

WYL/SECT/
15.05.2014

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 15.05.2014.

Dear Sir/Madam,

This is to inform you that the Board of Directors in their meeting held on 15.05.2014 have approved the Unaudited Financial Results of the Company for the quarter ended 31.03.2014.

Copy of the Unaudited Financial results for quarter ended 31.03.2014 along with Limited Review Certificate of the Statutory Auditors is 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



WINSOME YARNS LIMITED

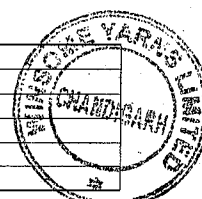
Regd. Office: SCO # 191-192, Sector 34-A, Chandigarh - 160022

CIN : L17115CH1990PLC010566, Email – cshare@winsomegroup.com, Website – www.winsomegroup.com

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER/ PERIOD ENDED ON 31ST MARCH 2014

PART-I		(Rs. In lacs)					
Sr. No.	Particulars	Unaudited				Audited	
		Quarter Ended		Six Months Ended		18 Months Ended	
		31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013	30.09.2013
1	Income from operations						
	(a) Net Sales/Income from operations (Net of Excise Duty)	11800	9748	12231	21548	26103	73443
	(b) Other Operating Income	722	475	763	1197	1156	3353
	Total Income from operations (Net)	12522	10223	12994	22745	27259	76796
2	Expenses						
	(a) Cost of Material consumed	7545	5537	5098	13082	10275	34931
	(b) Purchase of stock-in-trade	431	1486	2338	1917	7378	18130
	(c) Changes in Inventories of finished goods, Work in progress & stock in trade	747	263	850	1010	498	(119)
	(d) Employee Benefit expense	719	625	627	1344	1215	3489
	(e) Depreciation & Amortisation expenses	544	544	554	1088	1094	3268
	(f) Power & Fuel (net)	1276	922	927	2198	2004	5702
	(g) Other expenses	1500	1250	1174	2750	2449	7124
	Total Expenses	12,762	10,627	11,568	23,389	24,913	72,525
3	Profit/(Loss) from Operations before other Income, Finance cost & Exceptional Items (1-2)	(240)	(404)	1,426	(644)	2,346	4,271
4	Other Income	45	68	54	113	473	976
5	Profit/(Loss) from ordinary activities before Finance cost & Exceptional Items (3+4)	(195)	(336)	1,480	(531)	2,819	5,247
6	Finance cost	1617	1677	1297	3294	2578	8,010
7	Profit/(Loss) from ordinary activities after finance cost but before Exceptional Items (5-6)	(1,812)	(2,013)	183	(3,825)	241	(2,763)
8	Exceptional Items	-	944	-	944	-	3,484
9	Profit/(Loss) from Ordinary Activities before Tax (7-8)	(1,812)	(2,957)	183	(4,769)	241	(6,247)
10	Tax Expense						
	- Current Tax	-	-	-	-	-	-
	- Deferred Tax Liability/(Asset)	-	-	-	-	-	1,233
11	Net Profit/(Loss) from ordinary activities after tax (9-10)	(1,812)	(2,957)	183	(4,769)	241	(7,480)
12	Extraordinary items	-	-	-	-	-	-
13	Net Profit/(Loss) for the period (11-12)	(1,812)	(2,957)	183	(4,769)	241	(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.)	(2.56)	(4.18)	0.26	(6.74)	0.34	(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%

B	PARTICULARS	3 months ended 31.03.2014
	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	11
	Disposed during the quarter	11
	Remaining unresolved at the end of the quarter	Nil



