

# Winsome Yarns Limited

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



WYL/SECT/  
08.11.2023

## ONLINE FILING

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

Script Code : 514348

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

Symbol : WINSOME

**Sub : Outcome of Board Meeting under Regulation 30 of SEBI (LODR).**  
**(Unaudited Financial Results for the quarter & half year ended**  
**September, 2023)**

Dear Sir/Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith following documents/ information duly approved by the Board of Directors of the Company in their **meeting held on November 8, 2023.**

1. Unaudited Financial Results of the Company for the Quarter and half year ended **September 30, 2023.**
2. Statement of Assets and Liabilities for the half year ended **September 30, 2023.**
3. Cash flow statement on standalone and consolidated basis, pursuant to Regulation 33(3)(g) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the half year ended **September 30, 2023.**
4. Limited Review Report of the Auditors of the Company, as required under Regulation 30 of the Listing Regulations.

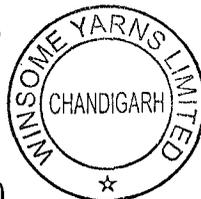
The meeting of the Board of Directors of the Company commenced at **12.30 A.M.** and concluded at **3.57 P.M.**

This is for your information and records please.

Thanking you,

Yours faithfully,  
For **WINSOME YARNS LIMITED**

(RAJPAL S RATHORE)  
Dy. Manager (Legal & Secretarial)  
Email : [cshare@winsomegroup.com](mailto:cshare@winsomegroup.com)  
Encl : as above.



IS/ISO  
9001



**WINSOME YARNS LIMITED**

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

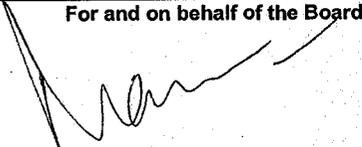
CIN : L17115CH1990PLC010566, Email – cshare@winsomegroup.com, Website – www.winsomeyarns.com Phone No.91-172-4613000, Fax No.91-172-4614000

**UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED ON 30TH SEPTEMBER 2023**

PART-I Sr. No.	Particulars	Rs.in Lakhs					
		Unaudited					Audited
		Quarter Ended			Six Months Ended		Year Ended
		30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
	<b>Revenue</b>						
1	Income from operations	1389	342	1291	1731	1892	3093
2	Other Income	37	19	4	56	7	471
3	<b>Total Revenue(1+2)</b>	<b>1,426</b>	<b>361</b>	<b>1,295</b>	<b>1,787</b>	<b>1,899</b>	<b>3,564</b>
4	<b>Expenses</b>						
	(a) Cost of Material consumed	192	234	302	426	436	756
	(b) Purchase of stock-in-trade	-	-	-	-	-	-
	(c) Excise Duty	-	-	-	-	-	-
	(d) Changes in Inventories of finished goods, Work in progress & stock in trade	62	(125)	121	(63)	(172)	411
	(e) Employee Benefit expense	344	277	464	621	931	1607
	(f) Finance cost	-	-	-	-	-	-
	(g) Depreciation & Amortisation expenses	347	347	371	694	743	1387
	(h) Other expenses	209	488	453	697	1093	2046
	<b>Total Expenses</b>	<b>1,154</b>	<b>1,221</b>	<b>1,711</b>	<b>2,375</b>	<b>3,031</b>	<b>6,206</b>
5	<b>Profit/(Loss) from Operations before Exceptional Items and tax. (3-4)</b>	<b>272</b>	<b>(860)</b>	<b>(416)</b>	<b>(588)</b>	<b>(1,132)</b>	<b>(2,642)</b>
6	Exceptional Items	-	-	-	-	-	-
7	<b>Profit/(Loss) before Tax (5+6)</b>	<b>272</b>	<b>(860)</b>	<b>(416)</b>	<b>(588)</b>	<b>(1,132)</b>	<b>(2,642)</b>
8	Tax Expense						
	- Current Tax	-	-	-	-	-	-
	- Earlier years Tax	-	-	-	-	-	-
	- Deferred Tax Liability/(Asset)	-	-	-	-	-	-
9	<b>Profit/(Loss) after tax (7-8)</b>	<b>272</b>	<b>(860)</b>	<b>(416)</b>	<b>(588)</b>	<b>(1,132)</b>	<b>(2,642)</b>
10	Other Comprehensive income	-	-	-	-	-	-
11	<b>Total Comprehensive Income(9+10)</b>	<b>272</b>	<b>(860)</b>	<b>(416)</b>	<b>(588)</b>	<b>(1,132)</b>	<b>(2,642)</b>
12	Paid - up Equity Capital (Face Value – Rs. 10/- each)	7,071	7,071	7,071	7,071	7,071	7,071
13	Reserve excluding revaluation reserve as per Balance Sheet of Previous accounting year				(48,556)		(47,968)
14	Earnings Per Share of Rs 10/- each (Not Annualised) - Basic & Diluted (Rs.)	0.38	(1.22)	(0.59)	(0.83)	(1.60)	(3.74)

