

Winsome Yarns Limited
Regd. Office: SCO 191-192, Sector 34-A, Chandigarh -160022
STANDALONE BALANCE SHEET AS AT MARCH 31, 2023

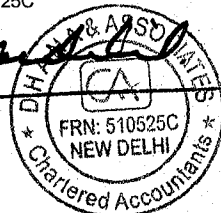
		(Rs., Lakhs)	
Particulars	Notes	March 31, 2023	March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4 (a)	14,809.68	16,192.19
Capital work in progress		0.00	-
Other intangibles assets	4(b)	7.83	12.64
Financial assets			
Investments	5	-	-
Loans	6	-	-
Deferred tax assets (net)	7	-	-
Other non current assets	8	2,763.31	2,766.62
		<u>17,580.82</u>	<u>18,971.45</u>
Current assets			
Inventories	9	553.07	1,222.17
Financial assets			
Loans	6	-	-
Investment	10	2,568.41	2,568.41
Trade receivables	11	293.07	1,381.80
Cash and cash equivalents	12	107.75	120.61
Other bank balances	13	30.66	31.66
Other financial assets	14	-	-
Current tax assets	15	104.71	152.20
Other current assets	16	427.34	1,093.50
		<u>4,085.01</u>	<u>6,570.35</u>
TOTAL ASSETS		<u>21,665.83</u>	<u>25,541.80</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	17	7,070.72	7,070.72
Other equity		(47,968.05)	(45,326.20)
		<u>(40,897.33)</u>	<u>(38,255.48)</u>
Liabilities			
<i>Non-current liabilities</i>			
Deferred grant income	18	69.06	69.06
Provisions	19	193.79	158.34
		<u>262.85</u>	<u>227.40</u>
Current liabilities			
Financial liabilities			
Borrowings	20	55,657.63	55,657.63
Trade Payables			
Outstanding dues of Micro and small enterprises	21	80.66	81.39
Outstanding dues of creditors other than Micro and small enterprises		3,371.03	3,664.18
Other financial liabilities	22	2,955.12	3,797.45
Deferred grant income	18	9.23	9.23
Other current liabilities	23	199.90	333.26
Provisions	19	26.74	26.74
		<u>62,300.31</u>	<u>63,569.88</u>
Total liabilities		<u>62,563.16</u>	<u>63,797.28</u>
TOTAL EQUITY AND LIABILITIES		<u>21,665.83</u>	<u>25,541.80</u>

SIGNIFICANT ACCOUNTING POLICIES 2
NOTES TO THE FINANCIAL STATEMENTS 3-33

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date.

Dhana & Associates
(Formerly Khandelia & Sharma)
Chartered Accountants
Firm Registration No. 510525C
By the hand of

CA. Arun Khandelia
Partner
Membership No.: 089125
May 29, 2023
New Delhi (Camp at Chandigarh)



(Signature)
Manish Bagrodia
Chairman & Managing Director
DIN 00046944

(Signature)
Pankaj Mahajan
Director
DIN 06994712

(Signature)
Neha Singhal
Company Secretary

(Signature)
Sanjay Sharma
Chief Financial Officer

Winsome Yarns Limited

Regd. Office: SCO 191-192, Sector 34-A, Chandigarh -160022

STATEMENT OF STANDALONE CASH FLOW FOR THE YEAR ENDED ON MARCH 31, 2023

(Rs., L)

Particulars	Year Ended	
	March 31, 2023	March 31, 2022
A. CASH FLOW FROM OPERATIONS		
Loss before tax	(2,641.85)	(1,397.59)
Adjustment for:		
Depreciation	1,387.32	1,486.31
Amortisation of lease hold land	3.31	3.31
Prorata capital subsidy	-	-
(Profit)/Loss on sale of fixed assets	-	-
Interest expense	-	-
Interest income	(12.03)	(9.79)
Operating profit before working capital changes	<u>(1,263.25)</u>	<u>82.24</u>
Adjustment for working capital changes:		
Increase/(Decrease) in financial liabilities		
Trade payables	(293.88)	365.33
Revenue received in advance	(132.02)	-
Other payables	(710.30)	94.27
Increase/(Decrease) in other current liabilities	(133.36)	(12.45)
Increase/(Decrease) in provisions	35.45	(70.12)
(Increase)/Decrease in financial assets		
Trade and other receivables	1,088.73	9.67
Loans	-	-
Investment	-	-
Interest accrued but not due	-	-
Other loan	-	-
(Increase)/Decrease in other current assets	666.16	(340.92)
(Increase)/Decrease in other non current assets	-	(0.00)
(Increase)/Decrease in inventories	669.10	(152.53)
	<u>(73.37)</u>	<u>(24.53)</u>
Current tax liabilities (Net)	47.48	(15.75)
Net cash flow from operating activities (A)	<u>(25.89)</u>	<u>(40.28)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	-	-
Reductions to property, plant and equipment	-	-
Interest receipts	12.03	9.79
Net cash used in investing activities (B)	<u>12.03</u>	<u>9.79</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	-	-
Increase/(Decrease) in financial liabilities		
Proceeds from borrowings	-	-
Repayment of borrowings	-	-
Net cash used in financing activities (C)	<u>-</u>	<u>-</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	<u>(13.86)</u>	<u>(30.49)</u>
Cash and cash equivalents - Opening balance	152.27	182.75
Cash and cash equivalents - Closing balance	138.41	152.27

(Figures in bracket represents cash outflow)

As per our report of event date.

Dhana & Associates
(Formerly Khandelja & Sharma)
Chartered Accountants
Firm Registration No. 510525C
By the hand of

CA. Arun Khandelja
Partner
Membership No.: 089125
May 29, 2023
New Delhi (Camp at Chandigarh)



Manish Bagrodia
Chairman & Managing Director
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Company Secretary

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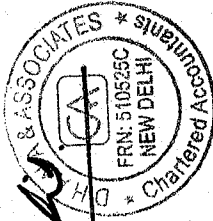
Regd. Office: SCO 191-192, Sector 34-A, Chandigarh -160022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

Particulars	(Rs. In Lakhs)						Total equity attributable to equity holders of the Company (A) + (B)
	OTHER EQUITY						
	Equity share capital (A)	Reserve & Surplus			Total Other Equity (B)		
	Securities premium reserve	Capital reserve	Retained earnings	Capital redemption reserve	Other Comprehensive Income		
Balance as at April 1, 2021	7,070.72	5,181.95	261.03	(49,580.99)	124.44	84.96	(36,857.89)
Loss for the year	-	-	-	(1,462.67)	-	65.08	(1,397.59)
Balance as at March 31, 2022	7,070.72	5,181.95	261.03	(51,043.66)	124.44	150.04	(38,255.48)
Loss for the year	-	-	-	(2,641.85)	-	-	(2,641.85)
Balance as at Sep. 30, 2022	7,070.72	5,181.95	261.03	(53,685.51)	124.44	150.04	(40,897.33)

As per our report of even date.

Dhana & Associates
(Formerly Khandelia & Sharma)
Chartered Accountants
Firm Registration No. 510525C
By the hand of



CA. Arun Khandelia
Partner

Membership No.: 089125

May 29, 2023

New Delhi (Camp at Chandigarh)

Mamsh Bagrodia
Chairman & Managing Director
DIN 00046944

Rinkat Mahajan
Director
DIN 06994712

Sanjay Sharma
Chief Financial Officer

Neha Singhal
Company Secretary

Winsome Yarns Limited**Notes to the standalone financial statements as at and for the year ended March 31, 2023.**

1 Corporate Information: Winsome Yarns Limited (the Company) having CIN: L17115CH1990PLC010566 is a public company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its shares are listed on the Bombay Stock Exchange and National Stock Exchange. The Company is engaged into manufacturing of Yarn, Knitwear and generation of power.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**(a) Basis of preparation of financial statements****(a) Statement of Compliance**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (the Act), (Ind AS compliant Schedule III), as applicable to the Company.

Effective April 1, 2017, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 'First time adoption of Indian Accounting Standards', with April 1, 2016, as the transition date. The transition was carried out from Indian Accounting Principles Generally Accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(b) Functional and presentation currency

These financial statements are presented in Indian rupees (Rs.), which is the Company's functional currency. All amounts have been rounded to the nearest Lakh unless otherwise indicated [10 Lakh = 1 Million].

