Items and tax.(3-4)</b>	<b>1,134</b>	<b>1,507</b>	<b>1,057</b>	<b>5,709</b>	<b>1,134</b>	<b>1,507</b>	<b>1,059</b>	<b>5,709</b>
6	Exceptional Items	(655)	(491)	(423)	(2,121)	(655)	(491)	(425)	(2,121)
7	<b>Profit /(Loss) before Tax (5+6)</b>	<b>(655)</b>	<b>(491)</b>	<b>(423)</b>	<b>(2,121)</b>	<b>(655)</b>	<b>(491)</b>	<b>(425)</b>	<b>(2,121)</b>
8	Tax Expense								
	- Current Tax	-	-	-	-	-	-	-	-
	- Earlier years Tax	-	-	-	-	-	-	-	-
	- Deferred Tax Liability/(Asset)	-	-	-	-	-	-	-	-
9	<b>Profit/(Loss) after tax (7-8)</b>	<b>(655)</b>	<b>(491)</b>	<b>(423)</b>	<b>(2,121)</b>	<b>(655)</b>	<b>(491)</b>	<b>(425)</b>	<b>(2,121)</b>
10	Other Comprehensive income	-	-	-	-	-	-	-	-
11	<b>Total Comprehensive income(9+10)</b>	<b>(655)</b>	<b>(491)</b>	<b>(423)</b>	<b>(2,121)</b>	<b>(655)</b>	<b>(491)</b>	<b>(425)</b>	<b>(2,121)</b>
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	Reserve excluding revaluation reserve as per Balance Sheet of Previous accounting year				(43,929)				(43,919)
14	Earnings Per Share of Rs 10/- each (Not Annualised) - Basic & Diluted (Rs.)	(0.93)	(0.69)	(0.60)	(3.00)	(0.93)	(0.69)	(0.60)	(3.00)



Notes:	
1	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, 2021.
2	The Statutory Auditors of the Company have carried out the Limited Review of the aforesaid financial results for the quarter ended on 30 <sup>th</sup> June 2021. In accordance with Regulation 33 of the SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015,
3	In line with the provisions of Ind AS-108 '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.
4	<p>COVID-19 pandemic has substantially disrupted the global economic and business environment and there continues to subsist uncertainty with respect to its after effects, which cannot be reasonably ascertained. However, the Company had evaluated and considered the possible effects in its working to the extent possible, including likely impact that may result from the COVID-19 pandemic as well as all events and circumstances upto the date of approval of these financial results on the carrying value of its assets and liabilities as at 31st March 2021. In order to mitigate the uncertainty due to frequent lock-down of operations for reasons of observing a high and stringent level of requirements for health and safety, the Company had taken to manufacturing for third parties.</p> <p>The operations of the Company are running at a low level until the aftereffects and impact of Covid-19 pandemic has significantly subsided and sufficient time has elapsed thereafter, as supply chain stabilisation and availability of manpower, both are likely to take time.</p> <p>The impact of any event and developments occurring after the date of financial results for the quarter and year ended March 31, 2021 is different from those estimated as at the date of approval of these financial results, and will be recognised prospectively.</p>
5	Auditors remarks on accounts for the quarter and year ended 30 <sup>th</sup> June 2021: (1) Regarding preparation of accounts on going concern basis despite accumulated losses of the Company being substantially in excess of its net worth: Management Response: Consolidated response as part of Note No. 6 hereinbelow; (2) Regarding non-provision for interest and penalty on Borrowings and long outstanding receivable: Management response: The interest on borrowings of the Company to the extent not accounted in books of account of the Company will be considered on settlement / restructuring of borrowings and efforts are being made to recover the outstanding receivable, Provision will be made upon finalisation; (3) 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: Consolidated response as part of Note No. 7 hereinbelow; (4) 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 has filed upto date returns, and approvals for adjustments will be effected in due course; (6) Regarding pending confirmation/reconciliation of balances of certain receivables, bank balances, payables, secured loans, contingent and other liabilities, loans and advances - impact unascertainable): Management response: Confirmation and reconciliation of balances is carried out on an ongoing basis and adjustments, if any, arising therefrom are accounted from time to time.
6	<p>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 Reconstruction 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, are disputed by the Company as the debt is not acknowledged, and in any case the actions of Banks and EARC are barred by limitation. Additionally, the Company has 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 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, and EARC had filed a writ petition before the Hon'ble Punjab and Haryana High Court at Chandigarh against the proceedings by the Authorities.</p> <p>EARC had filed a Petition to initiate insolvency proceedings against the Company, which was dismissed by the Hon'ble NCLT vide its order dated 14th March 2020 with an observation that the assignment deed is unenforceable. An appeal filed by EARC against this order is under adjudication.</p> <p>The Company does not consider itself liable towards the claimants, and accounting remains pending settlement with them</p> <p>In the absence of a resolution of disputes with the claimants, the Management not considering the Company to be liable on this account, has prepared the financial statements on 'Going Concern' basis.</p>
7	GDR issued earlier by the Company, listed on Luxemburg Stock Exchange, were delisted. USD 48,19,980 (Rs. 2568.41 Lakhs without exchange adjustment) is invested in money market instruments outside India to use the amount for earmarked purposes, i.e., setting up a Yarn Dying Plant. The Plant could not be implemented as requisite support was then not extended by the lenders. The final effect of exchange rate fluctuation will be accounted at the time when the amount is repatriated. The Company is filing an Appeal against the order of SEBI imposing penalty as SEBI has erred in taking into consideration full facts and circumstances in relation to matters connected with issue of GDR.
8	The impact of any event and developments occurring after the date of financial results for the quarter and year ended March 31, 2021 is different from those estimated as at the date of approval of these financial results, and will be recognised prospectively.
9	The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures upto the third quarter of the current financial
10	The figures for the previous quarter and year have been regrouped / rearranged, wherever necessary, to confirm to the current period's classification.
Place:	Chandigarh
Date :	August 12, 2021.

