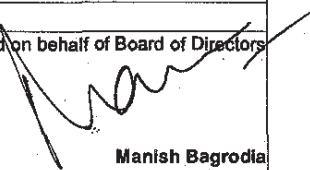


WINSOME YARNS LIMITED					
Regd. Office: SCO # 191-192, Sector 34-A, Chandigarh - 160022					
CIN : L17115CH1990PLC010566, Email - cshare@winsomergroup.com, Website - www.winsomergroup.com					
STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED ON 31ST DECEMBER 2014					
PART-I		Rs. In lacs			
		Standalone			
Sr. No.	Particulars	Unaudited			Audited
		Quarter Ended			12 Months Ended
		31.12.2014	30.09.2014	31.12.2013	30.09.2014
1	Income from operations				
	(a) Net Sales/Income from operations (Net of Excise Duty)	9997	8492	9748	38126
	(b) Other Operating Income	859	565	475	2270
	Total Income from operations (Net)	10856	9057	10223	40396
2	Expenses				
	(a) Cost of Material consumed	6055	6863	5537	25759
	(b) Purchase of stock-in-trade	-	-	1486	1929
	(c) Changes in Inventories of finished goods, Work in progress & stock in trade	4096	1861	263	3592
	(d) Employee Benefit expense	698	613	625	2600
	(e) Depreciation & Amortisation expenses	362	542	544	2176
	(f) Power & Fuel (net)	1022	918	922	4029
	(g) Other expenses	1083	958	1250	4662
	Total Expenses	13,316	11,755	10,627	44,747
3	Profit/(Loss) from Operations before other Income, Finance cost & Exceptional Items (1-2)	(2,460)	(2,698)	(404)	(4,351)
4	Other Income	299	128	68	265
5	Profit/(Loss) from ordinary activities before Finance cost & Exceptional Items (3+4)	(2,161)	(2,570)	(336)	(4,086)
6	Finance cost	1472	1,357	1677	6,133
7	Profit/(Loss) from ordinary activities after finance cost but before Exceptional Items (5-6)	(3,633)	(3,927)	(2,013)	(10,219)
8	Exceptional Items	-	-	944	944
9	Profit/(Loss) from Ordinary Activities before Tax (7-8)	(3,633)	(3,927)	(2,957)	(11,163)
10	Tax Expense				
	- Current Tax	-	-	-	-
	- Deferred Tax Liability/(Asset)	-	-	-	-
11	Net Profit/(Loss) from ordinary activities after tax (9-10)	(3,633)	(3,927)	(2,957)	(11,163)
12	Extraordinary Items	-	-	-	-
13	Net Profit/(Loss) for the period (11-12)	(3,633)	(3,927)	(2,957)	(11,163)
14	Paid - up Equity Capital (Face Value - Rs. 10/- each)	7,071	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.)	(5.14)	(5.55)	(4.18)	(15.79)
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
	- Percentage of Shareholding	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
	- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	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%
b)	Non-encumbered				
	- Number of Shares	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%
	- Percentage of Shares (as a % of the total share capital of the Company)	1.93%	1.93%	1.93%	1.93%

PARTICULARS		3 Months ended 31.12.2014
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	0
	Disposed during the quarter	0
	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 12th February, 2015.
2	The company is only in one line of business namely Textiles (Yarn, Knitwear & related revenue) .
3	As the accumulated losses of the company has exceeded its entire net worth during the financial year, the company has become a sick Industrial company under section 3(1) (O) of the Sick Industrial Companies (special provision) Act,1985. The company has become potentially sick during the period ended Sept. 30 th , 2013 and company has submitted Form C under section 23 of SICA on April 9 2014. The Board of Directors of the company had sufficient reason to form an opinion on the basis of unaudited accounts of the company for the nine months period ended June 30, 2014 and accordingly a reference has been filed with BIFR in Form 'A' under section 15 (1) of SICA on 16.10.2014, on the same BIFR has made few observation and declined the reference filed by the company and the next hearing for the same has been fixed for 12 Feb.2015.
4	Auditors remarks on the accounts for the year ended 30 th Sept.2014 (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 diminution in value of Knitwear unit [Impact unascertainable (except of AS-28)] : Management response : The reports are under consideration of the Management and impairment loss will be accounted in due course as necessary.(e) regarding non-provision for penal interest and penalty and adjustment/set off of receivable/ payables pending necessary approval Management response : regarding adjustment/set off of receivable with payables the company has already applied to AD/RBI AND regarding penal interest etc. read with note no.7.(f)Regarding non-compliance of conditions with respect to physical verification of fixed assets and also advised not to maintain bank accounts outside consortium parties as directed by CDR-MC; Management response : As per letter of CDR-EG dated November 20, 2014 Company account has been exited from CDR. (g) Regarding pending receipt of part money of GDR; Management response : Read with note no.5.
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	The Company account has been exited from CDR, as per decision of CDR-EG dated November 14, 2014.
7	Due to losses, the company has not fully paid instalments & 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. The company has received notice for recovery under section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act,2002 (SARFAESI) on which legal opinion is being taken to reply and request the lenders to withdraw the notice and reconsider the restructuring proposal in the interest of all stakeholders.
8	The useful life of the fixed assets has been revised in accordance with schedule II of the companies act,2013 effective from financial year 2014-15. Due to above, Depreciation for the quarter ended December 31,2014 is lower by Rs.157.21 lacs. Further an amount of Rs.110.49 lacs have been adjusted to opening retained earnings on account of Assets whose useful life is already exhausted as on 01 Oct.2014
9	Previous periods/quarters figures have been ragrouped and/or ra-arranged wherever necessary to make their classification comparable with current period.
10	Provision for deferred tax, if any, will be made at year end.
11	The above results have been limited reviewed by the statutory Auditors.
For and on behalf of Board of Directors	
 Manish Bagrodia Managing Director DIN No.00046944	
Place: Chandigarh	
Date: 12 th February, 2015	