(c) Basis of Measurement

The financial statements are prepared as a going concern basis under historical cost convention basis, except for certain items with significant uncertainty, which are measured at fair values.

Determining the Fair Value

While measuring the Fair Value of an asset or a liability, the Company used observable market data as far as possible. Fair values are categorised into different levels in a Fair Value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

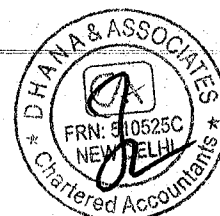
The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis.

Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.

If the inputs used to measure the Fair Value of an asset or a liability fall into different levels of the Fair Value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the Fair Value hierarchy as the lowest level input that is significant to the entire measurement.

(d) Use of Estimate

The preparation of financial statements in conformity with the Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of the contingent asset and contingent liability at the date of the financial statements and reported amount of income and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from the



Winsome Yarns Limited**Notes to the standalone financial statements as at and for the year ended March 31, 2023.**

estimates. Appropriate changes in estimate are made as the management become aware of the change in circumstances surrounding the estimates. Change in the estimates are reflected in the financial statements in the period in which the changes are made and, if material, their effect are disclosed in the notes to financial statements.

(e) Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements issued by the Ministry of Corporate Affairs based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

(b) Recent accounting pronouncement

- (a) Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted.

- (b) Ind AS 116 on "Leases": On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116 on Leases. Ind AS 116 will replace the existing Ind AS 17 on Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the Lessee and the Lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit & Loss as per Ind AS 17. The Standard also contains enhanced disclosure requirements for lessees.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- (a) Full retrospective: Retrospectively to each prior period presented applying Ind AS 8 on 'Accounting Policies, Changes in Accounting Estimates and Errors'.
- (b) Modified retrospective: Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability at the present value of remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date certain practical expedients are available under both the methods.

On completion of the evaluation of the Ind AS 116, the Company found that underlying value of leased assets of the Company is of low value and accordingly applying Para 4 of Ind AS 116, no adjustment is required to be made to the leased assets of the Company. Therefore, the Company is carrying its leased assets as per earlier standard.

(c) Significant accounting policies**(a) Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of Property, Plant and Equipment recognised as at April 1, 2016 measured as per the previous GAAP. Cost directly attributable to acquisition are capitalised until the Property, Plant and Equipment are ready for use as intended by the management.

Property, Plant and Equipment are derecognised from financial statements, either on disposal or when no



Winsome Yarns Limited**Notes to the standalone financial statements as at and for the year ended March 31, 2023.**

economic benefits are expected from its use. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the Property, Plant and Equipment and the resultant gains or losses are recognized in the Statement of Profit and Loss. Property, Plant and Equipment, which are to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Depreciation on Property, Plant and Equipment commences when these assets are ready for their intended use. Items of Property, Plant and Equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of these assets, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis. Depreciation on Property, Plant and Equipment purchased or sold during the year is proportionately charged.

Depreciation methods, useful lives and residual values of Property, Plant and Equipment are reviewed periodically, including at each financial year end by the management of the Company.

(b) Intangible Assets

Intangible Assets are stated at cost of acquisition less accumulated amortisation. Specialized Software is amortised over an estimated useful period of six year. Amortisation is done on straight line basis.

(c) Impairment of non financial assets

Property, Plant and Equipment are evaluated for recoverability, whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

(d) Inventories

- i. Inventories are valued at lower of cost or net realisable value except for scrap and by-products which are valued at net realisable value.
- ii. Cost of inventories of finished goods and work-in-process includes material cost, cost of conversion and other related overhead costs.
- iii. Cost of inventories of raw material, work-in-process and stores and spares is determined on weighted Average Cost Basis.

(e) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

Financial Assets :

Recognition: Financial assets include Investments, Trade receivables, Advances, Security Deposits, Cash and cash equivalents. Such assets are initially recognised at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

Classification: Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at:

- a) amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/ or interest.



Winsome Yarns Limited

Notes to the standalone financial statements as at and for the year ended March 31, 2023.

- b) fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.
- c) fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.

In case of investment in equity shares

- a) For subsidiaries, associates and joint ventures: Investments in equity instruments are measured at fair value and considered as deemed cost. The value is tested for impairment on periodical basis. Provision for diminution in long term investments is made only if such decline is other than temporary.
- b) For other than subsidiaries, associates and joint ventures: Investments in equity instruments are measured at FVTOCI.

Debt instruments:

Debt instruments are measured at amortised cost. Assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost is recognised when the asset is derecognised or impaired. Interest income from these financial assets is included as part of other income using the effective interest rate method.

Other:

Trade receivables, Advances, Security Deposits, Cash and cash equivalents etc., are reclassified for measurement at amortised cost.

Impairment: The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since its initial recognition.

Reclassification: When and only when the business model is changed, the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

De-recognition: Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership. Concomitantly, if the asset is one that is measured at:

- a) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;
- b) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

Financial Liabilities

Initial and subsequent recognition: Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest rate method and adjusted to the liability figure disclosed in the Balance Sheet.

De-recognition: Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation in respect of the liabilities is discharged, cancelled and settled on expiry by the Company.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Equity Instruments



Winsome Yarns Limited**Notes to the standalone financial statements as at and for the year ended March 31, 2023.**

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

(f) Government Grants

Group entities may receive government grants that require compliance with certain conditions related to the entity's operating activities or are provided to the entity by way of financial assistance on the basis of certain qualifying criteria.

Government grants are recognised when there is reasonable assurance that the grant will be received, and the Group entity will comply with the conditions attached to the grant. Accordingly, government grants:

- a) related to or used for assets are included in the Balance Sheet as deferred income and recognised as income over the useful life of the assets.
- b) related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.
- c) by way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable.

Capital subsidy under TUFS from the Ministry of Textiles on specified processing machinery has been treated as deferred income which is recognized on systematic and rational basis in proportion of the applicable depreciation over the useful life of the respective assets and is adjusted against the depreciation to the Statement of Profit and Loss.

Duty drawback / DEPB is recognised at the time of exports and the benefits in respect of advance license received by the Company against export made by it are recognised as and when goods are imported against them.

(g) Claims, Provisions, Contingent assets and Liabilities:

Claims lodged by and lodged against the Company are accounted in the year of payment or settlement thereof.

Provisions are recognised when, as a result of a past event, the Company has a legal or constructive obligation; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The amount so recognised is the best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. In an event when the time value of money is material, the provision is carried at the present value of the cash flows estimated to settle the obligation.

Contingent liabilities are not recognised but are disclosed by way of notes to the financial statements, after careful evaluation by the management of the facts and legal aspects of each matter involved. Contingent assets are neither recognised nor disclosed in the financial statements. Contingent liabilities are assessed continually to determine whether an outflow of resources embodying the economic benefit has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs.

(h) Recognition of revenue and expenditure

- (i) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable. Revenue represents the net invoice value of goods and services provided to third parties after deducting discounts, volume rebates, outgoing taxes.

Revenue is recognised usually when all significant risks and rewards of ownership of the asset sold are transferred to the customer and the commodity has been delivered to the shipping agent. Revenue from sale of material by-products are included in revenue.

(ii) Interest and dividend income

Interest income is recognised using Effective Interest Method (EIR).

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of financial instruments or a shorter period, where appropriate, to the gross carrying amount of the asset or to the amortised cost of financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit loss.

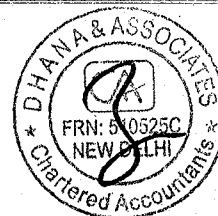
Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

(i) Borrowing Cost

Borrowing Cost attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets upto the date when such assets are ready for intended use. Other borrowing costs are charged as expense in the year in which they are incurred.

(j) Employee benefits

Benefits such as salaries, wages and short term compensations etc. is recognized in the period in which the



Winsome Yarns Limited**Notes to the standalone financial statements as at and for the year ended March 31, 2023.**

employee renders the related services.

The Company makes contributions to defined benefit schemes and defined contribution plans. Provident Fund contributions are in the nature of defined contribution scheme. Provident funds are deposited with government and recognised as an expense. The Company also make contribution to defined benefit plan i.e. gratuity plan. The cost of providing benefits under the defined benefit obligation is calculated by independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of re-measurements are recognised immediately through other comprehensive income in the period in which they occur.

The employees of the Company are entitled to compensated leave for which the Company records the liability based on actuarial valuation computed using projected unit credit method. These benefits are unfunded.