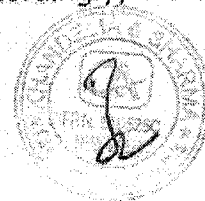


Manish Bagrodia  
Chairman and Managing Director

**Independent Auditor's Review Report on unaudited 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 30<sup>th</sup> June, 2021, 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.



## 1. Basis of Qualified Conclusion

- I. In view of accumulated losses of the Company as at the end of quarter ended June 30<sup>th</sup>, 2021, the net worth of the Company as at that date being negative, continuous losses, negative cash flows, due to financial constraints and non-deposit of statutory dues on time, 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 unascertained, we are unable to comment thereon.
- II. The unaudited standalone financial result for the quarter ended on June 30<sup>st</sup>, 2021 are understated due to:
  - a. Non provisioning of interest expenses, on borrowings, of Rs. 3945.58 Lakhs for quarter ended on June 30<sup>st</sup>, 2021 (of Rs. 3503.76 Lakhs for quarter ended on June 30<sup>st</sup>, 2020), 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.
  - b. Non-provisioning against long outstanding receivables amounting to Rs 602.50 lakhs including overseas overdue trade receivables. Further the accounting for exchange fluctuation in respect of overseas trade receivables, overseas trade payables and overseas advances is not in line with Ind AS 21 "The effects of change in foreign exchange rates" and accordingly we are unable to comment its impact on financial result.
- III. As stated in note no. 7 of standalone financial statement, investment in USD 48,19,980 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. 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". In the absence of any confirmation and working, the effect of over/under valuation of investment and over/under statement of profit or loss, we are unable to comment.



- IV. 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.
- V. 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.
- VI. 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.
- VII. In earlier year, management 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 against which the management took action by lodging FIR 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 previous financial year.

#### 4. **Qualified Conclusion**

Based on our review conducted as above, except in "**Basis of Qualified Conclusion**" paragraph mentioned in para 3 above, nothing has come to our attention that causes us to believe that the accompanying statement unaudited financial results prepared in accordance with applicable accounting standard and other recognized accounting practices and policies has not disclosed the information required to be disclosed in term of regulation 33 of the SEBI (Listing obligation and disclosure requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contain any material misstatement.



