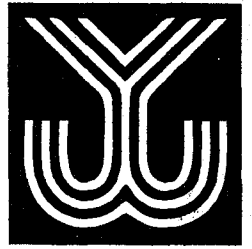


**Winsome
Yarns Limited**

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



INFORMATION

MEMORANDUM

OF

WINSOME YARNS

LIMITED

September 13, 2023



**IS/ISO
9001**



Works : Village Kurawala, Barwala Road, Derabassi-140507, Distt. Mohali (Pb.)

Tirupur : No. 2, First Floor, Mahaveer Colony, Valipalayam Main Road, Tirupur - 641601

PURPOSE OF INFORMATION MEMORANDUM:

The equity share capital of the company is listed on BSE Ltd (BSE) and National Stock Exchange of India Ltd (NSE). However due to non-compliance of Regulation 18(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for two consecutive quarters i.e., June 2019 and September 2019; BSE and NSE had suspended trading in the equity shares of the company pursuant to Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020 issued by SEBI with respect to Standard Operating Procedure (SOP) for suspension and revocation of equity shares of listed entities with effect from January 2, 2020 and have kept the trading suspended till date.

The Company has already filed an application with BSE and NSE for the Revocation of suspension of trading of the equity shares.

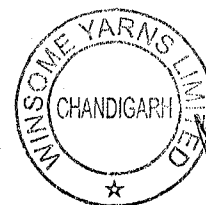
For this purpose the company is submitting this Information Memorandum, for revocation of suspension of trading of 70707229 numbers of Equity Shares listed on BSE and NSE.



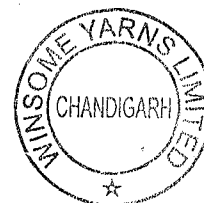
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INFORMATION MEMORANDUM

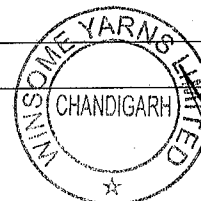
Sr. No.	Particulars			
	PART-I			
1.	Name & Address of registered office of the Company	WINSOME YARNS LIMITED SCO 191-192, SECTOR 34-A, CHANDIGARH-160022		
2.	Name & Address of corporate office of the Company	WINSOME YARNS LIMITED SCO 191-192, SECTOR 34-A, CHANDIGARH-160022		
3.	Names of regional stock exchange and other stock exchanges where listed – Years of listing and current status.	Name	Year of listing	Current Status
		BSE Limited	08.04.1994	Suspended due to penal reasons
		National Stock Exchange of India Ltd	26.03.2002	Suspended due to penal reasons
4.	Signing with Depositories- ISIN No.	The company is connected with both the depositories i.e. NSDL and CDSL, the ISIN of the company is INE784B01035		
5.	Name and contact details of compliance officer and Company Secretary	NEHA SINGHAL Email Id: cshare@winsomegroup.com		
6.	Name and address of the Registrar and Transfer Agent of the company Tel. Nos & Fax No. Email:	Link Intime (India) Pvt. Ltd. Noble Heights, 1 st Floor, Plot NH 2 C-1 Block LSC, Near Savitri Market Janakpuri, New Delhi - 110058 Tele : 011-41410592, Fax : 011-41410591 sunil.mishra@linkintime.co.in		
7.	Email id for investor grievance	cshare@winsomegroup.com		
8.	Date of suspension and Reason of suspension	02.01.2020, On account of non-compliance with Regulation 18(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for two consecutive quarters i.e., June 2019 and September 2019		



