

**WINSOME YARNS LIMITED(UNDER CIRP)**

Regd.Office: Basement, SCO # 13-14-15, Sector 34-A, Chandigarh - 160022

( Vacated on 30.12.2024 and presently working from B-58, Ind.Area Phase 7, Mohali.)

CIN : L17115CH1990PLC010566,Email – cshare@winsomergroup.com, Website – www.winsomeyarns.com Phone No.91-172-4613000, Fax No.91-172-4614000

**DRAFT UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED ON 30TH SEPTEMBER 2024**

PART-I Sr. No.	Particulars	(Rs.in Lakhs)					Audited Year Ended 31.03.2024
		Unaudited			Audited		
		Quarter Ended			Six Months Ended		
	30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023		
	<b>Revenue</b>						
1	Income from operations	146	81	1389	227	1731	2543
2	Other Income	5	4	37	9	56	463
3	<b>Total Revenue(1+2)</b>	<b>151</b>	<b>85</b>	<b>1,426</b>	<b>236</b>	<b>1,787</b>	<b>3,006</b>
	<b>Expenses</b>						
	(a) Cost of Material consumed	-	3	192	3	426	518
	(b) Purchase of stock-in-trade	-	-	-	-	-	-
	(c) Excise Duty	-	-	-	-	-	-
	(d) Changes in inventories of finished goods, work in progress & stock in trade	77	61	62	138	(63)	153
	(e) Employee Benefit expense	166	161	344	327	621	1114
	(f) Finance cost	0	0	0	-	-	-
	(g) Depreciation & Amortisation expenses	245	245	347	491	694	1149
	(h) Other expenses	169	82	209	251	697	1166
	<b>Total Expenses</b>	<b>657</b>	<b>552</b>	<b>1,154</b>	<b>1,210</b>	<b>2,375</b>	<b>4,100</b>
5	<b>Profit/(Loss) from Operations before Exceptional Items and tax.(3-4)</b>	<b>(507)</b>	<b>(467)</b>	<b>272</b>	<b>(974)</b>	<b>(588)</b>	<b>(1,094)</b>
6	Exceptional Items						
7	<b>Profit/(Loss) before Tax (5+6)</b>	<b>(507)</b>	<b>(467)</b>	<b>272</b>	<b>(974)</b>	<b>(588)</b>	<b>(1,094)</b>
8	Tax Expense						
	- Current Tax	-	-	-	-	-	-
	- Earlier years Tax	-	-	-	-	-	-
	- Deferred Tax Liability/(Asset)	-	-	-	-	-	-
9	<b>Profit/(Loss) after tax (7-8)</b>	<b>(507)</b>	<b>(467)</b>	<b>272</b>	<b>(974)</b>	<b>(588)</b>	<b>(1,094)</b>
10	Other Comprehensive income						
11	<b>Total Comprehensive income(9+10)</b>	<b>(507)</b>	<b>(467)</b>	<b>272</b>	<b>(974)</b>	<b>(588)</b>	<b>(1,094)</b>
12	Paid - up Equity Capital (Face Value – Rs. 10/- each)	7,071	7,071	7,071	7,071	7,071	7,071
13	Reserve excluding revaluation reserve as per Balance Sheet of Previous accounting year						(49,062)
14	(Rs.)	(0.72)	(0.66)	0.38	(1.38)	(0.83)	(1.55)

