

WYL/SECT/
10.02.2016

winsome
Yarns Limited

Regd. Office : SCO # 191-192, Sector 34-A,
Chandigarh - 160 022 INDIA
CIN : LI7115CH1990PLC010566
Phones : +91-172-2603966, 4612000, 4613000
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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 (Financial Results)

Dear Sir/Madam,

Pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), we are enclosing the Unaudited Financial Results (Standalone) of the Company for the Quarter/ Nine Months ended 31st December, 2015, duly approved by the Board of Directors of the Company, at its meeting held on today. The meeting of the Board of Directors of the Company commenced at 11.15 a.m. and concluded at 4.35 p.m.

We also enclose a copy of the Limited Review Report of the Auditors of the Company, as required under Regulation 33 of the Listing Regulations.

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. 09914030030
Email : kvsinghal@winsomegroup.com, cshare@winsomegroup.com

Encl : as above.



Works : Village Kurawala, Barwala Road, Derabassi-140507, Distt. Mohali (Pb.) Phones : 01762-280236, 280936, 280638 Fax: 01762-280237
Ludhiana : Office No. 3, MD Complex, Near Samrala Chowk, Ludhiana - 141008 , e-mail: ludhiana@winsomegroup.com
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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 STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED ON 31ST DEC 2015

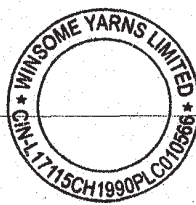
PART-I Sr. No.	Particulars	Rs.in lacs					
		Unaudited			Audited		
		Quarter Ended			Nine Months Ended		6 Months Ended
	31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015	
1	Income from operations						
	(a) Net Sales/Income from operations(Net of Excise Duty)	8186	8934	9997	26400	26575	18448
	(b) Other Operating Income	527	525	859	1827	1932	1687
	Total Income from operations (Net)	8713	9459	10856	28227	28507	20135
2	Expenses						
	(a) Cost of Material consumed	5940	6923	6055	19725	18732	13378
	(b) Purchase of stock-in-trade	48	-	-	48	12	-
	(c) Changes in Inventories of finished goods, Work in progress & stock in trade	(399)	(824)	4096	(993)	6678	4669
	(d) Employee Benefit expense	695	747	698	2167	1954	1309
	(e) Depreciation & Amortisation expenses	430	429	362	1290	1450	874
	(f) Power & Fuel(net)	1172	1078	1022	3398	2853	2217
	(g) Other expenses	1129	1060	1083	3284	2995	2406
	Total Expenses	9,015	9,413	13,316	28,919	34,674	24,853
3	Profit/(Loss) from Operations before other Income, Finance cost & Exceptional Items(1-2)	(302)	46	(2,460)	(692)	(6,167)	(4,718)
4	Other Income	21	25	299	96	451	318
5	Profit/(Loss) from ordinary activities before Finance cost & Exceptional Items (3+4)	(281)	71	(2,161)	(596)	(5,716)	(4,400)
6	Finance cost	136	15	1472	169	4311	275
7	Profit/(Loss) from ordinary activities after finance cost but before Exceptional Items (5-6)	(417)	56	(3,633)	(765)	(10,027)	(4,675)
8	Exceptional Items	-	444	-	444	-	-
9	Profit/(Loss) from Ordinary Activities before Tax (7-8)	(417)	(388)	(3,633)	(1,209)	(10,027)	(4,675)
10	Tax Expense						
	- Current Tax	-	-	-	-	-	-
	- Deferred Tax Liability/(Asset)	-	-	-	-	-	-
11	Net Profit/(Loss) from ordinary activities after tax (9-10)	(417)	(388)	(3,633)	(1,209)	(10,027)	(4,675)
12	Extraordinary items	-	-	-	-	-	-
13	Net Profit/(Loss) for the period (11-12)	(417)	(388)	(3,633)	(1,209)	(10,027)	(4,675)
14	Paid - up Equity Capital (Face Value – Rs. 10/- each)	7,071	7,071	7,071	7,071	7,071	7,071
15	Reserves excluding Revaluation Reserve as per Balance Sheet of previous accounting year						(14,147)
16	Earnings Per Share of Rs 10/- each (Not Annualised)						
	- Basic & Diluted (Rs.)	(0.59)	(0.55)	(5.14)	(1.71)	(14.18)	(6.61)

