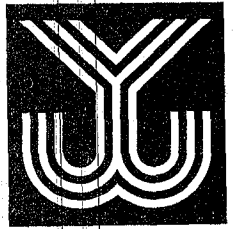


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14.11.2018

winsome
Yarns Limited

Regd. Office : SCO # 191-192, Sector 34-A,
Chandigarh - 160 022 INDIA
CIN : LI7115CH1990PLC010566
Phones : +91-172-2603966, 4612000, 4613000
Script Code : 512048
website: www.winsomegroup.com



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

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- September, 2018)**

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 and half year ended 30th September, 2018, duly approved by the Board of Directors of the Company, at its meeting held on 14.11.2018.

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 11.45 A.M. and concluded at 3.55 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

Encl : as above.



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9001



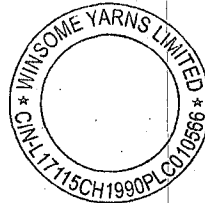
WINSOME YARNS LIMITED

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 AND HALF YEAR ENDED ON 30TH SEPTEMBER 2018

PART-I Sr. No.	Particulars	Standalone					Rs.in lacs	
		Unaudited			Audited			
		Quarter Ended		30.09.2017	Six Months Ended			Year Ended
		30.09.2018	30.06.2018		30.09.2018	30.09.2017		
	Revenue							
1	Income from operations	6995	7319	7413	14314	16267	33305	
2	Other Income	84	46	55	130	66	182	
3	Total Revenue(1+2)	7,079	7,365	7,468	14,444	16,333	33,487	
4	Expenses							
	(a) Cost of Material consumed	3863	5006	4428	8869	10526	21858	
	(b) Purchase of stock-in-trade	22	-	-	22	-	-	
	(c) Excise Duty	0	-	-	-	2	2	
	(d) Changes in Inventories of finished goods, Work in progress & stock in trade	450	274	1,041	724	934	1,095	
	(e) Employee Benefit expense	951	863	923	1814	1792	3524	
	(f) Finance cost	5	12	14	17	23	37	
	(g) Depreciation & Amortisation expenses	408	402	427	810	854	1707	
	(h) Other expenses	1675	1807	1614	3482	3605	7356	
	Total Expenses	7,374	8,364	8,447	15,738	17,736	35,579	
5	Profit/(Loss) from Operations before Exceptional Items and tax.(3-4)	(295)	(999)	(979)	(1,294)	(1,403)	(2,092)	
6	Exceptional Items	-	9,026	-	9,026	(297)	(297)	
7	Profit/(Loss) before Tax (5-6)	(295)	(10,025)	(979)	(10,320)	(1,106)	(1,795)	
8	Tax Expense							
	- Current Tax	-	-	-	-	-	-	
	- Earlier years Tax	-	-	-	-	-	-	
	- Deferred Tax Liability/(Asset)	-	-	-	-	-	-	
9	Profit/(Loss) after tax (7-8)	(295)	(10,025)	(979)	(10,320)	(1,106)	(1,795)	
10	Other Comprehensive income	-	-	-	-	-	13	
11	Total Comprehensive income(9+10)	(295)	(10,025)	(979)	(10,320)	(1,106)	(1,782)	
12	Paid - up Equity Capital (Face Value – Rs. 10/- each)	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.)	(0.42)	(14.18)	(1.38)	(14.59)	(1.56)	(2.52)	

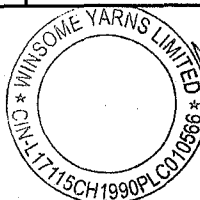


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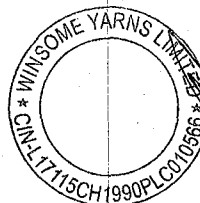
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Winsome Yarns Limited
SCO -191,192 Sector 34-A, Chandigarh -160022
Audited Standalone Statement of Asset and Liabilities