- Notes:**
- The Statutory Auditors of the Company have carried out the limited review of the above financial results for the quarter and half year ended 30th September 2024, in accordance with Regulation 33 of the SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015.
  - The Company's business of Yarn Spinning and Knitting has also been carried out on job-work basis for third parties, which is continuing to the extent possible within limited resources available with the Company.
  - 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
  - Auditors remarks on accounts for the quarter and half year ended on 30 th September 2024 alongwith comments of Company thereon are: (1) Regarding preparation of accounts on going concern basis despite accumulated losses of the Company being substantially in excess of its net worth: Company Response: The Company is under Corporate Insolvency Resolution Process (CIRP) under Insolvency and Bankruptcy Code, 2016, and is being maintained as a going concern by the Resolution Professional as part of the CIRP process for resolution of its insolvency; (2) Regarding non-provision for interest and penalty on Borrowings: Company Response: The Company is under CIRP and the IRP/RP has invited claims from the stakeholders. The Company will give effect to the claims in its books of account in line with the resolution plan after it is sanctioned and taken up for implementation;; (3) Regarding pending confirmation/reconciliation of balances of certain receivables, bank balances, payables, secured loans, contingent and other liabilities, loans and advances - impact unascertainable): Company Response: Confirmation and reconciliation of balances were being carried out upto the commencement of CIRP on an ongoing basis and adjustments, if any, arising therefrom were accounted from time to time, and adjustments for transactions during CIRP are carried out as considered appropriate(4) Regarding non provision of diminution in carrying value of investment : Company Response : The accounting of investments is subject to reconciliation.(5) CIRP costs are fully accounted and the unpaid amount of Rs.192.31 lacs as on 30.9.2024) will be required to be discharged in priority as per Insolvency and Bankruptcy Code, 2016: Company Response: The liability will be discharged on implementation of approved Resolution Plan, falling which during liquidation of the Company.
  - The Petition of Edelweiss Assets Reconstruction Company Ltd. (EARC), an Asset Reconstruction Company, under Section 7 of the Insolvency and Bankruptcy Code, 2016, (the Code) filed before the Hon'ble National Company Law Tribunal, Chandigarh Bench, ("NCLT"), praying initiation of Corporate Insolvency Resolution Process in case of Winsome Yarns Limited, was allowed the Hon'ble NCLT vide its Order dated 22nd December, 2023. The control and management of the Company is now vested with Resolution Professional, and the powers of board of directors of the Company remain suspended. Committee of Creditors (COC) had approved the Resolution Plan for resolution of debts of the Company submitted by Mohini Health & Hygiene Limited and the Resolution Professional had filed an application before Hon'ble National NCLT for sanction of Resolution Plan. The Resolution Plan on approval by Hon'ble NCLT will also make the Company eligible for certain reliefs, concessions and waivers from creditors and agencies, including from governmental bodies, and the Company will thus remain a Going Concern;
  - The books of account of the Company drawn by its Board of Directors (powers suspended) upto the date of commencement of CIRP were handed over to the earlier RP and have been relied on by the RP for preparation of these financial results, which also include the period after commencement of CIRP and upto the end of calendar quarter under report, books of account whereof have been prepared under supervision and control of RP holding office for the time being in force.
  - The company's registered office had been got vacated (by the Chandigarh Administration) on 30.12.2024. we are in the process of identifying a new registered office. Presently we are working from our knitting unit situated at B-58, Industrial Area Phase-7, Mohali.
  - Except for note No 5 (5) above, these notes reflect the state of affairs of the Company as on the date of signing these financial results,
  - The figures for the previous quarter and year have been regrouped / rearranged, wherever necessary, to conform to the current period's classification.

For Winsome Yarns Limited(Under CIRP)

Director(Suspended Powers)

Place: Chandigarh

Taken on Record

Date : March 22 , 2025.

