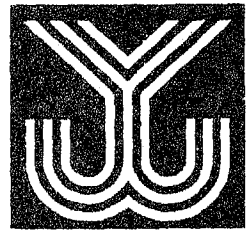


Winsome Yarns Limited

Regd. Office : SCO # 191-192, Sector 34-A,
Chandigarh - 160 022 INDIA
CIN : L17115CH 1990PLC010566
Phones : +91-172-2603966, 4612000, 4613000
Fax : +91-172-4614000
Website : www.winsomegroup.com



WYL/SECT/
14.08.2015

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

Fax No. 022-22722061, 22722037, 22722039
Script Code : 514348

National Stock Exchange of India Ltd
Listing Department
"Exchange Plaza" Bandra-Kurla Complex
Bandra (E), **MUMBAI - 400051**

Fax No. 022-26598237, 26598238, 26598348
Script Code : WINSOME

Sub : Outcome of Board Meeting held on 14.08.2015.

Dear Sir/Madam,

This is to inform you that the Board of Directors in their meeting held on 14.08.2015 have approved the Unaudited Financial Results of the Company for the quarter ended 30.06.2015.

In this Connection, please find enclosed herewith Unaudited Financial Results of the Company for the quarter ended 30.06.2015 along with Limited Review Report of the Auditors.

This is for your information and records please.

Thanking you,

Yours faithfully,
For WINSOME YARNS LIMITED

(K. V. SINGHAL)
GM (Legal) & Company Secretary
Mobile No. 09914030030
Email : kvsinghal@winsomegroup.com, cshare@winsomegroup.com

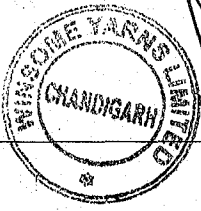
Encl : as above.



Works : Village Kurawala, Barwala Road, Derabassi-140507, Distt. Mohali (Pb.) Phones : 01762-280236, 280936, 280638 Fax : 01762-280237
Ludhiana : Office No. 3, MD Complex, Near Samrala Chowk, Ludhiana - 141008, e-mail : ludhiana@winsomegroup.com
Delhi : # 3, Ground Floor, Rajendra Bhawan, Rajendra Place, New Delhi - 110 008, e-mail : delhi@winsomegroup.com
Tirupur : D, No. 3 (1) / 4 A, Mullai Nagar, Karumaramplayam, Mannarai, Tirupur- 641607, e-mail : tirupur@winsomegroup.com

