

WYL/SECT/
13.08.2014

winsome

Yarns Limited

Regd. Office : SCO # 191-192, Sector 34-A,
Chandigarh - 160 022 INDIA
Phones : +91-172-2603966, 4612000, 4613000
Fax : +91-172-4614000
website: www.winsomegroup.com
CIN : L17115CH1990PLC010566



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 13.08.2014.

Dear Sir/Madam,

This is to inform you that the Board of Directors in their meeting held on 13.08.2014 have approved the Unaudited Financial Results of the Company for the quarter ended 30.06.2014.

Copy of the Unaudited Financial Results for quarter ended 30.06.2014 along with Limited Review Certificate of the Statutory Auditors are enclosed herewith 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



Member
The Winsome Group

Regd. Office: SCO # 191-192, Sector 34-A, Chandigarh - 160022
CIN : L17115CH1990PLC010566, Email – cshare@winsomegroup.com, Website – www.winsomegroup.com

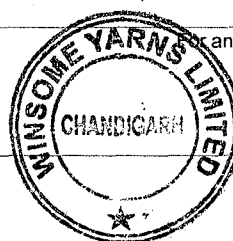
PART-I		(Rs. In lacs)					
Sr. No.	Particulars	Unaudited					Audited
		Quarter Ended			Nine Months Ended		18 Months Ended
		30.06.2014	31.03.2014	30.06.2013	30.06.2014	30.06.2013	30.09.2013
1	Income from operations						
	(a) Net Sales/Income from operations(Net of Excise Duty)	8086	11800	11593	29634	37418	73443
	(b) Other Operating Income	508	722	794	1705	1950	3353
	Total income from operations (Net)	8594	12522	12387	31339	39368	76796
2	Expenses						
	(a) Cost of Material consumed	5814	7545	7244	18896	17241	34931
	(b) Purchase of stock-in-trade	12	431	2538	1929	9916	18130
	(c) Changes in Inventories of finished goods,Work in progress & stock in trade	721	747	(1,059)	1731	(561)	(119)
	(d) Employee Benefit expense	643	719	559	1987	1774	3489
	(e) Depreciation & Amortisation expenses	546	544	548	1634	1642	3268
	(f) Power & Fuel(net)	913	1276	1072	3111	3076	5702
	(g) Other expenses	954	1500	918	3704	2984	7124
	Total Expenses	9,603	12,762	11,820	32,992	36,072	72,525
3	Profit /(Loss) from Operations before other Income, Finance cost & Exceptional Items(1-2)	(1,009)	(240)	567	(1,653)	3,296	4,271
4	Other Income	24	45	759	137	849	976
5	Profit /(Loss) from ordinary activities before Finance cost & Exceptional Items (3+4)	(985)	(195)	1,326	(1,516)	4,145	5,247
6	Finance cost	1482	1617	1399	4776	3977	8,010
7	Profit /(Loss) from ordinary activities after finance cost but before Exceptional Items (5-6)	(2,467)	(1,812)	(73)	(6,292)	168	(2,763)
8	Exceptional Items	0	0	-	944	-	3,484
9	Profit /(Loss) from Ordinary Activities before Tax (7-8)	(2,467)	(1,812)	(73)	(7,236)	168	(6,247)
10	Tax Expense						
	- Current Tax	-	-	-	-	-	-
	- Deferred Tax Liability/(Asset)	-	-	-	-	-	1,233
11	Net Profit/(Loss) from ordinary activities after tax (9-10)	(2,467)	(1,812)	(73)	(7,236)	168	(7,480)
12	Extraordinary items	-	-	-	-	-	-
13	Net Profit/(Loss) for the period (11-12)	(2,467)	(1,812)	(73)	(7,236)	168	(7,480)
14	Paid - up Equity Capital (Face Value – Rs. 10/- each)	7,071	7,071	7,071	7,071	7,071	7,071
15	Reserves excluding Revaluation Reserve as per Balance Sheet of previous accounting year	-	-	-	-	-	(2,974)
16	Earnings Per Share of Rs 10/- each (Not Annualised)						
	- Basic & Diluted (Rs.)	(3.49)	(2.56)	(0.10)	(10.23)	0.24	(10.58)
PART II							
A	PARTICULARS OF SHAREHOLDING						
1	Public shareholding (Rs.10/- each)						
	- No. of Shares	43,367,620	43,367,620	43,367,620	43,367,620	43,367,620	43,367,620
	- Percentage of Shareholding	61.33%	61.33%	61.33%	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	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%	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%	36.74%	36.74%	36.74%
b)	Non-encumbered						
	- Number of Shares	1,360,000	1,360,000	1,360,000	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%	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%	1.93%	1.93%	1.93%