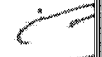
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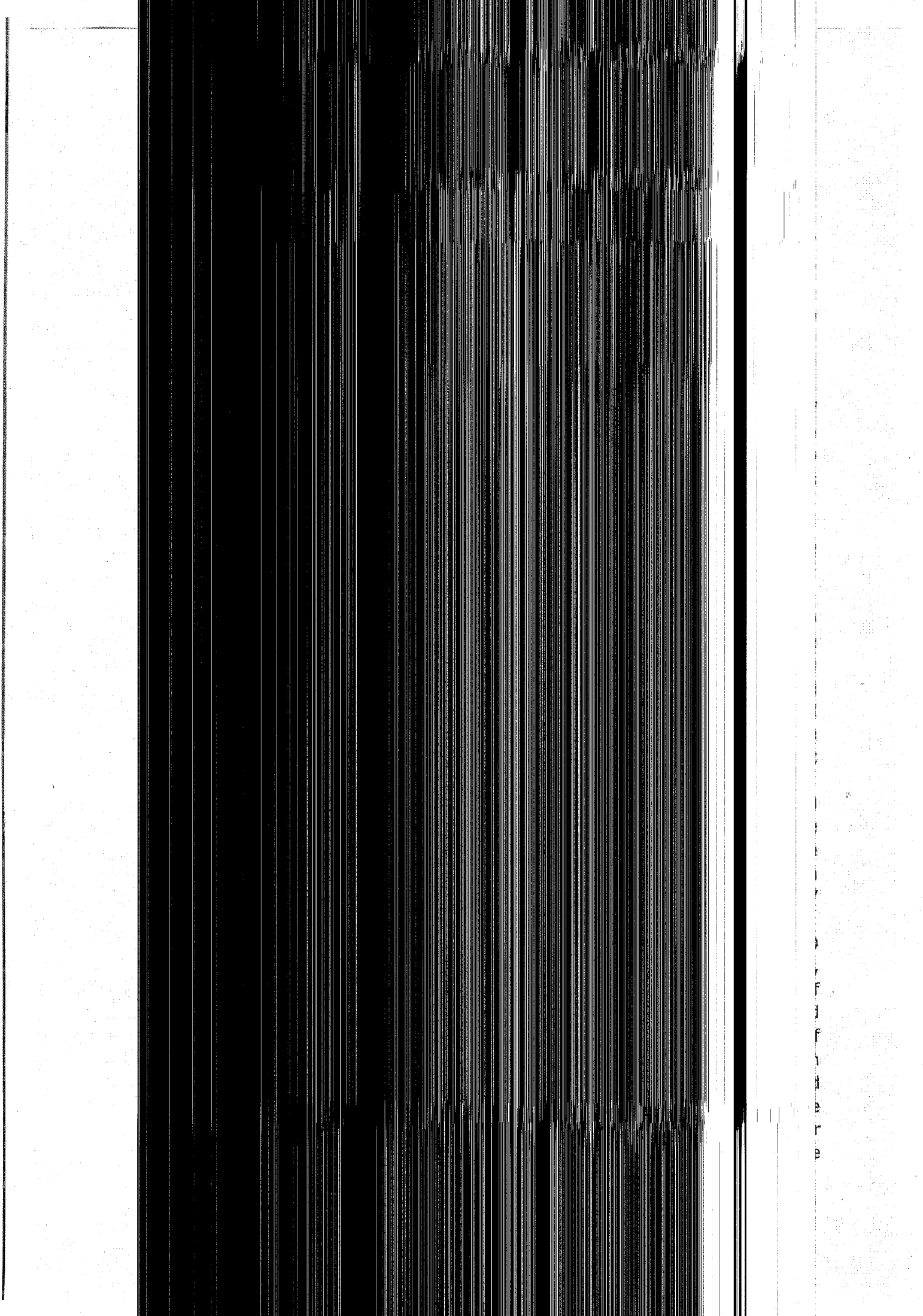