Notes:

- The above results have been reviewed by the Audit committee and approved by the Board of Directors in their meeting held on 10th Feb.2016. The above results have been limited reviewed by the statutory Auditors.
- The company is only in one line of business namely Textiles (Yarn, Knitwear & related revenue).
- As per Audited financial Statements as at 30th September 2014, the accumulated losses of the Company have exceeded its entire net worth and the Company has become a Sick Industrial Company under section 3(1)(c) of the Sick Industrial Companies (Special Provisions) 1985(SICA). The Board of Directors of the Company had sufficient reasons to form an opinion that the Company had become a Sick Industrial Company, on the basis of unaudited financial statements for the period ended June 30, 2014 and accordingly a Reference was filed with Board for Industrial and Financial Reconstruction(BIFR) under section 15(1) of the SICA on October 16, 2014 and company had been registered with the BIFR as case no 52/2015. First hearing had been held on 05th Oct. 2015 and Next date of hearing was fixed for 02nd Feb.2016 and no hearing took place and next date is yet to be fixed.
- Auditors remarks on the accounts for the year ended 31st Mar.2015 (a) Regarding pending confirmation/reconciliation of balances of certain receivables (including overseas overdue receivables), bank balances, payables (including associate company), secured loans, contingent and other liabilities, loans and advances- Impact unascertainable).: Management response : these accounts are in process of confirmation/reconciliation. The Management is of the opinion that adjustment, if any ; arising out of such reconciliation would not be material.(b) Regarding Non provision against certain overdue receivables and loan & advances.; Management response ; the management has already initiated necessary steps for the recovery/ reconciliation of the same. (c) Regarding accounting of consumption of Raw Material and Stores & Spares as balancing figure And valuation of inventories is as taken valued and certified by the management (Impact unascertainable).:Management response : Accounting is being done as per past practice, however, Company is in process to further strengthen the system.(d) Non-provision against impairment (as per AS-28) in value of assets of Knitwear unit(CGU)and [Impact unascertainable]: Management response : The Company will reassess the value of CGU and the resulting impairment loss on sanction by the lenders of corrective Action Plan or Reworking of its Debts, and adjustment of impairment and lenders liability, if any, will be accounted in books of account of the company concurrently therewith.(e) Regarding non-provision for penal interest and penalty; Management response:read with note no.6 as stated below. (f) Regarding pending receipt of part money of GDR; Management response : Read with note no.5 as stated below. (g) regarding non-provision for interest and penalty on statutory dues :Management response : the same will be provided / accounted for as and when paid.(h) Pending appointment of independent Director:Management response :Company is in process to appoint an independent director.(i) Managerial Remuneration: Management response : The Company has made an application before the central govt.and approval was received on Jan.04,2016 for 18.00 lacs p.a.and the company is seeking legal advise for revision of the same. (j) Compliance of CDR : Management response:The company account has already exited from CDR on November 20,2014.Further, six of banks (UCO Bank, State Bank of Patiala, Punjab National Bank, United Bank of India, Dena Bank and Canara Bank), have assigned and transferred the total debts due from the Company alongwith the underlying rights, title and interests in financial assistances granted to the Company to an Asset Reconstruction Company (ARC). Pending final settlement from ARC, the Company has shown part of the debts due to the above stated banks under Long Term Borrowings.(k)Regarding Written off/ Written back and adjustment/set off of receivable/ payables pending necessary approval :Management response ; the company is in process of obtaining necessary approvals from AD/RBI.
- An amount of USD 60,49,664(balance against GDR issue of 19,94,125 nos. made in financial year 2010-11,entitling 19,94,12,500 fully paid up equity shares of Re.1/- each at Rs.2.97 per share including premium) (now 1,99,41,250 fully paid up equity shares of Rs.10/- each at Rs.29.70 including premium on account of consolidation) is invested in money market fund outside India. The balance issue proceeds of Rs.2679.34 lacs are pending to be utilised, since not been called.The GDR which was earlier listed with Luxembourg stock exchange has been delisted
- Due to continuous losses and financial tightness, the company has not been able to fully pay due installments & interest of term loan on due dates & certain overdue amount is continuing/ unpaid till date (as detailed in note no.5.6 of audited financial statement for the period ended 31st March 2015). Interest on term loans and working capital including overdue amount, penal interest etc. (amount unascertained) has not been provided and as the same will be provided / accounted for as and when paid/settled as the company is in process of discussion/ applying for getting loans to be restructured by the lenders.
- Previous periods/quarters figures have been regrouped and/or re-arranged wherever necessary to make their classification comparable with current period.