PARTICULARS		3 months ended 30.06.2014
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	3
	Disposed during the quarter	3
	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 13th August, 2014 .
2	The company is only in one line of business namely Textiles (Yarn, Knitwear & related revenue) .
3	The Company's net worth as at accounting year ended 30.9.2013 (18 months) is eroded to the extent more than 50% of its peak net worth during the last 4 financial years. Accordingly the Company is a potentially sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and the Company has filed Reference before the Hon'ble Board for Industrial & Finance Reconstruction.
4	Auditors remarks on the accounts for the year ended 30 th Sept.2013(a)Regarding pending confirmation/reconciliation of balances of certain receivables (including overseas overdue receivables), payables (including associate company)- 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 in respect of commission & handling charges of Rs.944 lacs and loan & advances of Rs.828.71 lacs.; Management response : Provision for commission & handling charges receivable of Rs.944 lacs has been taken in exceptional items and for loan & advances,Provision for advance to a supplier for Rs.315.00 lacs has been taken in other expenses in previous quarter ended 31.12.2013 and for the remaining amount of Rs.513.71lacs the management has initiated necessary steps for the reconciliation of the same .(c) Regarding accounting of consumption as balancing figure And valuation of inventories is taken as and certified by the management(Impact unascertainable).:Management response : Accounting is being done as per past practice.(d) non-provision of losses on account of impairment of assets of Knitwear unit amounting to Rs.2996.00 lacs : Management response : The reports are under consideration of the Management and impairment loss will be accounted in due course as necessary.
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
6	As per terms of CDR, the company is required to pledge 100% shareholding of Promoter or Promoter Group Companies or 51% of issued capital of the company, whichever is less. The company has already pledged 100% shareholding of its promoters and promoter group except PSIDC, one of the promoter which hold 1.93% of share capital of the company, which is in process.
7	Due to losses , the company has not fully paid installments & interest of term loan on due dates & certain overdue amount is still continuing unpaid till date.The company is in process of getting all loans to be restructured by lenders, pending finalisation /approval penal interest etc(amount unascertained) have not been accounted for.
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 current and deffered tax will be made at year end.
10	The above results have been limited reviewed by the statutory Auditors.

Place: Chandigarh
Date : 13th August, 2014



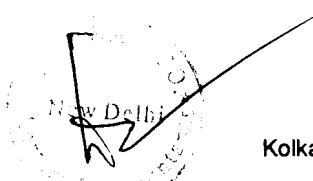
For and on behalf of Board of Directors

Manish Bagrodia
Managing Director

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

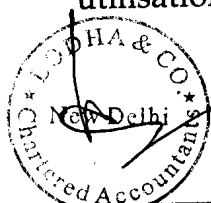
Subject: Limited Review Report for the Quarter ended 30th June 2014

1. We have reviewed the accompanying statement of unaudited financial results of Winsome Yarns Limited (the Company) for the quarter ended 30th June 2014 ("the Statement") being submitted by the Company pursuant to the requirements of Clause 41 of the Listing Agreement with the Stock Exchanges 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 of quarterly financial results has been prepared from interim financial statements which are 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. Without qualifying attention is invited to:-
 - i. In view of the accumulated losses read together with our comments under para 4 below {also to be read with para (ii) to (v) under the head 'Basis for Qualified Opinion', of Our Audit Report for the year ended 30.09.2013}, had the impact of the same been considered, 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 [note no. 2.14 (read together with accounting policy- Note No. 1.1) of Audited Financial Statements for the year ended 30.09.2013].
 - ii. Delay / default in payment of statutory dues (including excise duty, Provident Fund, Employee State Insurance etc.) and dues of Banks (Principal and interest) as stated in the note no. 7 of accompanying financial results.



4. Further Attention (on **qualification**) is invited to:

- i. Regarding pending confirmation / reconciliation of balances of certain receivables, Banks (and non-provision of penal interest etc. - amount unascertained) and payables (including of an Associate Company), in this respect impact is unascertainable and cannot be commented by us. In our view internal control needs to be further strengthened in this regard- [to be read with note no. 4(a) of accompanying financial results and note no. 2.17 of Audited Financial Statements for the year ended 30.09.2013].
- ii. Regarding non provision against certain overdue receivables in respect of loans and advances of amounting to Rs. 2265.86 lacs (as at 30th September 2013 Rs. 828.71 Lacs) [to be read with note no. 4(b) of accompanying financial results and note no. 2.11 of Audited Financial Statements for the year ended 30.09.2013].
- iii. Regarding non provision against overseas overdue debtors of amounting to Rs.6801.26 Lacs (including accounting of exchange fluctuation of Rs. 655.95 Lacs and this is to be read with note no. 2.10 of the Audited Financial Statements for the year ended 30.09.2013). The accounting of exchange fluctuation is not in line with generally accepted accounting principles and Accounting Standards 11 (AS-11).
- iv. Item-wise finished goods and raw material is subject to reconciliation and hence accounting of consumption has been done as balancing figure on overall basis, and the valuation of inventories is as taken, valued and certified by the management, the impact whereof on the result for the quarter and state of affairs not being ascertained and cannot be commented [to be read with note no. 4(c) of accompanying financial results and note no. 2.25(A)(iv)(a) to (c) of Audited Financial Statements for the year ended 30.09.2013].
- v. During the year ended 30.09.2013, the company had carried out assessment of value in use of assets of knitwear unit, by an independent professional firm, based on this impairment estimated loss is amounting to Rs. 2,996.00 Lacs. However, the company, have not accounted for this impairment loss. The Non provision against diminution in value of assets as stated above is not in line with AS-28 (Impairment of Assets) and as such to that extent assets are stated higher and loss is stated lower for the period [to be read with note no. 4(d) of accompanying financial results and note no. 2.6 of Audited Financial Statements for the year ended 30.09.2013].
- vi. Note no. 5 of accompanying financial results regarding pending receipt of remittance in India against issue of GDR as stated in the said note of Rs. 2679.34 lacs (Further as stated in our audit report for the year ended 31st March, 2011, 31st March, 2012 & 30th September 2013 balance amount out of total receipt of GDR issue, as explained to us, has not been brought to India). Further, as explained, above stated amount is invested in money market fund outside India, pending utilisation for the purposes the issue was made.



vii. In view of our comments under sub-para (i) to (vi) above and as stated in the notes no.2.10,2.12,2.17 and 2.25 of the Audited Financial Statements for the year ended 30.09.2013, internal control procedure (including for expenses accounting) needs to be further strengthened considering the nature and size of the Company.

5. Subject to para 4 above, based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India and other recognised accounting practices and policies except to the extent stated in sub-para (iii) and (v) of para 4 [under the heading (qualification)], has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: New Delhi

Dated: 13/08/2014



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