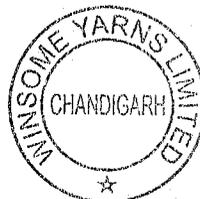
Notes:	
1	The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 08, 2023.
2	The Statutory Auditors of the Company have carried out the limited review of the aforesaid financial results for the quarter and half year ended on 30 <sup>th</sup> Sep. 2023. in accordance with Regulation 33 of the SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015,
3	In line with the provisions of Ind AS-108 'Operating Segments' as notified under the Companies (Ind AS) Rules, 2015, and as provided in section 133 of the Companies Act, 2013, the operations of the Company fall under one line of business activity namely, Textiles (Yarn, Knitwear & related revenue), which is considered to be the only reportable segment by the management.
4	Auditors remarks on accounts for the Quarter and half year ended on 30 <sup>th</sup> Sep. 2023: (1) Regarding preparation of accounts on going concern basis despite accumulated losses of the Company being substantially in excess of its net worth: Management Response: Refer consolidated response as part of Note No. 5 hereinbelow; (2) Regarding non-provision for interest and penalty on Borrowings and long outstanding receivables: Management response: There being no amount considered as payable by the Company on account of interest and penalty, no liability is accounted; Efforts are being made to recover the amounts receivable and provision, if any, required to be made in respect thereof will be accounted on their final settlement; (3) Regarding part of GDR money invested in money market instrument outside India, non-accounting thereof at fair value and non-recognition of exchange fluctuation in respect thereto: Management response: Refer consolidated response as part of Note No. 6 hereinbelow; (4) Regarding pending confirmation/reconciliation of balances of certain receivables, bank balances, payables, secured loans, contingent and other liabilities, loans and advances - impact unascertainable): Management response: Confirmation and reconciliation of balances is carried out on an ongoing basis and adjustments, if any, arising therefrom are accounted from time to time.



5	<p>Edelweiss Assets Reconstruction Company Ltd. (EARC), an Asset Reconstruction Company, claimed that it is an assignee of debt payable by the Company to certain banks. The actions of certain other Banks and EARC, amongst others, for recovery of amount considered by them as owed by the Company and to seek declaration that the Company being in default thereof be declared insolvent, are disputed by the Company as the debt is not acknowledged, and in any case the actions of Banks and EARC are barred by limitation. Additionally, the Company has a counter claim against the claimants for the losses caused by them to the Company.</p> <p>The Authorities in the State of Punjab initiated proceedings against EARC for the reasons that the Assignment Deed whereby EARC had acquired the debt from certain banks is not adequately stamped, and the Company is a party. The action of the aforementioned State Authorities has been set aside by the Hon'ble High Court of Punjab and Haryana at Chandigarh, and the Revenue Authority of the State of Punjab and the Company have filed Letters Patent Appeals against the aforementioned order of the Hon'ble High Court.</p> <p>EARC had filed a petition to initiate insolvency proceedings against the Company, which was dismissed by the Hon'ble National Company Law Tribunal, Chandigarh Bench (NCLT), holding that the Assignment Deed being under stamped is not admissible as evidence. In an appeal filed by EARC against the order of the Hon'ble NCLT, the Hon'ble NCLAT vide order dated 21 Jul 2022 has set aside the order of the Hon'ble NCLT and remanded the matter to the Hon'ble NCLT for rehearing and without touching the merits of the case and permitting the parties to take all arguments before the Hon'ble NCLT; the judgement is now reserved.. Indian Overseas Bank, TR Cones, a related party and EARC acting in the matter of debt acquired by it by way of assignment by Dena Bank had filed separately petitions to initiate insolvency proceedings against the Company, which are being contested by the Company.</p> <p>The Company had without prejudice to the fact that it does not acknowledge its liability on account of debt to EARC and other banks, initiated discussions to settle the disputes, which failed. The Company has counter claims against banks and EARC and Company does not consider itself liable towards the claimants of debt, and pending resolution of the matters, the Management has prepared its financial statements on 'Going Concern' basis.</p>
6	<p>GDR issued earlier by the Company, listed on Luxemburg Stock Exchange, were delisted. USD 48,19,980 (Rs. 2568.41 Lakhs without exchange adjustment) is invested in money market instruments outside India for utilisation towards earmarked purposes (setting up a Yarn Dying Plant). The Plant could not be implemented as requisite support was then not extended by the lenders. The final effect of exchange rate fluctuation will be accounted at the time of utilisation of the amount.</p>
7	<p>The Financial results as on 30 Sep. 2023 has been prepared on standalone basis as the wholly owned subsidiary stands dissolved and the step down subsidiaries are defunct/ liquidated. There being no operations in these companies their financial statements are not being prepared. The company has already made necessary provisions in the books of accounts in earlier years to take care of the Losses in these subsidiaries.</p>
9	<p>The figures for the previous quarter and half year have been regrouped / rearranged, wherever necessary, to confirm to the current period's classification.</p>
<p>For and on behalf of the Board</p>  	
Place: Chandigarh	Manish Bagrodia (DIN: 00046944)
Date : November 08, 2023.	Chairman and Managing Director