Actual disbursements made, under the Workers' Voluntary Retirement Scheme are accounted as revenue expenses.

(k) Taxes on income

Taxes on income comprises of current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

(l) Foreign currency transactions and translation

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.

Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of monetary items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts has been recognised over the life of the contract. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.

Non-monetary foreign currency items are carried at cost.

(m) Prior period errors

Prior Period Errors are omissions from, and misstatements in, prior period financial statements resulting from the failure to use, or the misuse of, reliable information that was available, or could not be reasonably expected to have been obtained, at the time of preparation of those financial statements.

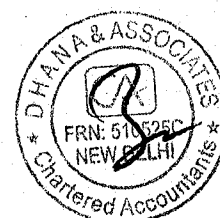
Prior Period Errors have been corrected retrospectively in the financial statements. Retrospective application means that the correction affects only prior period comparative figures, current period amounts are unaffected. Comparative amounts of each prior period presented which contain errors are restated. If however, an error relates to a reporting period that is before the earliest prior period presented, then the opening balances of assets, liabilities and equity of the earliest prior period presented has been restated by following IAS 8.

(n) Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also, the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

(o) Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The



Winsome Yarns Limited**Notes to the standalone financial statements as at and for the year ended March 31, 2023.**

cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Amendment to Ind AS-7

Effective April 1, 2017, the Company adopted the amendment to Ind AS7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements.

(p) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

3

3.1 Explanatory notes forming part of the Balance Sheet**(A) Contingent Liabilities, not provided for in respect of; (As certified by the management)**

(Rs. In Lakhs)

S.No.	Particulars	2022-23	2021-22
(i)	Sales Tax liability in respect of matters under appeal	65.68	58.70
(ii)	Excise duty show cause notices / matters under appealSales Tax liability in respect of matters under appeal	26.10	26.10
(iii)	Income Tax Demand AY 2005-06 Income Tax Demand AY 2006-07	73.94 108.77	73.94 108.77
(iv)	GST liability in respect of matters under appeal for FY 2017-18	6.43	-

(B) In respect of certain disallowances and additions made by the Income Tax Authorities, appeals are pending before the Appellate Authorities and adjustments, if any, will be made after the same are finally determined.

Considering the past experience, Management of the Company is of the view that there will not be any material financial impact on the Company upon aforesaid determination by the Appellate Authorities.

(C) Estimated amount of Capital contracts remaining to be executed on Capital Account and not provided for is Nil (Previous year Nil) and net of advances is Nil (Previous year Nil), as certified by the management.

3.2

A

- a) The loans from Banks are further secured by unconditional and irrevocable personal guarantees of promoters, promoters group/ associate companies and secured/ to be secured by pledge of 51% (Fifty one percent) of equity share capital (present /future) of the company or 100% of shares held/ to be held by promoters, promoters group/ associate companies, whichever is lower.
- b) (i) Appeals filed by the Company against its Lenders, viz., Bank of Maharashtra, Edelweiss Asset Reconstruction Company Limited and others, under section 17 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002) before the Hon'ble Debt Recovery Tribunal, Chandigarh (DRT), against notice u/s 13(4) of the SARFAESI Act, 2002 issued by the aforesaid lenders, were admitted and are pending adjudication before the Hon'ble DRT. The Company has alleged that the action taken by the aforementioned lenders was incorrect in law, and the Company has a claim for damages suffered by it.
- (ii) The Company's request to the lending banks from time to time seeking permission for renewal and continuation of "Holding-on operations" in the banking accounts of the Company (which were unilaterally and intermittently stopped by the lending banks on several occasions earlier) were not accepted and funds of the Company aggregating Rs.110.09 Lakhs (previous year Rs. 152.25 Lakhs) are lying in the current accounts/fixed deposit accounts with the lending banks. The stuck-up funds of the Company are accounted as part of Bank Balances in Note No. 12 and 13 of the financial statements.
- c) The Lender Banks (Canara Bank, State Bank of Patiala, Punjab National Bank, UCO Bank, Union Bank of India, Dena Bank) of the Company which held more than 80% of total outstanding loans of the Company have assigned and transferred their debts along with underlying rights, benefits and obligations to Edelweiss Asset Reconstruction Company Limited (EARC). The Company was in discussion with its lenders for evolving a scheme of rehabilitation and/or restructuring of its financial debts which continued both during the period that the Reference of the Company was under consideration before the Hon'ble Board for Industrial and Financial



Winsome Yarns Limited

Notes to the standalone financial statements as at and for the year ended March 31, 2023.

Reconstruction and the period since repeal of the Sick Industrial (Special Provisions) Act, 1985. However no agreement was reached [Read with Note No. 20(b) and 3.2(A)(e)].

- d) Canara Bank, State Bank of Patiala, UCO Bank, Oriental Bank of Commerce, Dena Bank (now merged with Bank of Baroda), Indian Overseas Bank, Bank of India, ICICI Bank and Bank of Maharashtra had filed an Original Application under section 19(1) of the Recovery of Debts due to Banks and Financial Institutions Act, 1993 before the Hon'ble Debt Recovery Tribunal (DRT) at Chandigarh, which is pending adjudication. Besides this, Edelweiss Asset Reconstruction Company Ltd. being assignee of Punjab National Bank and United Bank of India has also separately filed an application under section 19(1) of the Recovery of Debts due to Banks and Financial Institutions Act, 1993 before the Hon'ble Debt Recovery Tribunal (DRT) at Chandigarh, which is pending adjudication.
- e) Edelweiss Assets Reconstruction Company Ltd.(EARC) an Asset Reconstruction Company has claimed that it is an assignee of debt payable by the company by certain banks. The actions of the Banks and Edelweiss Assets Reconstruction Company Limited (EARC), amongst others, for recovery of debt held by them as owed by the Company and action to seek declaration that the Company being in default of the debt and be declared insolvent, are disputed by the Company as the debt is not acknowledged, and in any case the actions of Banks and EARC are barred by limitation. Additionally, the Company has a counter claim against the claimants for the losses caused by them to the Company. The Company had without prejudice to its rights and without acknowledging its liability, initiated discussions with claimants to settle the disputes, which failed. The Financial Commissioner of the State of Punjab has since determined that the Agreements for Assignment of debt by lenders of the Company to EARC are insufficiently stamped, and therefore, defective. A demand of Rs. 4.46 crores (interest and penalty to be applied) was raised against EARC.

A writ petition filed by EARC before the Hon'ble Punjab and Haryana High Court at Chandigarh against the proceedings initiated by the Financial Commissioner was allowed.

The State of Punjab and the Company have filed Letters Patent Appeal (LPA) against the order of the Single Judge Bench of the Hon'ble Punjab and Haryana High Court, which is being heard. EARC acting in the matter as assignee of debt by certain banks in case wherein the State of Punjab has held stamp duty to have been unpaid, had Petitioned the Hon'ble NCLT to initiate insolvency proceedings against the Company, which was dismissed by the Hon'ble NCLT vide its order dated 17th March 2020 as the assignment deed was held as unenforceable.

In an appeal filed by EARC against the order of the Hon'ble NCLT, the Hon'ble NCLAT vide order dated 21 Jul 2022 has set aside the order of the Hon'ble NCLT and remanded the matter to the Hon'ble NCLT for rehearing and without touching the merits of the case and permitting the parties to take all arguments before the Hon'ble NCLT, the judgement is now reserved

Indian Overseas Bank has initiated insolvency proceedings against the Company before NCLT which is being contested by the Company.

A vendor of the Company has petitioned the Hon'ble NCLT for initiation of insolvency proceedings against the Company, which petition is being heard.

The Company does not consider itself liable towards the claimants, and accounting remains pending settlement with them

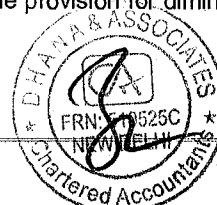
In the absence of a resolution of disputes with the claimants, the Management not considering the Company to be liable on this account, has prepared the financial statements on 'Going Concern' basis.

- (B) Certain winding-up petitions filed against the Company by its creditors, including persons claiming to be creditors, had been adjourned sine-die by the Hon'ble Punjab and Haryana High Court. There have no proceedings in the matters thereafter.
- (C) As per information obtained by the Company from CIBIL, (i) The Company was declared wilful defaulter more than 5 years ago, and (ii) concurrently Mr. Manish Bagrodia, a Director of the Company, was declared wilful defaulter. The Company has not raised any securities during the period of 5 years from the last date of aforementioned declaration. However as per current CIBIL reports only the Company appears as a wilful defaulter as per RBI guidelines. The promoters and directors do not appear in the list of wilful defaulters.