Particulars	Standalone	
	(Rs. In Lakhs)	
	As at 30.09.2018	As at 31.03.2018
ASSETS		
Non- current assets		
Property, plant and equipment	21,432	22,239
Capital Work In Progress	-	-
Other Intangibles Assets	11	11
Financial assets	-	-
Investments	-	-
Loans	2	2
Deferred tax assets (net)	44	44
Other Non- Current assets	3,170	2,566
Total of non- current assets (a)	24,659	24,862
Current assets		
Inventories	3,340	4,238
Financial assets		
Loans	18	18
Investment	2,568	2,679
Trade receivables	2,088	12,185
Cash and cash equivalents	182	209
Other bank Balance	32	32
Other financial assets	1,010	1,047
Current Tax Assets	101	100
Other current assets	1,149	1,067
Total of current assets (b)	10,488	21,575
Total of assets (a+b)	35,147	46,438
EQUITY AND LIABILITIES		
Equity		
Equity share capital	7,071	7,071
Other equity	(35,839)	(25,520)
Total of equity (a)	(28,768)	(18,449)
LIABILITIES		
Non- current liabilities		
Deferred grant income	83	88
Provisions	226	192
Total of non current liabilities (b)	309	280
Current liabilities		
Financial liabilities		
Borrowings	55,755	55,737
Trade Payables	4,609	5,646
Other financial liabilities	3,167	3,134
Deferred grant income	9	9
Other current liabilities	43	57
Provisions	23	23
Total of current liabilities (c)	63,606	64,606
Total of liabilities (d = b+c)	63,916	64,886
Total of equity and liabilities (a+d)	35,147	46,437



Notes:	
1	The above unaudited standalone financial results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 14, 2018.
2	The Statutory Auditors of the Company have carried out the Limited Review of the above unaudited standalone financial results pursuant to Regulation 33 of the SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015, and have issued their Limited Review Report on the same.
3	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 standalone 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.
4	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.
5	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.
6	The Company has made provisions for doubtful debts of Rs.9025.57 Lakhs against long outstanding trade receivables including overseas overdue trade receivables of Rs.5989.20 Lakhs during the quarter ended June 30, 2018. 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.
7	Auditors remarks on accounts for the quarter and half year ended September 30, 2018: (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 certain overdue receivables and 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.
8	Due to continuous losses and resulting constraints of liquidity, the Company was not able to make payments, including towards instalments 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 September 30, 2018 (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.
9	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.
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 :	14 th November, 2018.
	 Manish Bagrodia Managing Director DIN No.00046944



**Limited Review Report on Quarterly Unaudited Standalone Financial Results of the Company
Pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements)
Regulation, 2015**

LIMITED REVIEW REPORT

To the Board of Directors of Winsome Yarns Limited

1. We have reviewed the accompanying statement of unaudited Standalone Financial Results of Winsome Yarns Limited (“the Company”) having its registered office at SCO 191-192, Sector 34- A, Chandigarh-160022 for the quarter and half year ended September 30th 2018 prepared as per applicable Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 and the Rules made there under by the Companies pursuant to the requirement of Regulation 33 of the SBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016 and CIR/IMD/DF1/69/2016 dated August 10, 2016. This Statement is the responsibility of the Company’s management and had been approved by the Board Directors of the Company at its meeting held on November 14, 2018. Our responsibility is to issue a report on these unaudited standalone financial results 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 financial results are free of material misstatement(s). A review is limited primarily to inquiries of the Company’s personnel and analytical procedure 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. **Basis of Qualified Opinion**
 - i. **In view of accumulated losses of the Company as at the end of quarter and half year ended September 30th 2018 under review, the net worth of the Company as at that date being negative, the decision of management of the Company to prepare the accounts of the Company**



on going concern basis for reason that, (a) Plan for debt restructuring is under discussions with majority of its lenders, and (b) Implementation of business plan of the Company for technical upgradation and expected cash flows resulting thereafter 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 not ascertained, we are unable to comment on ensuing results.