Winsome Yarns Limited  
SCO -191,192 Sector 34-A, Chandigarh -160022  
Statement of Asset and Liabilities as on 30.09.2023

Particulars	(Rs. In Lakhs)	
	Standalone	
	Unaudited 30.09.2023	Auidted 31.03.2023
<b>ASSETS</b>		
<b>(1) Non- current assets</b>		
(a) Property, plant and equipment	14,114	14,810
(b) Capital Work In Progress	0	0
(c) Other Intangibles Assets	10	8
(d) Financial assets	0	0
(e) Investments	0	0
(f) Loans	0	0
(g) Deferred tax assets (net)	0	0
(h) Other Non- Current assets	2,762	2,763
<b>Sub Total - non current assets</b>	<b>16,886</b>	<b>17,581</b>
<b>(2) Current assets</b>		
(a) Inventories	722	553
<b>(b) Financial assets</b>		
(i) Loans	-	-
(ii) Investment	2,568	2,568
(iii) Trade receivables	997	293
(iv) Cash and cash equivalents	60	108
(v) Other bank Balance	31	31
(vi) Other financial assets	0	-
(vii) Current Tax Assets	111	105
(viii) Other current assets	186	427
<b>Sub Total - current assets</b>	<b>4,675</b>	<b>4,085</b>
<b>Total of assets (1+2)</b>	<b>21,561</b>	<b>21,666</b>
<b>B. EQUITY AND LIABILITIES</b>		
<b>1. Equity</b>		
(a) Equity share capital	7,071	7,071
(b) Other equity	(48,556)	(47,968)
<b>Sub total - Total equity</b>	<b>(41,485)</b>	<b>(40,897)</b>
<b>LIABILITIES</b>		
<b>2. Non- current liabilities</b>		
(a) Deferred grant income	69	69
(b) Provisions	216	194
<b>Sub total - Non current liabilities</b>	<b>285</b>	<b>263</b>
<b>(3) Current liabilities</b>		
<b>(a) Financial liabilities</b>		
(i) Borrowings	55,658	55,658
<b>(ii) Trade Payables</b>		
(a) Total outstanding dues of Micro and small enterprises	81	81
(b) Total outstanding dues of creditors other than Micro and small enterprises	2,807	3,371
(iii) Other financial liabilities	3,923	2,955
(iv) Deferred grant income	9	9
(v) Other current liabilities	256	200
<b>(b) Provisions</b>	<b>27</b>	<b>27</b>
<b>Sub Total - current liabilities</b>	<b>62,761</b>	<b>62,300</b>
<b>(4) Total of liabilities (2+3)</b>	<b>63,046</b>	<b>62,563</b>
<b>Total of equity and liabilities (1+4)</b>	<b>21,561</b>	<b>21,666</b>



