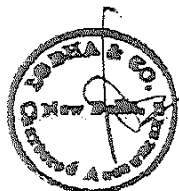


**LODHA
& CO**

Chartered Accountants

12, Bhagat Singh Marg, New Delhi - 110 001, India
Telephone : 91 11 23710176 / 23710177 / 23364871 / 2414
Fax : 91 11 23345168 / 23314309
E-mail : delhi@lodhaco.comThe Board of Directors,
Winsome Yarns Limited,
SCO 191-192, Sector 34-A
Chandigarh-160022**Subject: Limited Review Report for the Quarter ended 30th June 2012**

1. We have reviewed the accompanying statement of unaudited financial results of Winsome Yarns Limited for the quarter ended 30th June 2012, 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. 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) 2410, *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. Attention is invited to note no. 4 of accompanying financial results regarding pending receipt of remittance in India against issue of GDR as stated in the said note (of Rs. 3363.56 lacs), pending confirmation.
4. Further Attention is invited to:
 - i. Regarding non provision for short fall in recovery (amount unascertainable) against overdue debts aggregating to Rs.1,641.09 lacs (as at 31st March 2012) and cumulative gain recognised on restatement of said debtors of Rs.326.05 lacs (as at 31st March 2012) 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 [note no. 3(a) of accompanying financial results and note no. 2.16 of Audited Financial Statements for the year ended 31.03.2012].
 - 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.3 (b) of accompanying financial results and note no. 2.10 of Audited Financial Statements for the year ended 31.03.2012].



- iii. Note no.6 of the accompanying financial results regarding non provision of Tax expenses (impact unascertained)
 - iv. Regarding pending confirmation /reconciliation of balances of certain Debtors (pending in respect of commission of Rs.668.41 lacs), Creditors (including of associate Company), Loans & Advances (including capital advances) and other liabilities, in this respect impact unascertainable. As explained, the exercise of reconciliation is being carried out at year end / once in a year, internal control needs to be further strengthened.
5. Subject to para 3 & 4 above, based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results read with notes thereon, 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: 10/8/2012