WINSOME YARNS LIMITED				
Regd. Office: SCO # 191-192, Sector 34-A, Chandigarh - 160022				
CIN : L17115CH1990PLC010566, Email – cshare@winsomegroup.com, Website – www.winsomegroup.com				
UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED ON 30TH JUNE 2015				
PART-I	Rs.in lacs			
Sr. No.	Particulars	Unaudited		Audited
		Quarter Ended		6 Months Ended
		30.06.2015	31.03.2015	30.06.2014
		31.03.2015	30.06.2014	31.03.2015
1	Income from operations			
	(a) Net Sales/Income from operations(Net of Excise Duty)	9280	8451	8086
	(b) Other Operating Income	775	828	508
	Total Income from operations (Net)	10055	9279	8594
2	Expenses			
	(a) Cost of Material consumed	6862	7323	5814
	(b) Purchase of stock-in-trade	-	-	12
	(c) Changes in Inventories of finished goods, Work in progress & stock in trade	230	573	721
	(d) Employee Benefit expense	725	611	643
	(e) Depreciation & Amortisation expenses	431	512	546
	(f) Power & Fuel(net)	1148	1195	913
	(g) Other expenses	1095	1323	954
	Total Expenses	10,491	11,537	9,603
3	Profit/(Loss) from Operations before other Income, Finance cost & Exceptional Items(1-2)	(436)	(2,258)	(1,009)
4	Other Income	50	19	24
5	Profit/(Loss) from ordinary activities before Finance cost & Exceptional Items (3+4)	(386)	(2,239)	(985)
6	Finance cost	18	(1,197)	1482
7	Profit/(Loss) from ordinary activities after finance cost but before Exceptional Items (5-6)	(404)	(1,042)	(2,467)
8	Exceptional Items	-	-	-
9	Profit/(Loss) from Ordinary Activities before Tax (7-8)	(404)	(1,042)	(2,467)
10	Tax Expense	-	-	-
	- Current Tax	-	-	-
	- Deferred Tax Liability/(Asset)	-	-	-
11	Net Profit/(Loss) from ordinary activities after tax (9-10)	(404)	(1,042)	(2,467)
12	Extraordinary items	-	-	-
13	Net Profit/(Loss) for the period (11-12)	(404)	(1,042)	(2,467)
14	Paid - up Equity Capital (Face Value – Rs. 10/- each)	7,071	7,071	7,071
15	Reserves excluding Revaluation Reserve as per Balance Sheet of previous accounting year			(14,147)
16	Earnings Per Share of Rs 10/- each (Not Annualised)			
	- Basic & Diluted (Rs.)	(0.57)	(1.47)	(3.49)
				(6.61)
PART II				
A PARTICULARS OF SHAREHOLDING				
1	Public shareholding (Rs.10/- each)			
	- No. of Shares	43,367,620	43,367,620	43,367,620
	- Percentage of Shareholding	61.33%	61.33%	61.33%
2	Promoters and promoter group Shareholding (Rs.10/- each)			
	a) Pledged/Encumbered			
	- Number of Shares	25,979,609	25,979,609	25,979,609
	- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	95.03%	95.03%	95.03%
	- Percentage of Shares (as a % of the total share capital of the Company)	36.74%	36.74%	36.74%
	b) Non-encumbered			
	- Number of Shares	1,360,000	1,360,000	1,360,000
	- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	4.97%	4.97%	4.97%
	- Percentage of Shares (as a % of the total share capital of the Company)	1.93%	1.93%	1.93%
	PARTICULARS	3 Months ended 30.06.2015		
B	INVESTOR COMPLAINTS			
	Pending at the beginning of the quarter	Nil		
	Received during the quarter	5		
	Disposed during the quarter	5		
	Remaining unresolved at the end of the quarter	Nil		