For and on behalf of Board of Directors

Place: Chandigarh
Date : 10th Feb.2016



Manish Bagrodia
Managing Director
DIN No.00046944

To

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

Subject: Limited Review Report for the Quarter ended 31st December 2015

1. We have reviewed the accompanying statement of unaudited financial results ("the statement") of Winsome Yarns Limited ("the Company") for the Quarter and nine months ended December 31st, 2015. 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 the statement based on our review.
2. We conducted our review in accordance with Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* 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 statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Without Qualifying Attention is drawn to:

During the previous quarter Company has incurred loss on fire of Rs. 444.00 Lacs (shown under head 'Exceptional Items') as estimated by the management pending final assessment and receipt of payment from insurance company.

4. Basis for Qualified Conclusion:

Attention is invited to following:-

- i. In view of the accumulated losses {also to be read with para (ix) under the head 'Basis for Qualified Opinion', of Our Audit Report for the period ended 31.03.2015 and Note No. 2.12(b) of Audited Accounts as on that date}, the net worth of the Company become negative. Accounts have been prepared, by the management on going concern basis considering the future business plans and expected cash flows. In the event of the same not being held to be a going concern and various assets and liabilities being consequently required to be adjusted with respect to their realizable value, the impact thereof has not been ascertained and therefore cannot be commented upon by us [This to be read together with accounting policy- Note No. 1.1 of Audited Financial Statements for the six months period ended 31.03.2015 and Note No. 3 of accompanying Statement]. We have also qualified our opinion for the period ended 31st March 2015, quarter ended 30th September 2015 and quarter ended 31st December 2014 on the same matter.*
- ii. Regarding non provisioning of Interest Expenses of Rs. 8670.53 Lacs (Rs. 3273.37 Lacs for the period ended 31.03.2015 and Rs. 6801.77 Lacs for the*



quarter ended 30th September 2015), penal interest, penalty etc. (amount unascertainable). [This to be read with note no. 2.25 of Audited Financial Statements for the period ended 31.03.2015 and Note No. 4(e) & 6 of accompanying Statement]. We have also qualified our opinion for the period ended 31st March 2015 and quarter ended 30th September 2015 on the same matter. We have also qualified our opinion for the year ended 31st December 2014 w.r.t. penal interest, penalty etc.

