

WINSOME YARNS LIMITED

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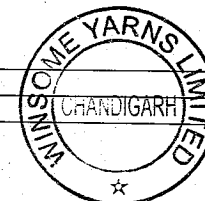
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED ON 30TH JUNE 2021

PART-I		Rs.in Lakhs							
Sr. No.	Particulars	Standalone				Consolidated			
		Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
		Quarter Ended		Year Ended		Quarter Ended		Year Ended	
		30.06.2021	31.03.2021	30.06.2020	31.03.2021	30.06.2021	31.03.2021	30.06.2020	31.03.2021
	Revenue								
1	Income from operations								
2	Other Income	476	1,013	600	3,571	476	1,013	600	3,571
3	Total Revenue(1+2)	3	3	34	17	3	3	34	17
		479	1,016	634	3,588	479	1,016	634	3,588
4	Expenses								
	(a) Cost of Material consumed								
	(b) Purchase of stock-in-trade	113	64	43	504	113	64	43	504
	(c) Excise Duty	-	-	-	-	-	-	-	-
	(d) Changes in Inventories of finished goods, Work in progress & stock in trade	-	-	-	-	-	-	-	-
	(e) Employee Benefit expense	(257)	(77)	(93)	87	(257)	(77)	(93)	87
	(f) Finance cost	446	527	347	1,780	446	527	347	1,780
	(g) Depreciation & Amortisation expenses	-	-	-	6	-	-	-	6
	(h) Other expenses	373	375	374	1,493	373	375	374	1,493
	Total Expenses	459	618	386	1,839	459	618	388	1,839
5	Profit/(Loss) from Operations before Exceptional Items and tax.(3-4)	1,134	1,507	1,057	5,709	1,134	1,507	1,059	5,709
6	Exceptional Items	(655)	(491)	(423)	(2,121)	(655)	(491)	(425)	(2,121)
7	Profit/(Loss) before Tax (5+6)	(655)	(491)	(423)	(2,121)	(655)	(491)	(425)	(2,121)
8	Tax Expense								
	- Current Tax	-	-	-	-	-	-	-	-
	- Earlier years Tax	-	-	-	-	-	-	-	-
	- Deferred Tax Liability/(Asset)	-	-	-	-	-	-	-	-
9	Profit/(Loss) after tax (7-8)	(655)	(491)	(423)	(2,121)	(655)	(491)	(425)	(2,121)
10	Other Comprehensive income	-	-	-	-	-	-	-	-
11	Total Comprehensive income(9+10)	(655)	(491)	(423)	(2,121)	(655)	(491)	(425)	(2,121)
12	Paid - up Equity Capital (Face Value – Rs. 10/- each)	7,071	7,071	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				(43,929)				(43,919)
14	Earnings Per Share of Rs 10/- each (Not Annualised) - Basic & Diluted (Rs.)	(0.93)	(0.69)	(0.60)	(3.00)	(0.93)	(0.69)	(0.60)	(3.00)



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Notes:	
1	The above unaudited financial results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on August 12, 2021.
2	The Statutory Auditors of the Company have carried out the Limited Review of the aforesaid financial results for the quarter ended on 30 th June 2021. 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	<p>COVID-19 pandemic has substantially disrupted the global economic and business environment and there continues to subsist uncertainty with respect to its after effects, which cannot be reasonably ascertained. However, the Company had evaluated and considered the possible effects in its working to the extent possible, including likely impact that may result from the COVID-19 pandemic as well as all events and circumstances upto the date of approval of these financial results on the carrying value of its assets and liabilities as at 31st March 2021. In order to mitigate the uncertainty due to frequent lock-down of operations for reasons of observing a high and stringent level of requirements for health and safety, the Company had taken to manufacturing for third parties.</p> <p>The operations of the Company are running at a low level until the aftereffects and impact of Covid-19 pandemic has significantly subsided and sufficient time has elapsed thereafter, as supply chain stabilisation and availability of manpower, both are likely to take time.</p> <p>The impact of any event and developments occurring after the date of financial results for the quarter and year ended March 31, 2021 is different from those estimated as at the date of approval of these financial results, and will be recognised prospectively.</p>
5	Auditors remarks on accounts for the quarter and year ended 30 th June 2021: (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: Consolidated response as part of Note No. 6 hereinbelow; (2) Regarding non-provision for interest and penalty on Borrowings and long outstanding receivable: Management response: The interest on borrowings of the Company to the extent not accounted in books of account of the Company will be considered on settlement / restructuring of borrowings and efforts are being made to recover the outstanding receivable, Provision will be made upon finalisation; (3) Regarding pending receipt of part money of GDR invested in money market instrument outside India, non accounting of the same at fair value and non-recognition of exchange fluctuation in respect thereto: Management response: Consolidated response as part of Note No. 7 hereinbelow; (4) Regarding provisions made in books of account in case of investments in subsidiaries, amounts to be written off/written back and adjustment/set off of payment of receivables/payable from/to overseas parties/suppliers, which are pending necessary approval of the competent authority: Management Response: The Company has filed upto date returns, and approvals for adjustments will be effected in due course; (6) 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.
6	<p>Edelweiss Assets Reconstruction Company Ltd.(EARC) an Asset Reconstruction Company has claimed that it is an assignee of debt payable by the company by certain banks. The actions of the Banks and Edelweiss Assets Reconstruction Company Limited (EARC), amongst others, for recovery of debt held by them as owed by the Company and action to seek declaration that the Company being in default of the debt and 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. The Company had without prejudice to its rights and without acknowledging its liability, initiated discussions with claimants to settle the disputes, which failed. The Financial Commissioner of the State of Punjab has since determined that the Assignments of debt by lenders of the Company to EARC are insufficiently stamped, and therefore, defective. A demand of Rs. 4.46 crores (interest and penalty to be applied) was raised against EARC, and EARC had filed a writ petition before the Hon'ble Punjab and Haryana High Court at Chandigarh against the proceedings by the Authorities.</p> <p>EARC had filed a Petition to initiate insolvency proceedings against the Company, which was dismissed by the Hon'ble NCLT vide its order dated 14th March 2020 with an observation that the assignment deed is unenforceable. An appeal filed by EARC against this order is under adjudication.</p> <p>The Company does not consider itself liable towards the claimants, and accounting remains pending settlement with them</p> <p>In the absence of a resolution of disputes with the claimants, the Management not considering the Company to be liable on this account, has prepared the financial statements on 'Going Concern' basis.</p>
7	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 to use the amount for earmarked purposes, i.e., 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 when the amount is repatriated. The Company is filing an Appeal against the order of SEBI imposing penalty as SEBI has erred in taking into consideration full facts and circumstances in relation to matters connected with issue of GDR.
8	The impact of any event and developments occurring after the date of financial results for the quarter and year ended March 31, 2021 is different from those estimated as at the date of approval of these financial results, and will be recognised prospectively.
9	The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures upto the third quarter of the current financial
10	The figures for the previous quarter and year have been regrouped / rearranged, wherever necessary, to confirm to the current period's classification.
Place:	Chandigarh
Date :	August 12, 2021.



Manish Bagrodia
Chairman and Managing Director