Notes:	
1	The above results have been reviewed by the Audit committee and approved by the Board of Directors in their meeting held on 14th August, 2015.
2	The company is only in one line of business namely Textiles (Yarn, Knitwear & related revenue).
3	As per Audited financial Statements as at 30 th September 2014, the accumulated losses of the Company have exceeded its entire net worth and the Company has become a Sick Industrial Company under section 3(1)(o) of the Sick Industrial Companies (Special Provisions) 1985(SICA). The Board of Directors of the Company had sufficient reasons to form an opinion that the Company had become a Sick Industrial Company, on the basis of unaudited financial statements for the period ended June 30, 2014 and accordingly a Reference was filed with Board for Industrial and Financial Reconstruction(BIFR) under section 15(1) of the SICA on October 16, 2014 and company has been registered with the BIFR as case no 52/2015.
4	Auditors remarks on the accounts for the year ended 31 st Mar.2015 (a) Regarding pending confirmation/reconciliation of balances of certain receivables (including overseas overdue receivables), bank balances, payables (including associate company),secured loans, contingent and other liabilities, loans and advances- impact unascertainable).: Management response : these accounts are in process of confirmation/reconciliation. The Management is of the opinion that adjustment, if any ; arising out of such reconciliation would not be material.(b) Regarding non provision against certain overdue receivables and loan & advances.; Management response ; the management has already initiated necessary steps for the recovery/ reconciliation of the same .(c) Regarding accounting of consumption of Raw Material and Stores & Spares as balancing figure And valuation of inventories is as taken valued and certified by the management (Impact unascertainable).:Management response : Accounting is being done as per past practice, however, Company is in process to further strengthen the system.(d) non-provision against impairment (as per AS-28) in value of assets of Knitwear unit(CGU)and [Impact unascertainable: Management response : The Company will reassess the value of CGU and the resulting impairment loss on sanction by the lenders of corrective Action Plan or Reworking of its Debts, and adjustment of impairment and lenders liability, if any, will be accounted in books of account of the company concurrently therewith.(e) regarding non-provision for penal interest and penalty; Management response:read with note no.7 as stated below. (f) Regarding pending receipt of part money of GDR; Management response : Read with note no.5 as stated below. (g) regarding non-provision for interest and penalty on statutory dues :Management response : the same will be provided / accounted for as and when paid.(h) Pending appointment of independent Director:Management response :Company is in process to appoint an independent director.(i) Managerial Remuneration: Management response : The Company has made an application before the central govt.and necessary approvals in this respect are awaited.(j) Compliance of CDR : Management response:The company account has already exited from CDR on November 20,2014.(j)Regarding Written off/ Written back and adjustment/set off of receivable/ payables pending necessary approval :Management response ; the company is in process of obtaining necessary approvals from AD/RBI.
5	An amount of USD 60,49,664(balance against GDR issue of 19,94,125 nos. made in financial year 2010-11,entitling 19,94,12,500 fully paid up equity shares of Re.1/- each at Rs.2.97 per share including premium) (now 1,99,41,250 fully paid up equity shares of Rs.10/- each at Rs.29.70 including premium on account of consolidation) is invested in money market fund outside India. The balance issue proceeds of Rs.2679.34 lacs are pending to be utilised, since not been called.The GDR which was earlier listed with Luxembourg Stock exchange has been delisted.
6	The figures of the quarter ended 31 st March 2015 , are the balancing figures between audited figures of six months ended 31 st March 2015 and unaudited published figures for the quarter ended 31 st Dec.2014.
7	Due to continuous losses and financial tightness, the company has not been able to fully pay due installments & interest of term loan on due dates & certain overdue amount is continuing/ unpaid till date (as detailed in note no.5.6 of audited financial statement for the period ended 31 st March 2015). Interest on term loans and working capital including overdue amount, penal interest etc. (amount unascertainable) has not been provided and as the same will be provided / accounted for as and when paid/settled as the company is in process of discussion/ applying for getting loans to be restructured by the lenders.
8	Previous periods/quarters figures have been regrouped and/or re-arranged wherever necessary to make their classification comparable with current period.
9	Provision for deferred tax, if any, will be made at year end.
10	The above results have been limited reviewed by the statutory Auditors.
Place: Chandigarh Date : 14th Aug.2015 For and on behalf of Board of Directors  Manish Bagrodia Managing Director DIN No.00046944	

Telephone no. 01724612000

Fax No. 01724614000

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

Subject: Limited Review Report for the Quarter ended 30th June 2015

1. We have reviewed the accompanying statement of unaudited financial results ("the statement") of Winsome Yarns Limited ("the Company") for the quarter ended 30th June, 2015 being submitted by the Company pursuant to requirements of Clause 41 of the Listing Agreement with the Stock Exchange except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. Basis for Qualified Conclusion:

Attention is invited to following:-

- i. *In view of the accumulated losses {also to be read with para (ix) under the head 'Basis for Qualified Opinion', of Our Audit Report for the period ended 31.03.2015 and Note No. 2.12(b) of Audited Accounts as on that date}, the net worth of the Company become negative. Accounts have been prepared, by the management on going concern basis considering the future business plans and expected cash flows. In the event of the same not being held to be a going concern and various assets and liabilities being consequently required to be adjusted with respect to their realizable value, the impact thereof has not been ascertained and therefore cannot be commented upon by us [This to be read together with accounting policy- Note No. 1.1 of Audited Financial Statements for the six months period ended 31.03.2015 and Note No. 3 of accompanying Statement]. We have also qualified our opinion for the period ended 31st March 2015 on same matter.*
- ii. *Regarding non provisioning of Interest Expenses of Rs. 4997.00 Lacs (Rs. 3273.37 Lacs for the period ended 31.03.2015), penal interest, penalty etc. (amount unascertainable). [This to be read with note no. 2.25 of Audited Financial Statements for the period ended 31.03.2015 and Note No. 4(e) & 7 of accompanying Statement]. We have also qualified our opinion for the period ended 31st March 2015 on the same matter.*