Winsome Yarns Limited**Notes to the standalone financial statements as at and for the year ended March 31, 2023.**

- 3.3 (a) In the Extraordinary General Meeting of the Company held on June 28, 2010, the Members of the Company had approved the issue of new capital through Global Depository Receipts (GDRs). Accordingly, 19,94,125 number of GDR of USD 6.64 each (each GDR converting / equivalent to 100 equity shares – being 1,99,41,250 nos. of equity shares of Rs. 10 each at Rs. 29.70 including premium) had been issued by the Company and allotted on March 29, 2011. The GDR were listed for trading at the Luxembourg Stock Exchange (LuxSE). Out of the proceeds of GDRs raised in 2011, an amount of USD 7,164,490 (Rs. 3873.75 Lakhs) stood remitted to India, which had been utilised for augmentation of working capital needs of the Company, and balance amount of USD 48,19,980 (Rs. 2568.41 Lakhs) continues to remain invested in an overseas Money Market Fund pending utilisation for purposes for which the funds were raised. The balances stated above are as per rate of exchange of relevant currencies prevailing at the time of making investment in Money Market Fund, and will be finally adjusted with the actual amounts, including accruals thereon, if any, on settlement of Money Market Fund amount. The Company is regular in filing all due returns with Reserve Bank of India. The Company has not measured the aforesaid investments at fair value as the effect thereof shall be accounted on settlement of investment in Money Market Fund.
- (b) The Depository of GDR issue had resigned w.e.f. October 29, 2014 and terminated the agreement w.e.f. June 15, 2015. The GDR had been de-listed from LuxSE w.e.f. June 16, 2015. The Company is in process to appoint new depository and seek relisting of GDR on LuxSE or any other overseas stock Exchange.
- 3.4 Research and Development Expenditure (as certified by management) amounting to Rs.14.48 Lakhs (Previous Period Rs. 27.07 Lakhs) have been debited to Statement of Profit and Loss during the year.
- 3.5 In earlier year a fraud had come to be discovered by the Company in the nature of shortage/ misappropriation of goods stored at its Ludhiana Branch (Punjab), committed by its employee/s. A complaint was lodged with the concerned Police Station and First Information Report was registered by the Authorities, and investigation in the matter is pending. The loss of goods is valued at about Rs. 70.00 Lakhs. It has since revealed that some of the parties to whom goods were allegedly sold by the concerned employees have confirmed their receipt and also confirmed having made payment therefor. The Company is hopeful of full recovery of loss from the Insurance Company under Employee Fidelity Insurance, and has accounted the same in its books of account.
- 3.6 Three Step down subsidiaries of the Company are under liquidation, namely (i) S. C. Winsome Romania s.r.l, Romania, (ii) IMM Winsome Italia s.r.l, Italy, and (iii) S.C. Textile s.r.l, Romania. The Company through its subsidiary company had made investment amounting to Euro 828 (Equivalent to Rs.0.54 Lakhs) in these step down subsidiaries. Necessary provisions in the books of account in respect of the investment amount and outstanding recoverable (as debtors) of Rs. 257.82 Lakhs had been made in earlier years.
- 3.7 As per the terms of Agreement entered between Company and private equity partners/ sellers, the Company was to invest through a subsidiary, i.e., Winsome Yarn (Cyprus) Ltd. (WYCL) in a JV Company namely, Newcocot s.r.l., an amount of Euro 4.64 millions {approx Rs. 3500.42 Lakhs as on 31.03.16 (including exchange gain/loss)}. In earlier years, the Company had made investment in equity and preference share capital of WYCL for an aggregate amount of EURO 2.55 million (Equivalent to Rs. 1517.25 Lakhs). The JV Company is under liquidation, and pending approval of RBI for writing-off the investment, the Company had earlier made provision for diminution in value of its investment of Rs. 1517.25 Lakhs.



Winsome Yarns Limited**Notes to the standalone financial statements as at and for the year ended March 31, 2023.**

- 3.8 In earlier year The Company has made provision for doubtful debts of (i) Rs. 5989.20 Lakhs in respect of debts due from certain overseas customers, and (ii) Rs. 3026.85 against overdue trade receivables/other receivables. The provision for doubtful debts has been made on the basis of continuous evaluation and assessment of recoverability of trade receivables, which is undertaken on regular basis.

3.9 Details of Traded Goods:**(Rs. In Lakhs)**

Particulars	Cotton Yarn	Industrial Fabric	Total
Opening Stock	NIL (NIL)	NIL (NIL)	NIL (NIL)
Purchase	NIL (NIL)	NIL (NIL)	NIL (NIL)
Sales	NIL (NIL)	NIL (NIL)	NIL (NIL)
Closing Stock	NIL (NIL)	NIL (NIL)	NIL (NIL)

- 3.10 Overdue amount include Financial Assets including Other Current Assets Nil ((previous year Nil)
- 3.11 The accumulated losses of the Company having exceeded its net worth, based on the audited accounts for the period ended September 30, 2014, the Company, accordingly, filed a Reference with the Hon'ble Board for Industrial and Financial Reconstruction, in terms of its statutory obligation under section 15 of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). The Company's Reference was registered on April 10, 2015. SICA has since been repealed with effect from December 01, 2016 and the Reference of the Company stood abated.
The Company's eroded net worth is likely to substantially improve on complete implementation of the proposed debt restructuring and negotiated settlement payment plan of the Company, which is under discussions with the majority lenders.
In view of proposed business and debt restructuring plan of the Company, the present business scenario, and expected cash flow in future period as assessed by the Management, the accounts of the Company have been prepared on 'Going Concern' basis.
- 3.12 Balances of certain Trade Receivables (including overseas overdue trade receivables as stated in note no. 3.8), Bank Balances including other bank balances, Trade Payables, Secured Borrowings, Other Financial Liabilities and Financial Assets including other current assets are in process of confirmation/ reconciliation. Contingent liabilities (read with note no. 3.1) are as as certified by the management. The management is of the opinion that adjustment, if any, arising out of such reconciliation and confirmation would not be material. Further, necessary steps have been initiated to further strengthen system of internal controls in this regard.
- 3.13 **Employees Benefits:**

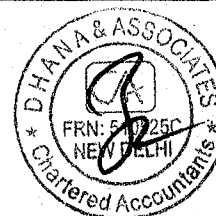
a) Defined Contribution Plan:

Contribution to Defined Contribution Plan, i.e. contribution to provident fund amounting to Rs. 59.58 Lakhs (Previous year Rs. 89.73 Lakhs) has been recognized as expense for the period under sub-head 'Contributions to Provident and other Funds' and under head 'Employee Benefit Expenses' of the Statement of Profit and Loss.

b) Defined Benefit Plan:

The employee's gratuity fund is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2022-23	2021-22	2022-23	2021-22
I. Amount to be recognized in the Balance sheet				
Present Value of Obligation as at 31.03.2023	158.44	149.89	62.09	35.19
Fair value of plan assets as at 31.03.2023	-	-	-	-
Funded Status [surplus/(Deficit)]	158.44	(149.89)	62.09	35.19



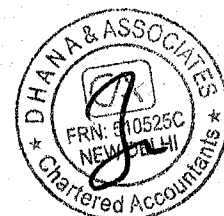
Winsome Yarns Limited**Notes to the standalone financial statements as at and for the year ended March 31, 2023.**

Net Assets/(Liability) Recognized in Balance Sheet	158.44	(149.89)	62.09	35.19
II. Expenses recognized during the period				
Current Service Cost	10	33.02	27.12	11.21
Interest Cost	-	10.33	-	2.87
Expected Return on Plan Assets	-	-	-	-
Actuarial (gain)/ loss	-	(35.44)	-	-
Net Expenses Recognized	10	40.91	27.12	(4.99)
III. Reconciliation of opening and closing balance of Defined Benefit Obligation				
Present Value of Obligation at the beginning of the period	149.89	144.42	35.19	40.17
Current Service Cost	10	33.02	27.12	11.21
Interest Cost	-	10.33	-	2.87
Actuarial (gain)/ loss on obligations	-	(35.44)	-	17.65
Benefit Paid	1.45	2.43	0.22	1.42
Present Value of Obligation as at the end of the period	158.44	149.89	62.09	35.19
IV. Actuarial / Demographic assumptions:-				
Indian Assure Lives Mortality Table	2012-14	2012-14	2012-14	2012-14
Discount rate (Per annum)	6.25%	7.50%	6.25%	7.50%
Expected Return on Plan Assets (Per annum)	8.00%	8.00%	8.00%	8.00%
Estimated rate of increase in compensation level	5.00%	5.00%	5.00%	5.00%
Retirement Age	58 Years			
Withdrawal Rate (All Ages)	10%			
Disability	No explicit allowance			
Leave Accumulation Ratio	0.58 (PY 0.58)			

- (i) The estimate of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.
- (ii) The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches with that of the liabilities.