**Winsome Yarns Limited**

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

**STATEMENT OF STANDALONE CASH FLOW FOR THE HALF YEAR ENDED ON SEPTEMBER 30, 2023**

Particulars	Period Ended September 30, 2023	Year Ended March 31, 2023
<b>A. CASH FLOW FROM OPERATIONS</b>		
Loss before tax	(588.16)	(2,641.85)
<b>Adjustment for:</b>		
Depreciation	693.66	1,387.32
Amortisation of lease hold land	1.66	3.31
Prorata capital subsidy	-	-
(Profit)/Loss on sale of fixed assets	-	-
Interest expense	-	-
Interest income	6.00	(12.03)
<b>Operating profit before working capital changes</b>	<b>101.16</b>	<b>(1,263.25)</b>
<b>Adjustment for working capital changes:</b>		
<b>Increase/(Decrease) in financial liabilities</b>		
Trade payables	(564.44)	(293.88)
Revenue received in advance	879.16	(132.02)
Other payables	89.66	(710.30)
Increase/(Decrease) in other current liabilities	56.26	(133.36)
Increase/(Decrease) in provisions	22.40	35.45
<b>(Increase)/Decrease in financial assets</b>		
Trade and other receivables	(703.72)	1,088.73
Loans	-	-
Investment	-	-
Interest accrued but not due	-	-
Other loan	-	-
(Increase)/Decrease in other current assets	240.57	666.16
(Increase)/Decrease in other non current assets	-	-
(Increase)/Decrease in inventories	(168.79)	669.10
	(47.75)	(73.37)
Current tax liabilities (Net)	(6.08)	47.48
<b>Net cash flow from operating activities (A)</b>	<b>(53.83)</b>	<b>(25.89)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	-	-
Reductions to property, plant and equipment	-	-
Interest receipts	6.00	12.03
<b>Net cash used in investing activities (B)</b>	<b>6.00</b>	<b>12.03</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	-	-
<b>Increase/(Decrease) in financial liabilities</b>		
Proceeds from borrowings	-	-
Repayment of borrowings	-	-
<b>Net cash used in financing activities (C)</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(47.83)</b>	<b>(13.86)</b>
Cash and cash equivalents - Opening balance	138.41	152.27
Cash and cash equivalents - Closing balance	90.58	138.41

(Figures In bracket represents cash outflow)





**Independent Auditor's Review Report on unaudited Standalone Financial Result of the Winsome Yarn Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**To Board of Director of Winsome Yarn Limited**

1. We have reviewed the accompanying statement of standalone unaudited financial result ("the statement") of WINSOME YARN LIMITED ("the company"), for quarter ended 30<sup>th</sup> September, 2023 being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. This statement which is the responsibility of company's management and approved by company's board of directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, "Interim financial reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountant of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with standards on auditing specified under section 143(10) of the companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**1. Basis of Qualified Conclusion**

- i. In view of accumulated losses of the Company as at the end of quarter 30<sup>th</sup> September 2023 the net worth of the Company as at that date being negative, continuous losses, negative cash flows, due to financial constraints and non-deposit of statutory dues on time, material uncertainty exists about the company ability to

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Peer Review Certificate No 015317 Dated 10 May 2023

continue as going concern. The decision of management of the Company to prepare the accounts of the Company on going concern basis for reasons mentioned in note no. 4 of standalone financial result, there would arise a need to adjust the realizable value of assets and liabilities in the event of failure of assumptions as to going concern, and in the absence of impact of aforesaid assumptions having been unascertained, we are unable to comment thereon.

- II. The unaudited standalone financial result for the quarter ended on September, 2023 are understated due to:
  - a. Non provisioning of interest expenses, on borrowings, of Rs 5645.00 Lakhs for quarter ended on 30<sup>th</sup> September, 2023 (of Rs. 4857.72 Lakhs for quarter ended on 30<sup>th</sup> September ,2022) and further amount towards penal interest, penalty, etc. as may be charged by the lenders. In the absence of statement of account, the above amount has been arrived at as per estimates of the Company, and the aggregate unprovided amount in books of account of the Company is not ascertainable with accuracy.
- III. As stated in note no. 6 of standalone financial result, investment in USD 48,19,980 in Arise Money Market Fund was invested out of proceed of GDR, which was issued by the company earlier and allotted on March 29, 2011. The value of investment above is as per rate of exchange prevailing at the time of investment, and is subject to adjustment in rate of foreign exchange and accruals on money market investments. The non-accounting of investment at fair value and non-recognition of exchange fluctuation in respect thereto is not in line with Ind AS 109 "Financial Instruments" and Ind AS-21 "The Effects of Changes in Foreign Exchange Rates. In the absence of any confirmation and working, the effect of over/under valuation of investment, over/under statement of profit or loss on foreign exchange fluctuation and realizability of investment, we are unable to comment.
- IV. The Internal Control Systems need to be further strengthened in order that they are commensurate with the size of the Company and the nature of its business, more particularly in areas of, purchases and consumption of materials, charging of expenses, set-off of balances, and invoicing of sale of goods and services.
- V. Confirmation of balances and reconciliation thereof with respective parties are pending, which include balances pertaining to, accounts receivable and accounts payable, bank balances (including FDR), other current assets, advance for leasing, security deposit, secured loans, other liabilities, provisions, and contingent liabilities. All balances have been certified by the management of the Company. In the absence of the Company having aforementioned details and confirmations, the impact

thereof is unascertainable, and therefore, not being commented. Further strengthening of internal controls by the Company will provide greater reliability.