ii. The results for the quarter and half year ended September 30th2018 are understated due to:

- a) Non provisioning of interest expenses on borrowings of Rs. 2762.41 Lakhs for the quarter and half year ended September 30th2018 (Rs. 2392.74 Lakhs for the quarter and half year ended September 30th,2017), and further amount towards penal interest, penalty, etc. as may be charged by the lenders (in the absence of statement of account provided by the lenders, 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 of Rs. 399.87 Lakhs (Rs. 9785.48 Lakhs as at September 30th2017).
- c) Non-provisioning against loans and advances (including other current assets) of Rs. 1306.20 Lakhs (Rs. 577.05 Lakhs as at September 30, 2017).

iii. Part amount of USD 48,62,110 (Rs. 2568.41 Lakhs) out of GDR's issued by the Company, which funds had been raised for setting up of Yarn Dying Plant, are invested in money market instruments outside India. As the funds were raised for earmarked purposes, the availability thereof to the Company and utilization of the same is subject to Company's undertaking active plans for implementation of the proposed investment. The amount is stated at 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. We are not commenting on realisability of money market investments. The absence of 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. 1030.16 Lakhs as at September 30, 2018 (Rs. 698.84 Lakhs as at September 30, 2017) and overstatement of losses by Rs. 343.53 for the six month ended Sep 30, 2018 (overstatement of loss of Rs. 22.84 Lakhs for the six month ended September 30,2017).

iv. The provisions pertaining to, diminution in value of investments in subsidiaries, amounts written off/written back and adjustment/set-off of payment of receivables/payables from/to overseas parties/suppliers, which should be written off, is subject to approval of competent authority.



v. The Internal Control Systems need strengthening in order that they are commensurate with the size of the Company and the nature of its business, more particularly in areas of, charging of expenses, set-off of balances.

vi. Confirmation of balances and reconciliation thereof with respective parties are pending, which include balances pertaining to, accounts receivable, and payable, bank balances, secured loans, other liabilities, loans and advances recoverable, and contingent liabilities. All balances have been certified by the management of 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.

4. Based on our review conducted as above, **except for the effects of our observation stated in paragraph 3 above under 'Basis of Qualified Opinion'**, nothing has come to our attention that causes us to believe that financial results have not been prepared in accordance with recognition and measurement principles laid down in the applicable accounting standards. i.e., IND-AS Prescribed under section 133 of the Companies Act, 2013, read with relevant rules issued there under and other recognized accounting practices and policies generally accepted in India, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/216 dated July 05, 2016 and CIR/IMD/DF1/69/2016 dated August 10, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. Emphasis of Matter

(i) We draw attention to Note No. 6 of the statement of unaudited standalone financial results of the Company for the half year ended September 30th2018, that the Company has made provision for doubtful debts against long outstanding receivables of Rs. 9025.57 Lakhs (Nil for the half year ended September 30th2017), including overseas overdue trade receivables of Rs. 5989.20 Lakhs (Nil for the quarter ended September 30th2017) which has been accounted under exceptional items in the unaudited standalone financial results of that date. The accounting of exchange fluctuation in respect of overseas trade receivables, now considered doubtful, has not been accounted for the reason that the Company has made provision in respect thereof during the half year ended September 30th2018. Our opinion is not modified in this respect.

(ii) We draw attention to the users of the statement of unaudited standalone financial results of the Company for the half year ended September 30th2018, that the financial creditor (Assignor from Punjab National Bank) Edelweiss Assets Reconstruction Company Ltd. has filed the application



against company under section 7 of the Insolvency & Bankruptcy code, 2016 before National Company Law Tribunal, Chandigarh bench.

For Khandelia & Sharma
Chartered Accountants
Firm Registration No: 510525C




CA. Arun Khandelia
Partner
Membership No.: 089125

New Delhi (Camp at Chandigarh)
November 14, 2018