3.14 The Company has not received full information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (Act) and hence, disclosure relating to amount unpaid as at year end together with interest paid/ payable have been given based on the information so far available with the Company/ identified by the Company's management. As required by section 22 of the above said Act, the following information is disclosed: The necessary adjustments for interest accrual shall be provided upon receipt of complete information which is under process.

S. No.	Particulars	2022-23	2021-22
a)	(i) Principal amount remaining unpaid at the end of the accounting year	80.66	81.38
	(ii) Interest due on above		



Winsome Yarns Limited**Notes to the standalone financial statements as at and for the year ended March 31, 2023.**

		71.31	56.82
b)	The amount of interest paid by the buyer alongwith amount of payment made to the supplier beyond the appointed date.	-	-
c)	The amount of interest accrued and remaining unpaid at the end of financial year	71.31	56.82
d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the period) but without adding interest specified under this act.	-	-
e)	The amount of further interest due and payable in succeeding year, until such interest is fully paid.	71.31	56.82

3.15 The Company has given interest free loan/ advances in the nature of loan, to employees, in the ordinary course of its business. No loan/ advances in the nature of loans have been given to employees/ others for the purpose of investment in securities of the Company.

3.16 (i) The Company is engaged only in one line of business namely Textile (Yarn and Knitting)

(ii) The segment revenue in geographical segments considered for disclosure is as follow:

(a) Revenue inside India includes sales to customers located within India.

(b) Revenue outside India includes sales to customers located outside India.

Information about geographical segments (by location of customers)

(Rs. In Lakhs)

S. No.	Particulars	India	Outside India	Total
(i)	External Revenue-Sale*	3085.97 (4324.76)	7.40 (22.48)	3093.37 (4347.24)
(ii)	Carrying amount of segment assets by locatlon of assets	18992.72 (22732.51)	- (88.68)	18992.72 (23821.19)

*Includes Export Incentives of Rs. Nil Lakhs (Previous Period Rs. Nil Lakhs) as part of Sales outside India.

3.17 As on March 31, 2023, the Company has net deferred tax assets (on timing difference including of carry over losses and unabsorbed depreciation). However, considering the losses incurred in recent past by the Company, deferred tax assets have been restricted to the amount of deferred tax liability for want of virtual certainty of its realisation in near future.

3.18 Related party disclosures

(A) List of "Related party & Relationship disclosures" are given below: (as identified by the management)

(a) Subsidiary Companies

(i) Winsome Yarns (Cyprus) Limited (100% Subsidiary)

(ii) Winsome Yarns FZE (Subsidiary of (i) above)

(iii) S.C. Winsome Romania s.r.l (Subsidiary of (i) above)

(iv) I.M.M. Winsome Italia s.r.l (Subsidiary of (iii) above)

(v) S.C. Textil s.r.l. (Subsidiary of (iv) above)

(b) Key management personnel and their relatives.

Shri Manish Bagrodia

Chairman and Managing Director

Shri Sanjay Sharma^

Chief Financial Officer

Ms.Neha Singhal

Company Secretary



Winsome Yarns Limited**Notes to the standalone financial statements as at and for the year ended March 31, 2023.****(c) Organizations where Key Management Personnel & their relative have significant influence**

Star Point Financial Services (Pvt.) Ltd.
 Shell Business Pvt. Ltd.
 Satyam Combines Pvt. Ltd.
 Winsome Textile Industries Limited[^]

Transactions with the Related Parties during the year ended 2022-23

(Rs. In Lakhs)

Particulars	2022-23	2021-22
Winsome Textile Industries Limited		
--Expenses incurred on our behalf	-	-
--Expenses incurred on their behalf/adjustments	-	-
--Balance Outstanding as at period end Receivable / (Payable)	-	-
Shri Manish Bagrodia (Remuneration)	-	-
Starpoint Financial Services Pvt. Ltd.		
--Rent	-	-
--Balance Outstanding as at period end Receivable / (Payable)	(48.49)	(48.49)
S.C. Winsome Romania		
--Balance Outstanding as at period end Receivable / (Payable)	7.22	7.22
IMM Winsome Italia		
--Balance Written off	-	-
--Balance Outstanding as at period end Receivable / (Payable)	149.18	149.18
Winsome Yarn (Cyprus) Ltd.		
--Receivable / (Payable)	-	20.98
Ms. Neha Singhal {Salary(From 27th June 2021)}	1.88	1.43
Shri Sanjay Sharma (Salary)	9.72	9.72

[^]Pursuant to Companies Act 2013.**3.19 (A) (i) Details of WIP:**

(Rs. In Lakhs)

Particulars	2022-23	2021-22
Mixing Material	15.92	48.56
Fleece	-	-
Winding	-	-
Garments	158.48	142.13
Total	174.40	190.69
(ii) Raw Material Consumed (Net of adjustment of waste) :-		(Rs. In Lakhs)
Particulars	2022-23	2021-22
Yarns	755.54	498.10
Others	-	10.47
Total	755.54	508.57
(iii) Total Value of Raw Materials and Stores & Spares consumed :		(Rs. In Lakhs)



Winsome Yarns Limited

Notes to the standalone financial statements as at and for the year ended March 31, 2023.

Particular	Raw Material				Stores & Spares			
	2022-23	%	2021-22	%	2022-23	%	2021-22	%
Imported	1.09	0.14	--	--	49.09	10.45	31.13	4.78
Indigenous	754.15	99.86	508.57	100.00	420.54	89.55	619.57	95.22
Total	755.24	100	508.57	100.00	469.63	100.00	650.70	100.00
Profit or loss on sale of stores/raw materials remains adjusted in their respective consumption accounts.								
(B) CIF Value of imports:				(Rs. In Lakhs)				
Particulars	2022-23				2021-22			
Spare Parts & Components	49.09				31.13			
Raw Material	1.09				-			
(C) Earnings in Foreign Exchange :				(Rs. In Lakhs)				
Particulars	2022-23				2021-22			
Exports of goods on FOB basis (excluding export through export houses)	6.89				21.73			
(D) Expenditure in Foreign currency:				(Rs. In Lakhs)				
Particulars	2022-23				2021-22			
Foreign Traveling	-				-			
Commission on sales	-				-			
Others	39.98				46.28			

3.20 Due to financial tightness and losses Company could not make due payments against various statutory dues (PF, ESIC, PWF, TDS etc.) . Penal interest and penalty in this regard (amount unascertained) if any, will be accounted for as and when the same will be paid.

3.21 (a) The Foreign Currency Exposure that are not hedged by a derivative instrument or otherwise are as follows (as certified by the management):

Particulars	Domestic Currency	Amount in Document Currency		Amount in INR (In Lakhs)		
		31.03.2023	31.03.2022	31.03.2023	31.03.2022	
Sundry Debtors	USD	5077.19	115430.14	4.01	82.6	
	EURO	-	590.55	-	.50	
Advance From Customer	USD	553975.53	804574.46	352.99	470.36	
	EURO	-	-	-	-	
Sundry Creditors	HKD	3009.40	3009.40	0.32	.30	
	Euro	24910.74	24910.74	22.26	21.29	
	USD	257002.34	317628.42	215.11	244.26	
	CHF	15250.37	15250.37	13.83	12.59	
Advance To Suppliers	EURO	84.08	32463.65	0.06	21.67	
	USD	24056.79	63389.87	19.44	42.00	
	HKD	10451	11521.21	0.91	0.97	
	GBP	488.45	488.45	0.36	0.36	
	JPY	25672	25672	0.12	0.12	
Foreign Payable	Commission	USD	-	-	-	-

(b) Forward contract taken to hedge the foreign currency receivables are outstanding as at 31/03/2023 Rs. Nil (Previous Year Rs. Nil)

3.22 Financial Statements of subsidiary Companies namely Winsome Yarns (Cyprus) Limited and Winsome Yarns FZE for the year ended 31.03.2023 is unaudited and is as certified by the management.