- iii. Regarding Written Off /Written Back and Adjustment/Set Off of payment of receivables/payables from/to overseas parties/suppliers which is pending necessary approval [This to be read with note no. 2.8(c), 2.8(d) and 2.26 of Audited Financial Statements for the period ended 31.03.2015 and Note No. 4(k) of accompanying Statement]. We have also qualified our opinion for the period ended 31st March 2015, quarter ended 30th September 2015 and quarter ended 31st December 2014 on the same matter.
- iv. Regarding Non-compliance of conditions with respect to physical verification of fixed assets and as advised not to maintain bank accounts outside consortium parties (Bankers etc.) as directed by the CDR-MC and the impact on the state of affairs on exiting from CDR by Banks. [This to be read with note no. 2.22(A)(iv) (b) and 2.22 (A) (v) {read together note no. 2.2(A)(iii)} of Audited Financial Statements for the period ended 31.03.2015 and Note No. 4(j) of accompanying Statement]. We have also qualified our opinion for the period ended 31st March 2015 and quarter ended 30th September 2015 on the same matter.
- v. Regarding pending confirmation / reconciliation of balances of certain receivables, (including overseas overdue receivables as stated in note no.2.8 of Audited Financial Statements for the period ended 31.03.2015) bank balances, payables (including of an Associate Company), secured loans, other liabilities, loans and advances etc; and contingent liability (including legal & professional expenses of Rs. 6.27 Lacs for which there is non availability of supportings) being considered as certified by the management in the absence of full detail, in this respect impact is unascertainable and cannot be commented upon by us. In our view read with said note internal control needs to be further strengthened. [This to be read with note no. 2.14 of Audited Financial Statements for the period ended 31.03.2015 and Note No. 4(a) of accompanying Statement]. We have also qualified our opinion for the period ended 31st March 2015, quarter ended 30th September 2015 and quarter ended 31st December 2014 on the same matter.
- vi. Regarding non-provision against receivables (including of oversea overdue debtors of amounting to Rs. 6410.53 Lacs (Rs. 6908.79 Lacs as at 31st March 2015, Rs. 6567.94 Lacs as at 30th September 2015 and Rs.6963.89 Lacs as at 31st December 2014) [including accounting of exchange fluctuation of Rs. 897.95 lacs (Rs. 897.41 Lacs as at 31st March 2015, Rs. 897.87 Lacs as at 30th September 2015 and Rs. 957.33 Lacs as at 31st December 2014)] and loans and advances of Rs. 11068.44 Lacs (Rs. 10377.68 Lacs as at 31st March 2015 , Rs. 10744.25 Lacs as at 30th September 2015 and Rs. 7184.93 Lacs as at 31st December 2014) and Rs. 2686.77 Lacs(Rs. 2599.32 lacs as at 31st March 2015 and Rs. 2424.27 Lacs as at 30th September 2015 and Rs. 3155.02 Lacs as at 31st December 2014) respectively. The accounting of exchange fluctuation is not in line with generally accepted accounting principles and Accounting Standards 11 (AS-11)-"The Effect of Changes in Foreign Exchange Rates".[This to be read with Note No. 2.8 (a)&(b) and Note no. 2.11 respectively of Audited Financial Statements for the period ended 31.03.2015 and Note No. 4(b) of accompanying Statement]. We have also qualified our opinion for the period ended 31st March 2015, quarter ended 30th September 2015 and quarter ended 31st December 2014 on the same matter.