Resolution Professional



Winsome Yarns Limited(Under CIRP)		
Regd.Office: Basement, SCO # 13-14-15,Sector 34-A, Chandigarh -160022		
( Vaccated on 30.12.2024 and presently working from B-58, Ind.Area Phase 7, Mohali.)		
Unaudited Statement of Asset and Liabilities as on 30.09.2024		
Particulars	(Rs. In Lakhs)	
	Standalone	
	Unaudited 30.09.2024	Auidted 31.03.2024
<b>ASSETS</b>		
<b>(1) Non- current assets</b>		
(a) Property, plant and equipment	13,106	13,595
(b) Capital Work In Progress	-	-
(c) Other Intangibles Assets	2	4
(d) Financial assets	-	-
(e) Investments	-	-
(f) Loans	-	-
(g) Deferred tax assets (net)	-	-
(h)Other Non- Current assets	2,701	2,703
<b>Sub Total - non current assets</b>	<b>15,809</b>	<b>16,302</b>
<b>(2) Current assets</b>		
(a)Inventories	213	356
<b>(b) Financial assets</b>		
(i )Loans	-	-
(ii) Investment	2,568	2,568
(iii) Trade receivables	258	253
(iv) Cash and cash equivalents	88	118
(v) Other bank Balance	2,081	31
(vi) Other financial assets	-	-
(vii) Current Tax Assets	87	87
(viii) Other current assets	191	200
<b>Sub Total - current assets</b>	<b>5,487</b>	<b>3,613</b>
<b>Total of assets (1+2)</b>	<b>21,296</b>	<b>19,915</b>
<b>B. EQUITY AND LIABILITIES</b>		
<b>1. Equity</b>		
(a) Equity share capital	7,071	7,071
(b) Other equity	(50,036)	(49,062)
<b>Sub total - Total equity</b>	<b>(42,965)</b>	<b>(41,992)</b>
<b>LIABILITIES</b>		
<b>2. Non- current liabilities</b>		
(a) Deferred grant income	51	51
(b) Provisions	244	219
<b>Sub total - Non current liabilities</b>	<b>295</b>	<b>270</b>
<b>(3) Current liabilities</b>		
<b>(a) Financial liabilities</b>		
(i) Borrowings	55,658	55,658
<b>(ii) Trade Payables</b>		
(a) Total outstanding dues of Micro and small enterprises	72	71
small enterprises	2,695	2,617
(iii) Other financial liabilities	5,269	3,021
(iv) Deferred grant income	5	9
(v) Other current liabilities	240	227
<b>(b) Provisions</b>	<b>27</b>	<b>34</b>
<b>Sub Total - current liabilities</b>	<b>63,966</b>	<b>61,637</b>
<b>(4)Total of liabilities (2+3)</b>	<b>64,261</b>	<b>61,906</b>
<b>Total of equity and liabilities (1+4)</b>	<b>21,296</b>	<b>19,915</b>



(Taken on record)



<b>Winsome Yarns Limited(Under CIRP)</b>		
<b>Regd.Office: Basement, SCO # 13-14-15, Sector 34-A, Chandigarh - 160022</b>		
<b>( Vaccated on 30.12.2024 and presently working from B-58, Ind.Area Phase 7, Mohali.)</b>		
<b>STATEMENT OF CASH FLOW FOR THE HALF YEAR ENDED ON SEPTEMBER 30, 2024</b>		
Particulars	Rs.in Lakhs	
	Period Ended September 30, 2024	Year Ended March 31, 2024
<b>A. CASH FLOW FROM OPERATIONS</b>		
Loss before tax	(973.76)	(1,094.24)
<b>Adjustment for:</b>		
Depreciation	490.86	1,148.88
Amortisation of lease hold land	1.66	3.31
Prorata capital subsidy	(4.62)	(18.48)
(Profit)/Loss on sale of fixed assets	-	-
Interest expense	-	-
Interest income	(6.56)	(14.50)
<b>Operating profit before working capital changes</b>	<b>(492.43)</b>	<b>24.80</b>
<b>Adjustment for working capital changes:</b>		
<b>Increase/(Decrease) in financial liabilities</b>		
Trade payables	79.15	(763.92)
Revenue received in advance	27.64	121.98
Other payables	2,220.54	(55.86)
Increase/(Decrease) in other current liabilities	13.04	27.52
Increase/(Decrease) in provisions	19.00	32.13
<b>(Increase)/Decrease in financial assets</b>		
Trade and other receivables	(4.94)	39.79
Loans	-	-
Investment	-	-
Interest accrued but not due	-	3.47
Other loan	0.00	(3.47)
(Increase)/Decrease in other current assets	9.24	227.29
(Increase)/Decrease in other non current assets	-	57.03
(Increase)/Decrease in inventories	142.61	196.99
	<u>2,013.87</u>	<u>(92.25)</u>
Current tax liabilities (Net)	(0.26)	17.85
<b>Net cash flow from operating activities (A)</b>	<b>2,013.61</b>	<b>(74.39)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions/Deletion to property, plant and equipment		69.96
Reductions to property, plant and equipment		-
Interest receipts	6.56	14.50
<b>Net cash used in investing activities (B)</b>	<b>6.56</b>	<b>84.46</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	-	-
<b>Increase/(Decrease) in financial liabilities</b>		
Proceeds from borrowings	-	-
Repayment of borrowings	-	-
<b>Net cash used in financing activities (C)</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>2,020.17</b>	<b>10.07</b>
Cash and cash equivalents - Opening balance	148.48	138.41
Cash and cash equivalents - Closing balance	2,168.65	148.48
	<u>2,168.65</u>	