PART-II CAPITAL STRUCTURE OF THE COMPANY		
(a)	Authorised Share Capital	Rs. 85,00,00,000/- (Rupees Eighty Five Crore only)
(b)	Issued Subscribed and paid up Capital	Rs. 71,08,68,290/- (Rupees Seventy one crore eight lacs sixty eight thousand two hundred ninety only) Rs. 70,70,72,290 (Rupees Seventy crore seventy lacs seventy two thousand two hundred ninety only) (Note : 379600 equity shares of Rs. 10/- each forfeited by the Company on 25.09.2000)
(c)	Listed Capital	Rs. 70,70,72,290 (Rupees Seventy crore seventy lacs seventy two thousand two hundred ninety only)
PART-III COMPANY MANAGEMENT		
i)	History and main objects and present business of the company	The Company is a listed company incorporated in 1990 as public limited company and commenced its commercial production in April 1994. The company was promoted by Winsome Textile Industries Ltd. & Punjab State Industrial Development Corporation Ltd. The equity shares of the company have been listed on BSE since April 08, 1994 and on NSE since March 26, 2002. The Company is engaged mainly in textile business and manufacturing of cotton yarn & garments and also generating hydro power.
ii)	Group Companies/Subsidiary/ Associated Listed companies	(1) Winsome Yarns (Cyprus) Limited <i>Ceased operation, declared dissolved from 16.12.2022.</i> (2) Winsome Yarns FZE <i>Ceased operation, declared defunct from 01.04.2014.</i> (3) IMM Winsome Italia srl <i>Under Liquidation since 30.09.2008</i> (4) S.C. Winsome Romania srl <i>Under Liquidation since 26.11.2008</i> (5) S.C. Textil srl <i>Under Liquidation since 09.02.2010</i>



iii)	Name of Promoters & promoter group	1. Shri Manish Bagrodia 2. Smt. Sudha Bagrodia 3. Mrs. Vandya Bagrodia 4. Shri Ashish Bagrodia 5. Mrs. Shilpa Bagrodia 6. M/s Satyam Combines Pvt. Ltd 7. M/s Shell Business Pvt. Ltd
iv)	Name and address of Statutory Auditors	M/s Dhana and Associates Chartered Accountants 407, South-Ext. Plaza-II South Extension-2, New Delhi-110049
v)	Name and Addresses of KMP's along with their designation, DIN and PAN	(1) Shri Manish Bagrodia H. No. 351, Sector 9-D Chandigarh-160009 Chairman and Managing Director DIN:00046944 PAN: ADLPB0308A (2) Shri Sanjay Sharma Flat No.328, Motiaz Royal Fame Sector 117, Mohali, Punjab Chief Financial Officer PAN : BKWPS0602P (3) Ms. Neha Singhal 238, Chandi Ram Road, Vijay Mandi, Murad Nagar, Ghaziabad-201206 UP Company Secretary PAN: FOGPS5884M
vi)	Change, if any, in directors/management and auditors during the last one year, and reasons thereof	Mr. Pankaj Mahajan and Ms. Anupma Kashyap appointed as Additional Director in the capacity of Independent Director of the company on 22.05.2023. Further, there was no change in management and Auditor of the company during last one year.
vii)	Rights of members regarding voting, dividend, lien on shares and process for modification of such rights and forfeiture of shares	No.
viii)	Restrictions, if any on transfer and transmission of shares/debentures and on their consolidation/ splitting	No.
ix)	Revaluation of Assets, if any (during last five years)	No.
x)	Material contracts and inspection of documents—how made available?	During Business hours of the company at registered office of the Company.
xi)	No. of employee	Approx. 480

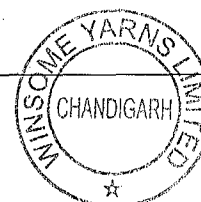


xii)	Latest Shareholding pattern	As below:
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Shareholding Pattern as on 30.06.2023.

Category	No. of Shares	Percentage
Promoters	27339609	38.67
Mutual Funds	11800	0.02
Foreign Portfolio Investors	9155403	12.95
Individual shareholding (nominal share capital upto Rs. 2 lacs).	10434392	14.76
Individual shareholding (nominal share capital excess of Rs. 2 lacs).	12216295	17.28
Trust	100	--
HUF Shareholding	1314131	1.86
NRI shareholding	454263	0.64
Unclaimed or Suspense Account	296500	0.42
Clearing Members	9790	0.01
Body Corporate shareholding	9467146	13.39
Banks	7800	0.01
TOTAL	70707229	100.00