WINSOME YARNS LIMITED			
Regd. Office: SCO # 191-192, Sector 34-A, Chandigarh - 160022			
		(Rs in Lacs)	
	Statement of Asset & Liability	Unaudited	Audited
	Particulars	Period Ended	Year Ended
		31.03.2014	30.09.2013
I.	EQUITY & LIABILITIES		
(1)	Shareholders' Funds		
(a)	Share Capital	7,082	7,082
(b)	Reserves & Surplus	(7,746)	(2,974)
	Sub-total- Shareholders' fund	(664)	4,108
(2)	Non- Current Liabilities		
(a)	Long Term Borrowings	18,651	19,458
(b)	Deferred Tax Liability (Net)	-	-
(c)	Long Term Provisions	159	157
	Sub-total- Non- Current Liabilities	18,810	19,615
(3)	Current Liabilities		
(a)	Short Term Borrowings	22,426	23,424
(b)	Trade Payables	15,070	13,678
(c)	Other Current Liabilities	11,102	10,523
(d)	Short Term Provisions	14	14
	Sub-total- Current Liabilities	48,612	47,639
	TOTAL-EQUITY AND LIABILITIES	66,758	71,362
II.	Assets		
(1)	Non- Current Assets		
(a)	Fixed Assets	29,796	30,884
(b)	Non Current Investment	-	-
(c)	Deferred Tax Asset (Net)	-	-
(d)	Long term loans & advances	412	369
	Sub-total- Non- Current Assets	30,208	31,253
(2)	Current Assets		
(a)	Current Investment	2,679	3,195
(b)	Inventories	13,217	14,676
(c)	Trade receivables	16,173	16,207
(d)	Cash & bank balances	651	810
(e)	Short term Loans & Advances	3,830	5,221
	Sub-total- Current Assets	36,550	40,109
	TOTAL - ASSETS	66,758	71,362
Notes:			
1	The above results have been reviewed by the Audit committee and approved by the Board of Directors In their meeting held on 15 th May, 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 net worth eroded 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 uncertainable): 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.944.33 lacs and loan & advances of Rs.828.71 lacs.; Management response ; Provision for commission & handling charges receivable of Rs.944.33 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.513.71 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 uncertainable):.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. Out of this an amount of Rs.615.32 lacs has been received during the previous quarter. The balance issue proceeds of Rs.2679.34 lacs are pending to be utilised.		
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	Previous periods/quarters figures have been regrouped and/or re-arranged wherever necessary to make their classification comparable with current period.		
8	Provision for current and deferred tax will be made at year end.		
9	The above results have been limited reviewed by the statutory Auditors.		
Place: Chandigarh		For and on behalf of Board of Directors	
Date: 15 th May, 2014		 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 31st March 2014

1. We have reviewed the accompanying statement of unaudited financial results of Winsome Yarns Limited (the Company) for the quarter ended 31st March 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. We have also reviewed statement of Asset and Liabilities of the Company as on that date. 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. 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.
 - ii. In view of the accumulated losses read together with our comments under para 4 below {also 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 can-not 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].

- iii. Delay / default in payment of statutory dues and dues of Banks (Principal and interest) and penal interest will be accounted for as and when paid.
- iv. Non compliance of conditions with respect to physical verification of fixed assets and not to maintain of Bank Accounts with other than consortium parties (Bankers etc.) as directed by the CDR-MC.

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

- i. Regarding pending confirmation / reconciliation of balances of certain receivables, Banks 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 regards [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. 1158.58 lacs (as at 30th September 2013 Rs. 828.71 Lacs) [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.6563.05 Lacs (including accounting of exchange fluctuation of Rs. 617.28 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, 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 [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 [note no. 4(d) of accompanying financial results and note no. 2.6 of Audited Financial Statements for the year ended 30.09.2013].

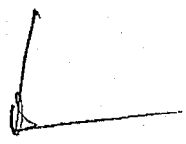


v. In view of our comments under sub-para (i) to (v.) above and as stated in the notes no. 2.10, 2.12, 2.17 and 2.25 of the Audited Financial Statements for the year ended 30.09.2013, internal control procedure needs to be further strengthened considering the nature and size of the Company.

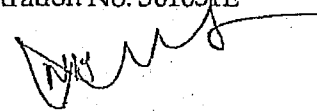
5. Subject to para 4 above, based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies 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 Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: New Delhi

Dated: 15-05-2014



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



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