Winsome Yarns Limited**Notes to the standalone financial statements as at and for the year ended March 31, 2023.**

- 3.23** The Company and a decree holder compromised the claim in the execution proceedings, and for reasons of default of the decree holder and the Company the parties are renegotiating the compromise.
- 3.24** The operating losses suffered by the Company for reasons beyond control of the Company, including due to non-performance of commitments and obligations by the lenders of the Company, consequently led to financial stress being faced by the Company. The unilateral recall of borrowings by the lenders and followed by lock downs to contain the spread of pandemic of Covid-19, resulted in an alleged claim of an unpaid principal and overdue interest.

Provision for upto date interest, as calculated/estimated by the Management on secured loans and short term borrowings being Rs. 19662.06 Lakhs (Including Rs. 16782.25 Lakhs, previous year) and Rs. 104000.57 Lakhs (Including Rs. 84338.51 Lakhs, previous year) respectively has not been made in the books of account.

The claims of the lenders are disputed by the Company, and a counter claim of the Company for an amount greater than the claim of the lenders is pending adjudication before the Hon'ble Debt Recovery Tribunal, Chandigarh.

The Company's proposal for restructuring of its borrowings is under discussion/consideration with the majority lender, which is likely to be binding on all lenders of the Company [Read with Note No. 3.2 (A)(c)]. The Company will account the effect to its liability on account of debts and interest in line with the restructuring scheme upon its sanction./settlement of claim.

- 3.25** The NSE and BSE had suspended trading of the Equity shares of the company due to delay in payment of certain amounts to the NSE and BSE. The delay occurred due to a technical glitch in the banking network wherefrom the payment was initiated by the Company. The Company has represented to the Stock Exchanges for review and revocation of their decision to suspend trading.

3.26 Financial risk management**i. Financial instrument by category**

- a) Investment in equity shares of subsidiaries are measured in accordance with Ind AS 27 in its Separate financial statements as issued by "Ministry of Corporate Affairs", Government of India.
- b) For amortised cost instruments, carrying value represents the best estimate of fair value except investment in other instruments.

ii. Risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

(A) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits. Other financial assets measured at amortized cost includes loans to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensures the amounts are within defined limits.



Winsome Yarns Limited

Notes to the standalone financial statements as at and for the year ended March 31, 2023.

Credit risk management: The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

- a) Low credit risk
- b) Moderate credit risk
- c) High credit risk

Credit risk exposures: The Company's trade receivables, wherever they are substantially exceeding the credit period, may have a loss of credit inbuilt in the outstanding amount. The Company will recognise loss of credit outstanding, if any, on outcome of its efforts for recovery.

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains adequate liquidity for meeting its obligations by monitoring the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows from the operations.

(C) Market risk

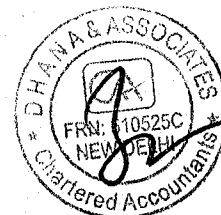
Market risk is the risk of changes in the market prices on account of foreign exchange rates, interest rates and Commodity prices, which shall affect the Company's income or the value of its holdings of its financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the returns.

a) Currency risk

The Company undertakes transactions denominated in foreign currency (mainly US Dollar and GBP), which are subject to the risk of exchange rate fluctuations. Financial assets and liabilities denominated in foreign currency, except the Company's net investments in foreign operations (with a functional currency other than Indian Rupee), are subject to reinstatement risks.

b) Interest rate risk

- i) **Assets:** The company's fixed deposits, are carried at fixed rate. Therefore, not subject to interest rate risk as defined in Ind AS 107 issued by "Ministry of Corporate Affairs, Government of India" since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.
- ii) **Liabilities:** The Company had borrowings from banking institutions, majority whereof are assigned to an Asset Reconstruction Company (ARC). The outstanding of banks and ARC is since classified as Non-Performing Loans and the Company has not recognised interest as an expenses thereon. The liability on account of interest rate will be accounted on approval and implementation of the debt settlement and repayment plan, including inter-alia, amount on account of interest rate risk.



Winsome Yarns Limited

Notes to the standalone financial statements as at and for the year ended March 31, 2023.

3.27 The Company has applied on 18th July 2020 for registration under MSME Act and the Ministry of Micro , Small and Medium Enterprises, Government of India has registered the Company as a 'Medium Enterprise' on 18/07/2020 vide its Udyam Registration number UDYAM-CH-01-0000261.

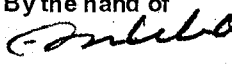
As per our report of even date

Dhana & Associates
(Formerly Khandelia & Sharma.)

Chartered Accountants

FRN: 510525C

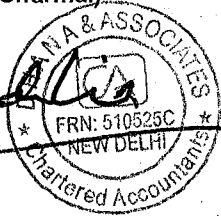
By the hand of


CA. Arun Khandelia
Partner

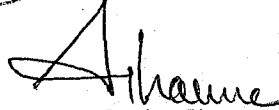
M. No. 089125
New Delhi

(Camp at Chandigarh)

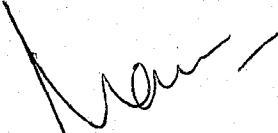
Place : Chandigarh
Date : 29 May 2023





Neha Singhal
Company Secretary


Sanjay Sharma
Chief Financial Officer

For and on behalf of Board


Manish Bagrodia
Chairman and
Managing Director
DIN 00046944


Pankaj Mahajan
Director
DIN 06994712

Winsome Yarns Limited

Notes forming part of audited standalone financial statements as at and for the year ended on March 31, 2023

4 (a) Property, plant and equipment							(Rs., Lakhs)
Particulars	Land	Buildings*	Plant & Machinery	Furniture & Fixtures*	Office equipments	Vehicles	Total
Gross carrying value							
As at April 1, 2021	341.09	8,643.25	40,063.63	369.81	130.68	44.55	49,593.01
-Additions*	-	-	-	-	-	-	-
-Disposals	-	-	-	-	-	-	-
As at March 31, 2022	341.09	8,643.25	40,063.63	369.81	130.68	44.55	49,593.01
-Additions	-	-	-	-	-	-	-
-Disposals	-	-	-	-	-	-	-
As at March 31, 2023	341.09	8,643.25	40,063.63	369.81	130.68	44.55	49,593.01
Depreciation and Impairment							
As at April 1, 2021	-	3,774.25	27,644.35	351.84	106.54	42.32	31,919.30
Depreciation charged during the year	-	256.95	1,216.19	0.75	7.61	-	1,481.50
Adjustments	-	-	-	-	-	-	-
As at March 31, 2022	-	4,031.20	28,860.54	352.59	114.15	42.32	33,400.80
Depreciation charged during the year	-	255.46	1,119.99	0.26	6.80	-	1,382.50
Adjustments	-	-	-	-	-	-	-
As at March 31, 2023	-	4,286.66	29,980.53	352.85	120.95	42.32	34,783.31
Net Book Value							
As at March 31, 2023	341.09	4,356.59	10,083.10	16.97	9.73	2.23	14,809.71
As at March 31, 2022	341.09	4,612.05	11,203.09	17.22	16.53	2.23	16,192.21
As at April 1, 2021	341.09	4,869.00	12,419.28	17.97	24.14	2.23	17,673.71

Winsome Yarns Limited

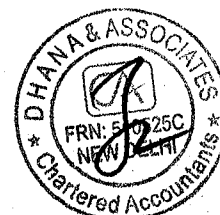
Notes forming part of audited standalone financial statements as at and for the year ended on March 31, 2023

4(b) Other Intangible Assets			(Rs., Lakhs)
Particulars	Specialized Software	Total	
Gross carrying value			
As at April 1, 2022	94.08	94.08	
-Additions	-	-	
-Disposals	-	-	
As at March 31, 2023	94.08	94.08	
-Additions	-	-	
-Disposals	-	-	
As at March 31, 2023	94.08	94.08	
Depreciation and impairment			
As at April 1, 2022	76.63	76.63	
Depreciation charged during the year	4.81	4.81	
-Disposals	-	-	
As at March 31, 2023	81.44	81.44	
Depreciation charged during the year	4.81	4.81	
Adjustments	-	-	
As at March 31, 2023	86.25	86.25	
Net Book Value			
As at March 31, 2023	7.83	7.83	
As at March 31, 2022	12.64	12.64	
As at April 1, 2022	17.45	17.45	

*Building and Furniture & Fixtures includes capital expenditure incurred on assets not owned by the Company of Rs.41.18 Lakhs (Gross) and Rs.56.94 Lakhs (Gross) (Previous year: Rs.41.18 Lakhs and Rs.56.94 Lakhs) respectively, and Nil and Rs.2.85 Lakhs (Previous year: Nil and Rs. 2.85 Lakhs) respectively.