(Figures in bracket represents cash outflow)

  
 (Taken on Record)

  




**Independent Auditor's Review Report on quarterly and unaudited Standalone Financial Result of the Winsome Yarn Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To,

THE RESOLUTION PROFESSIONAL,

WINSOME YARN LIMITED

(A Company under Corporate Insolvency Resolution Process vide NCLT order)

1. We have reviewed the accompanying statement of standalone unaudited financial result ("the statement") of WINSOME YARN LIMITED ("the company" under the CIRP process), for quarter ended 30th September, 2024 being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. The Hon'ble National Company Law Tribunal ("NCLT"), Chandigarh Bench, admitted the Corporate Insolvency Resolution Process ("CIRP") application filed by an operational creditor of Winsome Yarn Ltd ("the Company") and appointed Mr. Sanjay Gupta (IBBI Registration No. IBBI/IPA-002/IP-N00982-C01/2017-2018/10354, as Interim Resolution Professional ("IRP"), in terms of the Insolvency and Bankruptcy Code, 2016 ("the Code") to manage the affairs of the Company vide CP (IB) No. 291/Chd /Chd /2018 dated 22 December, 2023. Further Hon'ble National Company Law Tribunal ("NCLT"), Chandigarh Bench, vide order dated 14.03.2024 appointed M/s ARCK Resolution Professionals LLP having IBBI Registration No. IBBI/IPE-0030/IPA-1/2022-23/50013 as the new RP of Winsome Yarns Ltd.

In view of pendency of the CIRP, and in view of suspension of the powers of Board of Directors and as explained to us, the powers of adoption of the Standalone Financial Results for the Quarter ended 30th September, 2024 vest with the RP.

This statement which is the responsibility of company's management, directors and RP and approved by company's management, directors and RP, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, "Interim financial reporting" ("Ind AS 34"), prescribed under



section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountant of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with standards on auditing specified under section 143(10) of the companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### 3 (a) Basis of Qualified Conclusion

