

The Board of Directors,
Winsome Yarns Limited,
SCO 191-192, Sector 34-A
Chandigarh-160022

Subject: Limited Review Report for the Quarter ended 30th September, 2010

1. We have reviewed the accompanying statement of unaudited financial results of Winsome Yarns Limited for the quarter ended 30th September 2010, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. We have also reviewed statement of assets and liabilities of the Company as on that date. However we have not reviewed corresponding six months figures of the statement of assets and liabilities. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, *Engagements to Review Financial Statements* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provided less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Without qualification attention is drawn that:
 - i. Depreciation on certain Plant & Machinery is provided as per the rates applicable to the continuous process plant based on the technical evaluation.
 - ii. As stated in note no. 5 of accompanying financial statement, the company has applied for the rework of the existing CDR package which is in the process of implementation and impact has been given in this quarter to the extent sanctions received so far.
4. Further Attention is invited to:
 - i. Regarding non provision for short fall in recovery (amount unascertainable) against overdue debts aggregating to Rs.1,900.19 lacs (as at 31st March 2010 Rs. 1903.39Lacs) for which other persuasive action for recovery has been initiated by the management; as in the opinion of the management these debts are good and recoverable and our inability to comment thereon.



Kolkata Mumbai New Delhi Chennai Hyderabad Jaipur

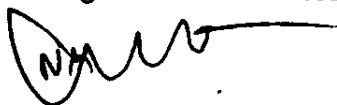
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For Winsome Yarns Ltd.


(G. B. Singhhal)
GM (Legal) Company Secretary

- ii. Regarding non provision for diminution in the value of investment in a subsidiary company (impact unascertainable) and our inability to comment thereon [note no.4 (b) of accompanying financial results and note no.10 B of schedule 15B of audited accounts for the year ended 31.03.2010].
 - iii. Note no.8 of the accompanying financial results regarding non provision of-Tax expenses (impact unascertained).
 - iv. Regarding pending confirmation /reconciliation of balances of certain debtors, creditors (including Associate Company), Loans & Advances (including capital advances) and other liabilities (impact unascertainable).
5. Subject to above and read with note given below the statement of assets and liabilities in the accompanying financial results, based on our review conducted of unaudited financial results for the quarter and subject to the our comments in para 4 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Lodha & Co.,
Chartered Accountants
Firm Registration No. 301051E

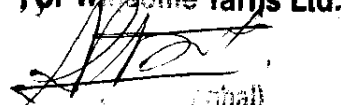


(N. K. Lodha)
Partner
M. No. -85155



Place: New Delhi
Dated: 10 NOV 2010

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For Wipacme Yarns Ltd.



(Signature)
GM (Legal) Company Secretary