- vii. **Regarding accounting of consumption of Raw Material and Stores & Spares as balancing figure and the valuation of inventories is as taken, valued and as certified by the management. [This to be read with Note No. 2.22(A)(iv)(a) to (d) of Audited Financial Statements for the period ended 31.03.2015 and Note No. 4(c) of accompanying Statement]. We have also qualified our opinion for the period ended 31st March 2015, quarter ended 30th September 2015 and quarter ended 31st December 2014 on the same matter.**
- viii. **The company have carried out assessment of value in use of assets [as per AS-28 (Impairment of Assets)] of knitwear unit (a CGU) by an independent professional firm, based on this estimated impairment loss is of amounting to Rs.1981.48 Lacs (net of depreciation) (Rs. 2365.58 Lacs as at 31st March 2015 , Rs. 2109.37 Lacs as at 30th September 2015 & Rs. 2996.00 Lacs as at 31st December 2014). However, no provision against the same has been made by the company for the reason as explained in the note no. 4(d) of the accompanying statement. The Non-provision against impairment in value of above stated assets is not in line with AS-28. [This to be read with Note No. 2.5 of Audited Financial Statements for the period ended 31.03.2015]. We have also qualified our opinion for the period ended 31st March 2015, quarter ended 30th September 2015 and quarter ended 31st December 2014 on the same matter.**
- ix. **Regarding pending receipt of part money of amounting to USD 50,72,110 (Rs. 2679.34 lacs) out of the GDR issue made by the company and as explained lying outside India [i.e. balance amount against GDR issue of 19,94,125 nos. made in financial year 2010-11, entitling 19,94,12,500 fully paid up equity shares of Re.1/- each at Rs.2.97 per share including premium (now 1,99,41,250 fully paid up equity shares of Rs.10/- each at Rs.29.70 including premium)]. In respect of realisability/receipt we are unable to comment. As explained, above stated amount is invested in money market fund outside India, pending for utilization. [This to be read with Note No. 2.3 of Audited Financial Statements for the period ended 31.03.2015 and Note No. 4(f) and 5 of accompanying Statement]. We have also qualified our opinion for the period ended 31st March 2015, quarter ended 30th September 2015 and quarter ended 31st December 2014 on the same matter.**
- x. **Regarding non-provisions of Interest, Penalty etc. on delay/non-payment of certain statutory dues on time w.r.t. Employee State Insurance, Provident Fund, Punjab Welfare Fund, Tax Deducted at source, Tax Collected at source and Service Tax, Sales Tax etc. (amount unascertainable) and our inability to comment the impact on the loss for the Quarter. [This to be read with Note No. 2.23 (read with note no. 2.14) of Audited Financial Statements for the period ended 31.03.2015 and Note No. 4(g) of accompanying Statement]. We have also qualified our opinion for the period ended 31st March 2015, quarter ended 30th September 2015 and quarter ended 31st December 2014 on the same matter.**
- xi. **Regarding payment of managerial remuneration of Rs. 88.92 Lacs (w.e.f. 1st July 2014)(Rs. 44.46 lacs as at 31st March 2015 and Rs. 74.10 lacs as at 30th September 2015 and Rs. 29.64 Lacs as at 31st December 2015) was subject to necessary approval of the Central Government. Out of above Rs. 18.00 lacs p.a. have been approved by the Central Government [this to be read with Note No. 2.21 of Audited Financial Statements for the period ended 31.03.2015 and Note No. 4(i)] of accompanying Statement]. We have also qualified our opinion for the**



period ended 31st March 2015, quarter ended 30th September 2015 and quarter ended 31st December 2014 on the same matter.

xii. Regarding pending appointment of requisite number of independent directors. [This to be read with Note No. 2.28 of Audited Financial Statements for the period ended 31.03.2015 and Note No.4 (h) of accompanying Statement]. We have also qualified our opinion for the period ended 31st March 2015 and quarter ended 30th September 2015 on the same matter.

xiii. In view of our comment under para (i) to (xi) above and on our comments w.r.t. the internal control system which needs to be further strengthened to be made the same commensurate with the size of the Company and the nature of its business for the purchases and consumption of inventory, booking of the expenses, set off of balances and for the sale of goods and services. We have also qualified our opinion for the period ended 31st March 2015, quarter ended 30th September 2015 and quarter ended 31st December 2014 on the same matter.


Qualified Conclusion

5. Based on our review conducted as above except for the effect of our observations stated in para 4 (Basis for Qualified Conclusion) (ii), (vi), (viii) and (x) and possible effect of other stated in para 4 (i), (iii), (iv), (v), (vii), (ix), (xi), (xii) and (xiii) above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards and other recognized accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement. Also quantification in respect of above stated qualifications have not been disclosed in the said quarterly unaudited financial results.

Place: New Delhi
Dated: 10.02.2016



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


(Gaurav Lodha)
Partner
M. No. 507462