- I. In view of accumulated losses of the Company as at the end of quarter 30<sup>th</sup> September 2024, the net worth of the Company as at that date being negative, continuous losses, negative cash flows, due to financial constraints and non-deposit of statutory dues on time. The company has made a default in repayment of principal and interest against the facilities sanctioned by bank and company has gone into insolvency and bankruptcy code 2016 ("the Code") under interim resolution process dated 22.12.2023 vide order no CP (IB) No. 291/Chd /Chd /2018 which raises Significant concern over going concern ability of company. The management and the Resolution Professional (RP) of the Company have prepared the financial statements on a going concern basis, as explained in Note No. 5 and 6 of the standalone financial results. However, if the underlying assumptions of the going concern basis do not hold true, adjustments may be required to reflect the realizable values of assets and liabilities. Since the impact of such adjustments has not been determined, we are unable to comment on the possible impact of this adjustments in the standalone financial results for the quarter ended 30<sup>th</sup> September, 2024
- II. The unaudited standalone financial result for the quarter ended on 30th September, 2024 are understated due to:
  - a. Non provisioning of interest expenses, on borrowings, of Rs 6535.13 Lakhs for quarter ended on 30<sup>th</sup> September,2024 (of Rs 5645.00 Lakhs for quarter ended on 30<sup>th</sup> September,2023) 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. Non-provisioning against long outstanding receivables of Rs. 141.48 Lakhs which is overdue for more than 365 days. Further Re-instatement of few debtors, advance from customers, creditors for export, etc. on exchange fluctuation is not recognized in line with Ind AS - 21 "The Effects of changes in Foreign Exchange Rates" the effect of which we are unable to comment
- III. 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.
  - IV. Confirmation of balances and reconciliation thereof with respective parties are pending, which include balances pertaining to, accounts receivable and accounts payable, bank balances (including FDR), other current assets, advance for leasing, security deposit, secured loans, other liabilities, provisions, and contingent liabilities. All balances have been certified by the management of the Company. In the absence of the Company having aforementioned details and confirmations, the impact thereof is unascertainable, and therefore, not being commented. Further strengthening of internal controls by the Company will provide greater reliability.
  - V. As per the information given to us, the carrying value of investments have not been marked to realisable value, which if accounted would result in Investments reducing by Rs. 2568 Lakhs and Loss of the quarter and 6 months ended 30<sup>th</sup> September, 2024 increasing by Rs. 2568 Lakhs.

#### 4. Qualified Conclusion

Based on our review conducted as above, except in "Basis of Qualified Conclusion" paragraph mentioned in para 3 above, nothing has come to our attention that causes us to believe that the accompanying statement unaudited financial results prepared in accordance with applicable accounting standard and other recognized accounting practices and policies has not disclosed the information required to be disclosed in term of regulation 33 of the SEBI (Listing obligation and disclosure requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contain any material misstatement.



## 5. EMPHASIS OF MATTER

- i) As per information given to us, in the standalone financial result, as per information given to us, the company has made advance payment of Rs. 2268.50 Lakhs to Edelweiss Assets Reconstruction Company during the financial year 2018-19 for advance against restructuring of loan. Loan outstanding from Edelweiss Assets Reconstruction Company amounting of Rs. 47071.07 Lakhs.
- ii) The company has not made provision for the demand raised by various authorities as the matters are pending before various appellate forum. We are unable to comment upon possible impact in the standalone financial statements for the quarter year ended 30<sup>th</sup> September, 2024.
- iii) As per information given to us, we draw attention to the users of the financial statement of the company for the quarter ended 30th September, 2024. The Committee of Creditors (COC) has approved the Resolution Plan being filed by M/s Mohini Health & Hygiene Limited with requisite majority, through e-voting, in accordance with the provisions of the Insolvency & Bankruptcy Code, 2016. Furthermore, please also take note that the Resolution Professional has filed an application for approval of the COC approved Resolution Plan with Hon'ble National Company Law Tribunal, Chandigarh Bench ('NCLT')
- iv) As per the information given to us, the Corporate Insolvency Resolution Process (CIRP) costs for the quarter ended 30<sup>th</sup> September 2024 amounted to ₹334.80 lakh, compared to ₹245.31 lakh for the previous quarter ended 30<sup>th</sup> June 2024. As of 30th September 2024, an outstanding amount of ₹192.31 lakh in CIRP costs remains unpaid. This unpaid amount is required to be settled on a priority basis in accordance with the provisions of the Insolvency and Bankruptcy Code (IBC), 2016.

Our conclusion is not modified in respect of this matters

**For Dhana & Associates**  
**Chartered Accountants**  
**Firm Registration No: 510525C**





**CA. Arun Khandelia**  
**Partner**

**Membership No.: 089125**

**Place: New Delhi**

**Date: 22-03-2025**

**UIN- 25089125BMJM&T2685**