- iii. **Regarding Written Off /Written Back and Adjustment/Set Off of payment of receivables/payables from/to overseas parties/suppliers which is pending necessary approval [This to be read with note no. 2.8(c), 2.8(d) and 2.26 of Audited Financial Statements for the period ended 31.03.2015 and Note No. 4(k) of accompanying Statement]. We have also qualified our opinion for the period ended 31st March 2015 on the same matter.**
- iv. **Regarding Non-compliance of conditions with respect to physical verification of fixed assets and as advised not to maintain bank accounts outside consortium parties (Bankers etc.) as directed by the CDR-MC attention is drawn and the impact on the state of affairs on exiting from CDR by Banks. [This to be read with note no. 2.22(A)(iv) (b) and 2.22 (A) (v) {read together note no. 2.2(A)(iii)} of Audited Financial Statements for the period ended 31.03.2015 and Note No. 4(j) of accompanying Statement]. We have also qualified our opinion for the period ended 31st March 2015 on the same matter.**
- v. **Regarding pending confirmation / reconciliation of balances of certain receivables, (including overseas overdue receivables as stated in note no.2.8 of Audited Financial Statements for the period ended 31.03.2015) bank balances, payables (including of an Associate Company), secured loans, other liabilities, loans and advances etc; and contingent liability being considered as certified by the management in the absence of full detail, in this respect impact is unascertainable and cannot be commented upon by us. In our view read with said note internal control needs to be further strengthened. [This to be read with note no. 2.14 of Audited Financial Statements for the period ended 31.03.2015 and Note No. 4(a) of accompanying Statement]. We have also qualified our opinion for the period ended 31st March 2015 and quarter ended 30.06.2014 on the same matter.**
- vi. **Regarding non-provision against receivables (including of oversea overdue debtors of amounting to Rs. 6723.45 lacs (Rs. 6908.79 Lacs as at 31st March 2015 and Rs. 6801.26 Lacs as at 30th June 2014) [including accounting of exchange fluctuation of Rs. 897.61 lacs (Rs. 897.41 Lacs as at 31st March 2015 and Rs. 655.95 lacs as at 30th June 2014)] and loans and advances of Rs. 10740.47.lacs (Rs. 10377.68 Lacs as at 31st March 2015 and Rs. 6801.26 Lacs as at 30th June 2014) and Rs.2445.05 lacs (Rs. 2599.32 lacs as at 31st March 2015 and Rs.2265.86 Lacs as at 30th June 2014) respectively. The accounting of exchange fluctuation is not in line with generally accepted accounting principles and Accounting Standards 11 (AS-11)-"The Effect of Changes in Foreign Exchange Rates".[This to be read with Note No. 2.8 (a)&(b) and Note no. 2.11 respectively of Audited Financial Statements for the period ended 31.03.2015 and Note No. 4(b) of accompanying Statement]. We have also qualified our opinion for the period ended 31st March 2015 and quarter ended 30.06.2014 on the same matter.**
- vii. **Regarding accounting of consumption of Raw Material and Stores & Spares as balancing figure and the valuation of inventories is as taken, valued and as certified by the management. [This to be read with Note No. 2.22(A)(iv)(a) to (d) of Audited Financial Statements for the period ended 31.03.2015 and Note No. 4(c) of accompanying Statement]. We have also qualified our opinion for the period ended 31st March 2015 and quarter ended 30.06.2014 on the same matter.**