Notes:

- The Company's land at Derabassi, Punjab comprises a common passage (Passage Land), which is used by the owner of adjoining land as there is no direct access road available to him. The said owner of adjoining land filed an application in the Court of Additional Civil Judge, Dera Bassi, Punjab, under order 39 Rule 1 and 2 read with section 151 of CPC, 1908, seeking amongst others, restraint against the Company from selling or transferring or in any manner dealing with the Passage Land or causing any restriction on the use of Passage Land.
- (i)
- (ii) Certain employees of the Company, who are paying rent and maintenance charges to the Company for use of residential quarters occupied by them at the spinning mill of the Company situated at Village Kuranwala, Barwala Road, Dera Bassi, Punjab and knitwear unit of the Company situated at Plot No. B-58, Phase VII, Industrial Area, SAS Nagar, Mohali, Punjab obtained permanent injunction from the Hon'ble Civil Judge (Junior Division), Dera Bassi, Punjab and the Hon'ble Court of Civil Judge (Junior Division), SAS Nagar, Mohali vide order dated 05.08.2017 and 13.10.2017 respectively, against the Company from dispossessing them from the residential quarters located in the premise of the Company at Village Kuranwala, Barwala Road, Dera Bassi, Punjab and Plot No. B-58, Phase VII, Industrial Area, SAS Nagar, Mohali, Punjab and further stopping the ingress and egress of their vehicles and evicting them forcibly from the said residential quarters only till their employment continues with the Company.
- (iii) A tenant having shop situated in the spinning mill complex of the Company situated at Village Kuranwala, Barwala Road, Dera Bassi, Punjab, paying rent to the Company, obtained permanent injunction from the Hon'ble Court of Civil Judge (Junior Division), Dera Bassi, Punjab vide order dated August 12, 2015 against the Company from interfering in the peaceful possession of the tenant and further restrained the Company from dispossessing the tenant otherwise than in due course of law from the aforesaid shop.



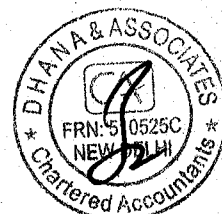
Winsome Yarns Limited

Notes forming part of audited standalone financial statements as at and for the year ended on March 31, 2023

Particulars	March 31, 2023	March 31, 2022	
5 Investments			
<i>In equity shares of subsidiary company</i>			
Winsome Yarns (Cyprus) Limited	446.25	446.25	
1,01,710 (March 31, 2021: 1,01,710)			
equity shares of 1 Euro (March 31, 2021) each			
Less: Provision for Diminution in value of Investment	446.25	446.25	
<i>In preference shares of subsidiary company</i>			
Winsome Yarns (Cyprus) Limited	1,071.00	1,071.00	
1,80,000 (March 31, 2021: 1,80,000)			
equity shares of 1 Euro (March 31, 2021) each			
Less: Provision for Diminution in Investment (Refer Note No. 3.7)	1,071.00	1,071.00	
Aggregate amount of unquoted investments	1,517.25	1,517.25	
Aggregate amount of Diminution in value of investments	1,517.25	1,517.25	
6 Loans			
Unsecured, considered good			
Security deposits			
Non- Current			
7 Deferred tax assets (net)			
Particulars	March 31, 2023	March 31, 2022	Charged to Statement of Profit and Loss for the year ended March 31, 2023
i) Deferred tax asset (DTA)			
MAT credit entitlement	-	-	-
DTA on accumulated losses (to the extent of DTL)	(2,735.78)	(2,936.97)	(201.20)
	(2,735.78)	(2,936.97)	(201.20)
ii) Deferred tax liabilities (On Property, plant and equipment)	(2,735.78)	(2,936.97)	(201.20)
	(2,735.78)	(2,936.97)	(201.20)
Net deferred tax assets/(liabilities) (i-ii) [Refer Note No. 3.17]			
		March 31, 2023	March 31, 2022
8 Other non current assets			
Unsecured, Considered Good Capital advance		250.00	250.00
Unsecured, Considered Good Advance other than capital advance			
Prepaid expense		-	-
Security deposit with Government		230.23	230.23
Security deposit - Others		39.22	39.22
Advance against leasing		225.36	228.67
Advance against restructuring		2,268.50	2,268.50
		3,013.31	3,016.62
Unsecured, Considered Doubtful capital advance		250.00	250.00
		2,763.31	2,766.62
9 Inventories			
Production supplies		72.08	222.55
Stores and spares		87.86	179.59
Work in progress		174.40	190.69
Finished goods*		216.07	611.00
Waste		2.68	18.35
		553.07	1,222.17
*Includes in transit Nil (Previous Year Rs Nil)			
10 Investments			
Investment in Money Market			
Value of investment USD 4619980 in Aries Money Market Fund (Refer Note No. 3.3)		2,568.41	2,568.41
		2,568.41	2,568.41
11 Trade receivables			
Unsecured, considered good		293.06	1,381.79
Unsecured, Considered Doubtful		10,329.91	10,329.91
		10,622.98	11,711.71
Less: Allowances for Credit impaired/ Losses		10,329.91	10,329.91
Total Trade Receivable		293.07	1,381.80

Trade Receivables Ageing Schedule as on March 31, 2023

Particulars	Outstanding for following periods from Due Date of Payment						Total
	Not Due	Less than 6 Months	6Months- 1 Year	1-2 Year	2-3 Year	More than 3 Years	
(1) Undisputed Trade Receivables							
- Considered Good	40.12	60.61	0.31	0.66	89.68	101.68	293.06
-Which have significant increase in Credit Risk	-	-	-	-	-	-	-
-Credit Impaired	-	-	-	-	-	-	-
(2) Disputed Trade Receivables							
- Considered Good	-	-	-	-	-	-	-
-Credit Risk	-	-	-	-	-	-	-
-Credit Impaired	-	-	-	-	-	10,329.94	10,329.94
Trade Receivables Ageing Schedules as on March 31, 2022							
(1) Undisputed Trade Receivables							
- Considered Good	-	332.56	0.00	128.98	632.26	288.00	1,381.80
-Credit Risk	-	-	-	-	-	-	-
-Credit Impaired	-	-	-	-	-	-	-
(2) Disputed Trade Receivables							
- Considered Good	-	-	-	-	-	-	-
-Credit Risk	-	-	-	-	-	-	-
-Credit Impaired	-	-	-	-	-	10,329.94	10,329.94



12 Cash and cash equivalents

Balances with banks in current accounts	107.74	120.60
Cash in hand	0.01	0.01
	<u>107.75</u>	<u>120.61</u>

Winsome Yarns Limited

Notes forming part of audited standalone financial statements as at and for the year ended on March 31, 2023