PART-IV BUSINESS OVERVIEW		
1.	Nature of products- consumer/industrial and end-users	The Company is engaged mainly in textile business and manufacturing of cotton yarn & garments and also generating hydro power.
2	Collaboration, any performance guarantee or assistance in marketing by the collaborators	No.
3	Infrastructure facilities for raw materials and utilities like water, electricity, etc	The company has adequate infrastructure and supply facilities
4	Approach to marketing and proposed marketing set-up	The company is approaching and marketing its target customers through its markets team and network of agents and dealers.
5	Export possibilities and export obligations, if any	The Spinning unit was set up as a 100% export unit. Since its inception the export obligations have been completed. There is substantial export possibility of export of yarn and garments being manufactured by the company.
6	Future prospects	The Company's operations are active and is manufacturing yarns at its mill with a capacity of 1,10,000 spindles at Village-Kurawala, Tehsil-Derabassi, Distt. Mohali, Punjab-140507, garments at Winsome Knitwear (Prop. Winsome Yarns Ltd), Plot No. B-58, Industrial Area, Phase-VII, Mohali, Punjab-160055 and hydro power



		<p>generation at 5 Mini Hydro Projects with a total capacity of 3.9 MW at Ludhiana, Punjab is continuing. There are Approx. 480 employees currently working in the company. The products are being sold both in the domestic as well as export markets.</p> <p>In future the company expects to achieve optimal levels of capacity utilisation in all its manufacturing facilities.</p>
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PART-V OUTSTANDING LITIGATION

A. Total number of outstanding litigations against the company and amount Involved.

Total number of outstanding litigations against the company are : 34
Total amount Involved : Rs. 679.82 crores approx.

B. Brief details of top 5 material outstanding litigations against the company and amount *involved*

Sr. No.	Particulars	Litigation filed by	Current status	Amount involved
1	Application filed in NCLT	Edelweiss Assets Reconstruction Co. Ltd (Punjab National Bank)	Awaiting for next date.	Rs. 237.50 Crores
2	Application filed in DRT	Canara Bank	Next hearing date in DRT in DRT on 19.07.2022	Rs. 136.35 Crores
3	Application filed in DRT	State Bank of Patiala	Next hearing date in DRT in DRT on 03.10.223	Rs. 103.09 Crores
4	Application filed in DRT	Dena Bank	Next hearing date in DRT in DRT on 21.09.2023	Rs. 46.25 Crores
5	Application filed in DRT	Bank of India	Next hearing date in DRT in DRT on 17.10.223	Rs. 28.10 Crores

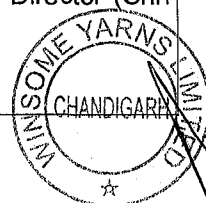
C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters in last 5 financial years including outstanding action if any (200- 300 word limit in total)

SEBI vide its Adjudication Order No. Order/MC/HP/2021-22/12020-12021 dated 26.05.2021, imposed a penalty of Rs. 1.00 crore on Shri Manish Bagrodia, Chairman and Managing Director of the Company. Appeal has been filed with Securities Appellate Tribunal (SAT).

Further SEBI vide its Order No. WTM/AB/IVD/ID4/2/2021-22 dated 26.10.2021, restrained from accessing the securities market and further prohibited from buying, selling or otherwise dealing in securities including units of mutual funds, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for a period of 2 years from the date of this order to Shri Manish Bagrodia, Chairman and Managing Director of the Company.

Shri Manish Bagrodia had filed the Appeals with Securities Appellate Tribunal, Mumbai on 18.11.2021. The SAT vide its order dated 19.07.2022 has reduce the penalty against the Managing Director (Shri Manish Bagrodia) to Rs.10 lakhs.

Shri Manish Bagrodia has made the payment of penalty along with interest on 27.05.2022.



D. Brief details of outstanding criminal proceedings against Promoters (200 - 300 word limit in total)

Some proceedings towards cheque bouncing are running in District Court, Indore-MP, District Court, Ludhiana-Punjab and District Court, Kolkata, West Bengal under section 138 of NI Act. These are the disputed cases and company is defending the same.

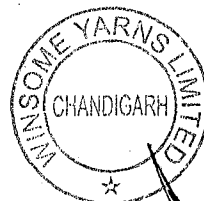
E. TAX LAWS AND OTHER STATUTORY COMPLIANCES:

The company is not regular in depositing statutory dues including income-tax, service tax and any other statutory dues to the appropriate authority. The amounts due as on 31.03.2023 are as follows. These are subject to final audit by respective departments.