- viii. The company have carried out assessment of value in use of assets [as per AS-28 (Impairment of Assets)] of knitwear unit (a CGU) by an independent professional firm, based on this estimated impairment loss is of amounting to Rs. 2237.89 lacs (net of depreciation) (Rs. 2365.58 lacs as at 31st March 2015 and Rs. 2996.00 lacs as at 30th June 2014). However, no provision against the same has been made by the company for the reason as explained in the note no. 4(d) of the accompanying statement. The Non-provision against impairment in value of above stated assets is not in line with AS-28. [This to be read with Note No. 2.5 of Audited Financial Statements for the period ended 31.03.2015]. We have also qualified our opinion for the period ended 31st March 2015 and quarter ended 30.06.2014 on the same matter.
- ix. Regarding pending receipt of part money of amounting to USD 50,72,110 (Rs. 2679.34 lacs) out of the GDR issue made by the company and as explained lying outside India [i.e. balance amount against GDR issue of 19,94,125 nos. made in financial year 2010-11, entitling 19,94,12,500 fully paid up equity shares of Re.1/- each at Rs.2.97 per share including premium (now 1,99,41,250 fully paid up equity shares of Rs.10/- each at Rs.29.70 including premium)]. In respect of realisability/receipt we are unable to comment. As explained, above stated amount is invested in money market fund outside India, pending for utilization. [This to be read with Note No. 2.3 of Audited Financial Statements for the period ended 31.03.2015 and Note No. 4(f) and 5 of accompanying Statement]. We have also qualified our opinion for the period ended 31st March 2015 and quarter ended 30.06.2014 on the same matter.
- x. Regarding non-provisions of Interest, Penalty etc. on delay/non-payment of certain statutory dues on time w.r.t. Employee State Insurance, Provident Fund, Punjab Welfare Fund, Tax Deducted at source, Tax Collected at source and Service Tax etc. (amount unascertainable) and our inability to comment the impact on the loss for the Quarter.
[This to be read with Note No. 2.23 (read with note no. 2.14) of Audited Financial Statements for the period ended 31.03.2015 and Note No. 4(g) of accompanying Statement]. We have also qualified our opinion for the period ended 31st March 2015 on the same matter.
- xi. Regarding payment of managerial remuneration of Rs. 59.28 Lacs (w.e.f. 1st July 2014) (Rs. 44.46 lacs as at 31st March 2015) is subject to necessary approval of the Central Government. [This to be read with Note No. 2.21 of Audited Financial Statements for the period ended 31.03.2015 and Note No. 4(i) of accompanying Statement]. We have also qualified our opinion for the period ended 31st March 2015 on the same matter.
- xii. Regarding pending appointment of requisite number of independent directors. [This to be read with Note No. 2.28 of Audited Financial Statements for the period ended 31.03.2015 and Note No.4(h) of accompanying Statement]. We have also qualified our opinion for the period ended 31st March 2015 on the same matter.
- xiii. In view of our comment under para (i) to (xii) above and on our comments w.r.t. the internal control system which needs to be further strengthened to be made the same commensurate with the size of the Company and the nature of its business for the purchases and consumption of inventory, booking of the expenses, set off of balances and for the sale of goods and services.



Qualified conclusion

4. Based on our review conducted as above except for the effect of our observations stated in para 3 (Basis for Qualified Conclusion) (ii), (vi), (viii) and (x) and possible effect of other stated in para 3 (i), (iii), (iv), (v), (vii), (ix), (xi), (xii) and (xiii) above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with applicable Accounting Standards specified as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rule, 2014 and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements including the manner in which it is to be disclosed, or that it contains any material misstatement. Also quantification in respect of above stated qualifications have not been disclosed in the said quarterly unaudited financial results.



Place: New Delhi
Dated: 14.08.2015

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

A handwritten signature in black ink, appearing to be "N. K. Lodha".

(N. K. Lodha)
Partner
M. No. 85155