

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 STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED ON 30TH SEPTEMBER 2017						
PART-I Sr. No.	Particulars	Rs. In lacs				
		Quarter Ended			Six Months Ended	
		30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016
	<b>Revenue</b>					
1	Income from operations	7,413	8854	9094	16267	19166
2	Other Income	55	11	14	66	84
3	Total Revenue(1+2)	7,468	8,865	9,108	16,333	19,250
	<b>Expenses</b>					
	(a) Cost of Material consumed	4,428	6098	6968	10526	13234
	(b) Purchase of stock-in-trade	0	-	-	0	5
	(c) Excise Duty	-	2	-	2	7
	(d) Changes in Inventories of finished goods, Work in progress & stock in trade	1,041	(107)	(1,484)	934	(1,179)
	(e) Employee Benefit expense	923	869	832	1792	1602
	(f) Finance cost	14	9	11	23	21
	(g) Depreciation & Amortisation expenses	427	427	438	854	876
	(h) Other expenses	1,614	1991	2764	3605	5384
	<b>Total Expenses</b>	<b>8,447</b>	<b>9,289</b>	<b>9,529</b>	<b>17,736</b>	<b>19,950</b>
5	<b>Profit/(Loss) from Operations before Exceptional Items(3-4)</b>	<b>(979)</b>	<b>(424)</b>	<b>(420)</b>	<b>(1,403)</b>	<b>(699)</b>
6	Exceptional Items	0	297	-	297	-
7	<b>Profit/(Loss) before Tax (5-6)</b>	<b>(979)</b>	<b>(127)</b>	<b>(420)</b>	<b>(1,106)</b>	<b>(699)</b>
8	Tax Expense					
	- Current Tax	-	-	-	-	-
	- Earlier years Tax	-	-	-	-	-
	- Deferred Tax Liability/(Asset)	-	-	-	-	-
9	<b>Profit/(Loss) after tax (7-8)</b>	<b>(979)</b>	<b>(127)</b>	<b>(420)</b>	<b>(1,106)</b>	<b>(699)</b>
10	Other Comprehensive income	-	-	-	-	-
11	<b>Total Comprehensive Income(9+10)</b>	<b>(979)</b>	<b>(127)</b>	<b>(420)</b>	<b>(1,106)</b>	<b>(699)</b>
12	Paid - up Equity Capital (Face Value - Rs. 10/- each)	7,071	7,071	7,071	7,071	7,071
13	Earnings Per Share of Rs 10/- each (Not Annualised) - Basic & Diluted (Rs.)	(1.38)	(0.18)	(0.59)	(1.56)	(0.99)
<b>Notes:</b>						
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, 2017, and the Statutory Auditors have issued their Limited Review Report on the same.					
2	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 only in one line of business namely Textiles (Yarn, Knitwear & related revenue).					
3	The Company has adopted Ind AS from April 1, 2017, as notified under the Companies (Ind AS) Rules, 2015, and pursuant to section 133 of the Companies Act, 2013. The financial statements presented in the accompanying unaudited standalone financial results and other information have been prepared in accordance with recognition and measurement of principles laid down in Ind AS and discloses information required to be disclosed in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular no. CIR/CFD/FAC/62/2016 dated July 05, 2016.					
4	The date of transition to Ind AS is April 1, 2016. The impact of transition has been accounted for in opening reserves and comparative results have been restated accordingly.					
5	The Ind AS compliant corresponding figures for six (6) months ended in the previous year (i.e., September 30, 2016) have not been subjected to limited review or audit. However, the Company's management has exercised due care and diligence to ensure that such financial results provide a true and fair view of its affairs.					
6	The financial results do not include Ind AS Compliant Results for the previous year ended March 31, 2017 as same is not mandatory in accordance with the SEBI circular no. CIR/CFD/FAC/62/2016 dated July 5, 2016.					
7	Auditors remarks on accounts for the quarter and half year ended September 30, 2017: (a) Regarding Non-provision against certain overdue receivables and loans and advances: Management response: The Management is carrying out necessary steps for reconciliation and recovery; (b) Regarding non-provision for interest and penalty on Borrowings recognised as short term borrowings: Management response: Read with Note No. 8 below; (c) 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: 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; (d) Regarding pending receipt of part money of GDR: Management response: Read with Note No. 9 below.					
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 2017 (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. Six 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, which holds more than 80% of outstanding debts of the Company. The Company is in discussions with EARC for a structured payment plan of its restructured dues.					
9	Part amount of USD 50,72,110 (Rs. 2679.34 Lakhs) out of GDR's issued by the Company 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. The GDR's, which was earlier listed at the Luxembourg Stock Exchange, have since been delisted.					
10	Reconciliation of net profit after tax as previously reported under Indian GAAP and as restated now under Ind AS for the period ended September 30, 2016:					
	Particulars	Unaudited		Unaudited		
		3 months ended 30.09.2016		6 months ended 30.09.2016		
	Net profit/(Loss) for the period under the previous Indian GAAP	(390)		(687)		
	Adjustment for prior period adjustments	(30)		(12)		
	Net profit/(Loss) for the period under Ind AS	(420)		(699)		
11	The figures for the previous quarter and half year have been regrouped / rearranged, wherever necessary, to confirm to the current period's classification.					
Place: Chandigarh					Manish Bagrodia	
Date: 14 <sup>th</sup> Nov. 2017					Managing Director DIN No.00046944	