Name of the statute	Nature of the dues	Amount(Rs.)	Period to which amount relates
Employee State Insurance Act, 1948	Employee State Insurance Fund	1865205	As on 31.03.2023
Employees' Provident Funds & miscellaneous Provisions Act, 1952	Employees Provident Funds	14155905	As on 31.03.2023
Income Tax Act, 1961	Tax Deducted at Source	4717602	As on 31.03.2023
Punjab Labor Welfare Fund Act, 1965	Labor Welfare fund	473528	As on 31.03.2023

The following dues of income tax, sales tax, service tax, duty of excise and Value added tax have not been deposited by the company on account of disputes:

Name of the Statute	Nature of Dues	Amount (Rs. in Lakhs)	Period to which relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	182.71	2005-2007	ITAT, Chandigarh
	Income Tax	3.03	2010-2011	CIT (Appeals), Chandigarh
Central/ State Sales Tax	Sales Tax/VAT	53.5	2008-2009	Joint Director, Excise and Taxation, Chandigarh
	-do-	1.84	2017-2018	DETC cum Joint Director (Enf.), Patiala
	-do-	10.34	2010-2011	DETC cum Joint Director (Enf.), Patiala
Central Excise Tax	Excise Duty	7.63	2008-2009	CESTAT, New Delhi
	-do-	5.04	2010-2011	CESTAT, New Delhi
	-do-	13.42	2011-2012	CESTAT, New Delhi
Goods and Service Tax	GST	6.43	2017-2018	DTC Appeals



PART-VI FINANCIAL INFORMATION**Standalone****(Rs in lacs)**

	FY5 31.03.2023	FY4 31.03.2022	FY3 31.03.2021	FY2 31.03.2020	FY1 31.03.2019
Total income from operations (net)	3093	4347	3571	10686	25025
Net Profit / (Loss) before tax and extraordinary items	(2642)	(1463)	(2121)	(3408)	(2486)
Net Profit / (Loss) after tax and extraordinary items	(2642)	(1463)	(2121)	(4866)	(11502)
Equity Share Capital	7071	7071	7071	7071	7071
Reserves and Surplus	(48234)	(45327)	(43929)	(41807)	(37006)
Net worth	(40897)	(38255)	(36858)	(34737)	(29936)
Basic earnings per share (Rs)	(3.74)	(1.98)	(3.00)	(6.79)	(16.25)
Diluted earnings per share (Rs)	(3.74)	(1.98)	(3.00)	(6.79)	(16.25)
Return on net worth (%)	Negative	Negative	Negative	Negative	Negative
Net asset value per share (Rs.)	(57.84)	(54.09)	(52.11)	(49.11)	(42.32)

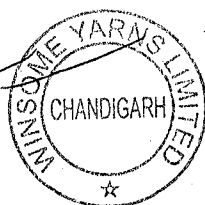
Consolidated**(Rs in lacs)**

	FY5 31.03.2023	FY4 31.03.2022	FY3 31.03.2021	FY2 31.03.2020	FY1 31.03.2019
Total income from operations (net)	3093	4347	3571	10686	25025
Net Profit / (Loss) before tax and extraordinary items	(2642)	(1463)	(2121)	(3414)	(2492)
Net Profit / (Loss) after tax and extraordinary items	(2642)	(1463)	(2121)	(4872)	(11508)
Equity Share Capital	7071	7071	7071	7071	7071
Reserves and Surplus	(48234)	(45317)	(43919)	(41798)	(36991)
Net worth	(40897)	(38246)	(36847)	(34727)	(29921)
Basic earnings per share (Rs)	(3.74)	(1.98)	(3.00)	(6.80)	(16.25)
Diluted earnings per share (Rs)	(3.74)	(1.98)	(3.00)	(6.80)	(16.25)
Return on net worth (%)	Negative	Negative	Negative	Negative	Negative
Net asset value per share (Rs.)	(57.84)	(54.09)	(52.11)	(49.11)	(42.32)

PART-VII DECLARATION

- No Statement made under this information Memorandum contravenes any of the provisions of Companies Act, 2013, as may be applicable and the rules made there under.
- The entire legal requirement connected with the listing/revocation of suspension of trading in equity of shares of our Company and also the guidelines, instructions etc issued by SEBI, Government and any other competent authority in this behalf have been duly complied with.
- All information contained in this document is true and correct.

Yours faithfully,
For **WINSOME YARNS LIMITED**



MANISH BAGRODIA
Chairman and Managing Director
DIN: 00046944