#### 4. Qualified Conclusion

Based on our review conducted as above, except in “Basis of Qualified Conclusion” paragraph mentioned in para 3 above, nothing has come to our attention that causes us to believe that the accompanying statement unaudited financial results prepared in accordance with applicable accounting standard and other recognized accounting practices and policies has not disclosed the information required to be disclosed in term of regulation 33 of the SEBI (Listing obligation and disclosure requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contain any material misstatement.

#### 5. EMPHASIS OF MATTER

- i) In reference to Note no. 5 in the standalone financial result, as per information given to us, the company has made advance payment of Rs. 2268.50 Lakhs to Edelweiss Assets Reconstruction Company during the financial year 2018-19 for advance against restructuring of loan. Loan outstanding from Edelweiss Assets Reconstruction Company amounting of Rs. 47071.07 Lakhs.
- ii) The company has not made provision for the demand raised by various authorities as the matters are pending before various appellate forum. We are unable to comment upon possible impact in the standalone financial statements for the quarter year ended 30<sup>th</sup> September, 2023.
- iii) In reference to note no. 5 of financial result, we draw attention to the users of the financial statement of the company for the quarter ended 30<sup>th</sup> September, 2023, that the lender Edelweiss Assets Reconstruction Company Limited and Indian Overseas Bank has filed an application against company under section 7, T.R cones and Winsome Textile Limited has filed an application against company under section 9 of the Insolvency & Bankruptcy Code, 2016 before National Company Law Tribunal, Chandigarh (NCLT).The Indian overseas Bank and Tr cones has also filed an application against company in DRT (Chandigarh). The Petition filed by Edelweiss Asset Reconstruction Company Limited against the Company for initiation of Corporate Insolvency Resolution Process (CIRP) under Insolvency and Bankruptcy Code (IBC), 2016 has been rejected by National Company Law Tribunal, Chandigarh Bench vide its Order dated 17.03.2020 and EARC filed an appeal before National company law Appellate Tribunal (NCLAT) against the order of NCLT. NCLAT vide its order dated 21.07.2022 (on the grounds of order dated 26.10.2021 by Hon’ble High Court of Punjab and Haryana, the company have filed letters patents appeals against

the aforementioned order of Hon'ble high court of Punjab and Haryana) set aside the order of NCLT and remanded back to the Adjudicating Authority to decide the application filed under section 7 of the code in accordance with law and the order is reserved by the Adjudicating Authority .The petition filed by the Indian Overseas Bank and T.R Cones is to be heard on 01/11/2023 and 06/11/2023 respectively. The actions of Banks & EARC for recovery of debt are disputed by the company before the Hon'ble Debt Recovery Tribunal- III, Chandigarh, as the debt is not acknowledged. The company has counter claims against banks and EARC for the loss caused to the company and the company does not consider itself liable towards them, and no amount has been accounted by the company. We are unable to comment on possible impact of the above on the standalone financial Results for quarter ended 30<sup>th</sup> September 2023.

- iv) As per information given to us, The Financial results for quarter ended 30<sup>th</sup> September, 2023 has been prepared on standalone basis as the wholly owned subsidiary stands dissolved and the step-down subsidiaries are defunct/liquidated. There being no operations in these companies their financial statements are not being prepared. The company has already made necessary provision in the books of accounts in earlier years to take care of the Losses in these subsidiaries.

For Dhana and Associates  
(Formerly Khandelvia & Sharma)  
Chartered Accountants  
Firm Registration No: 510525C

ARUN  
KHANDELIA

Digitally signed by ARUN KHANDELIA  
DN: cn=ARUN KHANDELIA,  
ou=ARUN KHANDELIA & ASSOCIATES,  
o=ARUN KHANDELIA & ASSOCIATES,  
c=IN,  
email=arun.khandelvia@dhana.com,  
serialNumber=412617768ca1256886d32355e  
1090bc089022aef678c0ca42544108a, cn=ARUN  
KHANDELIA  
Date: 2023.11.08 13:47:42 +05'30'

CA. Arun Khandelvia  
Partner  
Membership No.: 089125  
UDIN: 23089125BGWUTE5521

Place: New Delhi  
Date : 08/11/2023