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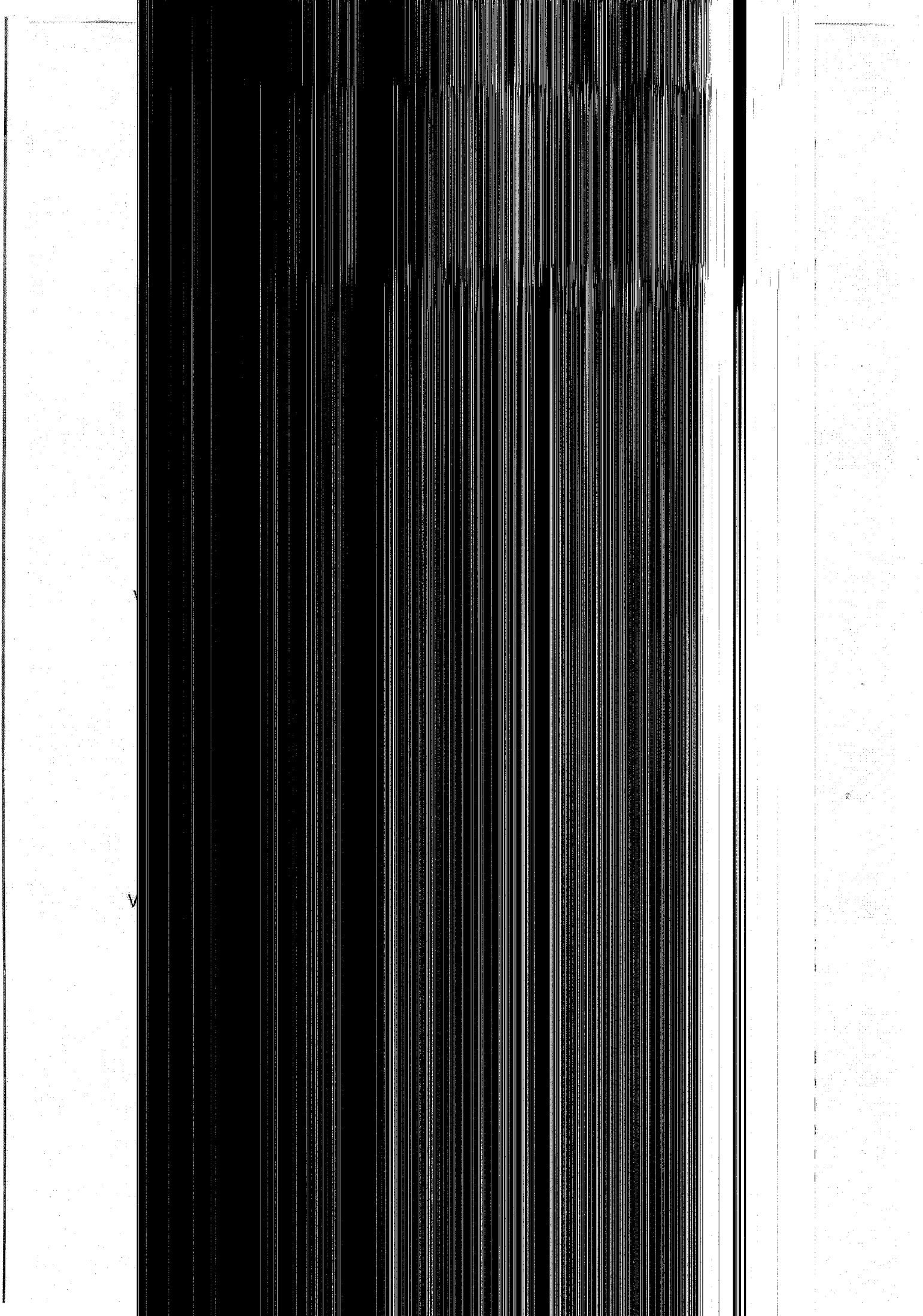
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