Particulars	March 31, 2023	March 31, 2022
13 Other bank balances		
Earmarked balance		
- On Margin money account	0.00	0.00
- On Fixed deposits account*	30.66	31.66
	<u>30.66</u>	<u>31.66</u>
*Lodged with banks as margin money and include fixed deposits with maturity of more than 3 months.		
14 Other financial assets		
Interest subsidy receivable (Under TUFS)	899.05	899.05
Interest accrued but not due	3.47	3.47
Other loan	250.44	223.95
	<u>1,152.96</u>	<u>1,126.46</u>
Less : Allowance for doubtful Refunds/Claims receivables/Credit Impaired	<u>1,152.96</u>	<u>1,126.46</u>
	-	-
15 Current tax assets		
Advance income tax including TDS	104.71	152.20
	<u>104.71</u>	<u>152.20</u>
16 Other current assets		
Unsecured, Considered Good Refunds/Claims receivables	179.56	215.27
Unsecured, Considered Doubtful Refunds/Claims receivables	50.03	50.03
	<u>229.59</u>	<u>265.31</u>
Less : Allowance for doubtful Refunds/Claims receivables/Credit Impaired	<u>50.03</u>	<u>50.03</u>
	179.56	215.27
Unsecured, Considered Good		
Prepaid expenses	22.65	16.56
Balance with Government Authority	86.75	80.68
Export incentive receivable	42.06	42.06
Advance against leasing	3.31	3.31
Advances to suppliers	102.15	773.24
	<u>258.92</u>	<u>915.85</u>
Less : Allowance for doubtful Refunds/Claims receivables/Credit Impaired	<u>11.14</u>	<u>37.63</u>
	247.78	878.22
	<u>427.34</u>	<u>1,093.50</u>
17 Equity Share Capital		
Authorized Share Capital		
8,50,00,000 (March 31, 2020: 8,50,00,000)		
equity shares of Rs.10 (March 31, 2020) each	8,500.00	8,500.00
	<u>8,500.00</u>	<u>8,500.00</u>
Issued Share Capital		
7,10,86,829 (March 31, 2020: 7,10,86,829)		
equity shares of Rs.10 (March 31, 2020: Rs.10) each	7,108.68	7,108.68
	<u>7,108.68</u>	<u>7,108.68</u>
Subscribed and paid up Capital		
7,07,07,229 (March 31, 2020: 7,07,07,229)		
equity shares of Rs.10 (March 31, 2020: Rs.10) each fully paid up	7,070.72	7,070.72
	<u>7,070.72</u>	<u>7,070.72</u>

Notes:

a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:

Particulars	March 31, 2023		March 31, 2022		s. in
	Number	Rs. in Lakhs	Number	Rs. in Lakhs	
Outstanding at the beginning of the year	70707229	7070.72	70707229	7070.72	
Outstanding at the end of the period/year	70707229	7070.72	70707229	7070.72	

b) Terms/rights attached to equity shares

The Company has only one class of Equity Shares having face value of Rs. 10/- each (Previous Year Rs. 10/- each) in its issued, subscribed and paid up equity share capital. Each shareholder is entitled to one vote per share. Each shareholder has the right in profit/surplus in proportion to amount paid up with respect to share holding [Read with Note No. 3.3(b)].

In the event of winding up, the equity shareholders will be entitled to receive the remaining balance of assets, if any, in proportionate to their individual shareholding in the paid up equity capital of the Company.

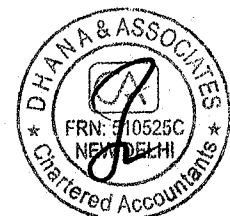
c) Details of equity shares held by shareholders holding more than 5% shares in the Company:

Particulars	March 31, 2023		March 31, 2021		s. in
	Number	% holding	Number	% holding	
i) Shell Business (P) Ltd	21412414	30.28	21412414	30.28	
ii) Satyam Combines (P) Ltd	5765073	8.15	5765073	8.15	
iii) Aspire Emerging Funds	6355403	8.99	6355403	8.99	

d) No bonus issue, buy back of shares and issue of shares other than cash in last five years.

18 Deferred Grant Income

Non current		
Unamortized grant	69.06	69.06
	<u>69.06</u>	<u>69.06</u>
Current		
Unamortized grant	9.23	9.23
	<u>9.23</u>	<u>9.23</u>



Winsome Yarns Limited

Notes forming part of audited standalone financial statements as at and for the year ended on March 31, 2023

Particulars	March 31, 2023	March 31, 2022
19 Provisions		
Non current		
Provision for employee benefit		
Gratuity	144.20	127.69
Leave encashment	49.59	30.65
	<u>193.79</u>	<u>158.34</u>
Current		
Provision for employee benefit		
Gratuity	14.24	22.20
Leave encashment	12.50	4.54
	<u>26.74</u>	<u>26.74</u>
20 Borrowings		
Secured		
Loan payable on demand		
to Banks	8,146.04	8,146.04
to EARC	47,071.07	47,071.07
Working capital term loan	440.52	440.52
	<u>55,657.63</u>	<u>55,657.63</u>

a) Loan repayable on demand consists of term loans and working capital facilities, which is secured by mortgage of immovable properties situated at (i) Village- Kurawala, Tehsil- Derabassi, Distt. Mohali (Punjab), (ii) Plot No. B-58, Industrial Area, Phase - VII, Mohali (Punjab), and (iii) Hydro Project situated at Ludhiana. It is further secured by hypothecation of Company's all movable properties including moveable plant and machinery, spares, tools and accessories, both present and future along with charge on current assets of the Company in respect of working capital facilities. The mortgage and charge shall rank pari-passu 'inter se' between banks.

b) Six banks have assigned and transferred the total debts of Rs. 47071.07 Lakhs due from the Company along with the underlying rights, titles and interests in financial assistances granted to the Company to Edelweiss Asset Reconstruction Company Limited (EARC) during the financial year 2015-16 (Canara Bank: Rs.12782.66 Lakhs, State Bank of Patiala: Rs.9,789.44 Lakhs, Punjab National Bank: Rs.14813.88 Lakhs, UCO Bank: Rs.4244.62 Lakhs, Dena Bank: Rs.3973.01 Lakhs, Union Bank of India: Rs.1467.46 Lakhs).

c) The total debts of the Company were recalled by lending banks and accordingly, the Company has classified the same as borrowings under current liabilities. However, the Company's proposal for restructuring of its debts with majority lender is under consideration; upon approval thereof, the outstanding amount of borrowings shall be classified and presented in the financial statements.

d) Working Capital Term Loans of Rs.440.52 Lakhs (P.Y. 440.52 Lakhs) (As per CDR terms) are secured by way of first pari-passu charge on fixed assets and second pari-passu charge on current assets. Since, the same had been recalled by banks, they has been classified under current liabilities.

e) All the aforesaid credit facilities mentioned here in above are also guaranteed by two directors of the Company and by Pledge of Shares of the Company held by the Promoter Group read with Note no 3.2(A)(a).

21 Trade payables

Total outstanding dues of Micro and small enterprises*

80.66 81.39

Total outstanding dues of creditors other than Micro and small enterprises

3,371.03 3,664.18

*Refer Note No. 3.14

3,451.69 3,745.57
Trade Payables Ageing Schedule as on March 31, 2023

Particulars	Outstanding for following periods from Due Date of Payment					Total
	Not Due	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Years	
(i) MSME	1.28	33.01	5.46	5.43	35.47	80.65
(ii) Others	293.52	334.76	48.62	116.53	2,577.60	3,371.03
(iii) Disputed dues -MSME	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-

Trade Payables Ageing Schedule as on March 31, 2022

(i) MSME	13.62	20.71	7.20	36.65	3.21	81.39
(ii) Others	250.12	384.26	121.23	1,381.27	1,527.30	3,664.18
(iii) Disputed dues -MSME	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-

22 Other financial liabilities

Interest accrued and due on borrowings

1,052.85 1,052.85

Book overdraft

18.75 66.49

Revenue received in advance

404.00 536.02

Other payables

Capital payables (Refer Note No. 3.14)

7.50 7.50

Others

1,472.02 2,134.59

2,955.12 3,797.45
23 Other current liabilities

Statutory dues and taxes

199.90 333.26

199.90 333.26
24 Revenue from operations
Sale of products

- Yarns*

0.03 53.58

- Knitwear*

1,511.38 1,388.96

- Trading sale - Yarns

- -

1,511.41 1,442.54

(A)

Sale of services

Yarns - Job work charges**

1,376.80 2,542.04

Knitted - Job work charges**

30.46 10.32

1,407.27 2,552.36

(B)

**The company has entered into job work agreement with M/S Bharti Syntex Ltd. they will supply Raw material (cotton & Other Fibres) for job work required for manufacturing of yarn of accepted standard quality. They will have lien on stocks of Raw Material/ Work in Progress/ Finished goods being manufactured from the Raw Materials supplied by them with rights of constructive pledge available to them in respect of materials.

Other operating revenue

- Waste sales

172.48 349.58

- Sale of scraps

2.22 2.76

174.69 352.34

(C)

Net Revenue from operations
(A+B+C)
3,093.37 4,347.24

*includes duty drawback & DEPB of Rs Nil (P.Y 65.12 Lakhs)