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 December 2014

1. We have reviewed the accompanying statement of unaudited financial results of Winsome Yarns Limited (the Company) for the quarter ended 31st December 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 in Part II - select information referred to in para 5 below. 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. **Attention on qualification is invited to:-**
 - i. In view of the accumulated losses {also to be read with para (i) and (iv) to (vi) under the head 'Basis for Qualified Opinion', of Our Audit Report for the year ended 30.09.2014}, 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. 2.12 (b) (read together with accounting policy- Note No. 1.1) of Audited Financial Statements for the year ended 30.09.2014].
 - ii. Delay / default in payment of statutory dues (including Provident Fund, Employee State Insurance etc.) and dues of Banks (Principal and interest) as stated in the note no. 7 of accompanying financial results AND non provision of penal interest, penalty etc. (amount unascertained) and our inability to comment thereon (read with note no. 2.24 and 2.26 of the Audited Financial Statements for the year ended 30.09.2014).



- iii. Regarding payment of remuneration, is subject to approval of shareholders in General Meeting and also necessary approval of the Central Government (to be read with note no. 2.22 of Audited Financial Statements for the year ended 30.09.2014).
- iv. Regarding adjustment/set off of payables of Rs. 2585.45 Lacs against outstanding amount in receivables account pending, necessary approval with the AD/RBI [to be read with note no. 2.14 of Audited Financial Statements for the year ended 30.09.2014].
- v. Regarding pending confirmation / reconciliation of balances of certain receivables, bank balances and payables (including of an Associate Company of amounting to Rs. 572.53 lacs), secured loans, contingent and other liabilities, loans and advances etc., 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. 2.15 of Audited Financial Statements for the year ended 30.09.2014].
- vi. Regarding non provision against receivables [including of oversea overdue debtors of amounting to Rs. 6963.89 Lacs (including accounting of exchange fluctuation of Rs. 134.02 Lacs) for the quarter ended 31st December 2014 and till date Rs. 957.33 Lacs] AND loans and advances of Rs. 7184.93 lacs and Rs. 3155.02 lacs 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" [to be read with note no. 2.8 and note no. 2.11 of the Audited Financial Statements for the year ended 30.09.2014].
- vii. Regarding accounting of consumption of Raw Material and Stores & Spares as balancing figure and the valuation of inventories is as taken, valued and certified by the management (also regarding provision against non/slow moving as assessed 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. 2.23(A)(iv)(a) to (d) of Audited Financial Statements for the year ended 30.09.2014].
- viii. The company have carried out assessment of value in use of assets [as per AS-28 (Impairment of Assets)] of knitwear unit, by an independent professional firm, based on this estimated impairment 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 above stated assets is not in line with AS-28. The overall impact of above cannot be assessed (except of AS -28) or otherwise on loss for the period [to be read with note no. 4(d) of accompanying financial results and note no. 2.5 of Audited Financial Statements for the year ended 30.09.2014].
- ix. Note no. 5 of accompanying financial results regarding pending receipt of part money of amounting to USD 50,72,110 (Rs. 2679.34 lacs) of the GDR issue made by the company 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 equity shares of Re.1/- each at Rs. 2.97 per share including premium (now



1,99,41,250 fully paid equity shares of Rs. 10/- each at Rs. 29.70 including premium)]. As explained, above stated amount is invested in money market fund outside India, and the same is pending for utilization (to be read with note no. 2.3 of Audited Financial Statements for the year ended 30.09.2014).

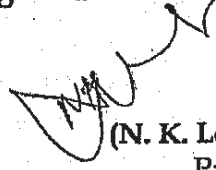
- x. In view of our comments under sub-para (iv) to (vii) and (ix) above and as stated in the notes no. 2.8, 2.10, 2.14, 2.15 and 2.23 of the Audited Financial Statements for the year ended 30.09.2014, internal control procedure (including for expenses accounting) needs to be further strengthened considering the nature and size of the Company.
4. Based on our review conducted as above subject to our comment under para 3, 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 issued under the Companies (Accounting Standards) Rules, 2006 as required in terms of 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 recognized accounting practices and policies except to the extent stated in sub-para (vi) and (viii) of para 3 [under the heading (qualification)], 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.
5. Further, we also report that we have traced the number of shares as well as percentage of shareholding in respect of aggregate amount of public shareholding and the number of shares as well as the percentage of share pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoters group shareholding in terms of Clause 35 of Listing Agreement with the Stock Exchange and the particulars relating to investor complaints disclosed in Part II - select information for the Quarter ended 31/12/2014 of the statement, from the details furnished by the Registrars through Management.

Place: New Delhi

Dated: 12-02-2015



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


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