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

Particulars	Unaudited	
	(Rs. In Lakhs)	
	As at 30.09.2017	As at 30.09.2016
<b>ASSETS</b>		
<b>Non- current assets</b>		
Property, plant and equipment	23,061	24,732
Capital Work In Progress	34	-
Other Intangibles Assets	0	0
Financial assets	-	-
Investments	-	-
Loans	21	21
Deferred tax assets (net)	44	50
Other Non- Current assets	1,566	1,326
<b>Total of non- current assets (a)</b>	<b>24,726</b>	<b>26,129</b>
<b>Current assets</b>		
Inventories	4,545	6,095
Financial assets	-	-
Investment	2,679	2,679
Trade receivables	12,283	11,741
Cash and cash equivalents	181	220
Other bank Balance	35	100
Other financial assets	1,013	824
Current Tax Assets	97	99
Other current assets	1,159	698
<b>Total of current assets (b)</b>	<b>21,992</b>	<b>22,456</b>
<b>Total of assets (a+b)</b>	<b>46,718</b>	<b>48,585</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	7,071	7,071
Other equity	(24,770)	(22,709)
<b>Total of equity (a)</b>	<b>(17,699)</b>	<b>(15,638)</b>
<b>LIABILITIES</b>		
<b>Non- current liabilities</b>		
Deferred grant income	92	101
Provisions	188	138
<b>Total of non current liabilities (b)</b>	<b>280</b>	<b>239</b>
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	55,846	55,825
Trade Payables	5,111	5,567
Other financial liabilities	3,035	2,502
Deferred grant income	9	9
Other current liabilities	118	67
Provisions	18	14
<b>Total of current liabilities (c)</b>	<b>64,137</b>	<b>63,984</b>
<b>Total of liabilities (d = b+c)</b>	<b>64,417</b>	<b>64,223</b>
<b>Total of equity and liabilities (a+d)</b>	<b>46,718</b>	<b>48,585</b>

**KR & CO.**  
**Chartered Accountants**

**Limited Review Report on quarterly Unaudited Financial Results (Standalone) of the  
Company pursuant to the regulation 33 of the SEBI (Listing Obligations and Disclosure  
Requirements) Regulations, 2015**

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

**LIMITED REVIEW REPORT**

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 30, 2017 prepared as per applicable Indian Accounting Standards by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016, and Circular No. CIR/IMD/DF1/69/2016 dated August 10, 2016. The Indian Accounting Standards ("IndAS") compliant figures of the corresponding quarter of the previous year have not been subjected to a limited review or an audit and are based on the previously published financial results as adjusted for differences arising on the transition to Ind AS. 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, 2017. Our responsibility is to issue a report on these standalone financial results based on our review.
  
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Financial information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountant 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 misstatement(s). A review is limited primarily to inquiries of the Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

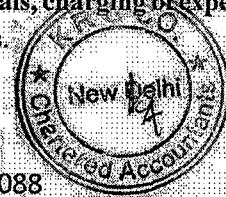
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**KR & CO.**  
**Chartered Accountants**

**3. Basis for Qualified Opinion**

- i. In view of accumulated losses of the Company as at the end of the quarter and half year ended September 30, 2017, under review and 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 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 results for the quarter and half year ended on September 30, 2017 are understated due to non-provisioning of:
  - a) Interest expense of Rs. 2,392.74 Lakhs (Rs. 2,092.15 Lakhs for the quarter and half year ended on September 30, 2016), 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) Long outstanding receivables of Rs. 9,785.48 Lakhs (Rs. 9,630.71 Lakhs as at September 30, 2016) and loans and advances (including other current assets) of Rs. 577.05 Lakhs (Rs. 1,372.37 Lakhs at September 30, 2016).
- iii. Part amount of USD 50,72,110 (Rs. 2679.34 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 undertaking active plans for implementation of the proposed investment. 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.
- iv. 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.



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- v. Confirmation of balances and reconciliation thereof with respective parties are pending, which include balances pertaining to, accounts receivable and payable (including Associate company), bank balances, secured loans, other liabilities, loans and advances recoverable, and contingent liabilities. All balances have been certified by the management of the 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 effect of our observations stated in Para 3 (Basis for 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/EAC/62/2016 dated July 05, 2016, and Circular No. CIR/IMD/DFI/69/2016 dated August 10, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention that the financial statement of the Company for the year ended March 31, 2017 prepared in accordance with Companies (Accounting Standards) Rules, 2006 and were audited by another firm of Chartered Accountants under the Companies Act, 2013, who vide their Report dated May 30, 2017 expressed a modified opinion on those financial statements. The aforementioned other Firm of Chartered Accountants completed their term of appointment and were not eligible for reappointment as Auditor of the Company for the year ending March 31, 2018.

For KR & Co.  
ICAI Firm Registration No. 025217N  
Chartered Accountants



Kamal Ahluwalia  
Partner

Place: New Delhi (Camp at Chandigarh)

Date: November 14, 2017

Membership No. 093812

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