



# Vardhmān

## VARDHMAN TEXTILES LIMITED

Delivering Excellence. Since 1965.

CHANDIGARH ROAD  
LUDHIANA-141010, PUNJAB  
T: +91-161-2228943-48  
F: +91-161-2601 048  
E: secretarial.lud@vardhman.com

Ref. VTXL:SCY:NOV:2019-20

Dated: 08.11.2019

The Deputy General Manager,  
Corporate Relationship Deptt,  
Bombay Stock Exchange Limited,  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building, P.J Towers,  
Dalal Street, Fort,  
**MUMBAI-400001.**  
**Scrip Code: 502986**

The National Stock Exchange of India Ltd,  
“Exchange Plaza,  
Bandra-Kurla Complex,  
Bandra (East),  
**MUMBAI-400 051**

**Scrip Code: VTL**

### **SUB: DISCLOSURE UNDER REGULATION 30 & 33 OF SEBI LISTING OBLIGATIONS**

Dear Sir,

Pursuant to Regulation 30 read with Part A of Schedule III and Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, we are enclosing herewith Un-Audited Financial Results of the Company for the quarter/ half-year ended 30<sup>th</sup> September, 2019 together with Limited Review Report as approved by Board of Directors in its meeting held on 8<sup>th</sup> November, 2019.

The meeting of the Board of Directors commenced at 10:00 a.m. and concluded at 01:40 p.m.

Kindly note and display the notice on your notice Board for the information of the members of your exchange and general public.

Thanking you,

Yours faithfully,  
For VARDHMAN TEXTILES LIMITED

  
(SANJAY GUPTA)  
Company Secretary

**YARNS | FABRICS | THREADS | GARMENTS | FIBRES | STEELS**

PAN NO.: AABCM4692E CIN: L17111PB1973PLC003345  
WWW.VARDHMAN.COM

**VARDHMAN TEXTILES LIMITED**

Registered Office : Chandigarh Road, Ludhiana-141010

Standalone Unaudited financial results for the quarter and Half year ended September 30, 2019

Corporate Identity Number (CIN): L17111PB1973PLC003345, PAN: AABCM4692E

Website:www.vardhman.com Email: secretarial.lud@vardhman.com

(Rs. In Crores)

S.No.	Particulars	Quarter Ended September 30, 2019	Quarter Ended June 30, 2019	Quarter Ended September 30, 2018	Half Year ended September 30,2019	Half Year ended September 30,2018	Year Ended March 31, 2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I.	Revenue from operations	1,552.78	1,558.32	1,555.31	3,111.10	3,136.06	6,414.58
II.	Other income	38.81	31.03	58.99	69.84	82.91	218.20
III.	<b>Total income from operations (I+II)</b>	<b>1,591.59</b>	<b>1,589.35</b>	<b>1,614.30</b>	<b>3,180.94</b>	<b>3,218.97</b>	<b>6,632.78</b>
IV.	<b>Expenses</b>						
	Cost of materials consumed	872.21	833.62	812.55	1,705.83	1,611.40	3,264.50
	Purchase of stock- in trade	12.10	18.71	9.53	30.81	19.99	50.08
	Change in inventories of finished goods, works -in progress and stock -in- trade	(81.26)	(24.13)	(67.70)	(105.39)	(40.64)	1.73
	Employee benefits expense	139.66	135.73	128.35	275.39	253.80	519.86
	Finance cost	32.95	36.36	28.60	69.31	61.48	117.84
	Depreciation and amortisation expense	78.97	72.45	59.05	151.42	118.05	241.48
	Power and fuel	172.97	178.39	165.68	351.36	318.68	665.90
	Other expenses	198.18	189.41	204.64	387.59	399.71	780.99
	<b>Total Expenses</b>	<b>1,425.78</b>	<b>1,440.54</b>	<b>1,340.70</b>	<b>2,866.32</b>	<b>2,742.47</b>	<b>5,642.38</b>
V.	<b>Profit before tax (III-IV)</b>	<b>165.81</b>	<b>148.81</b>	<b>273.60</b>	<b>314.62</b>	<b>476.50</b>	<b>990.40</b>
VI.	<b>Tax expense</b>						
	Current tax	22.21	31.41	56.07	53.62	99.79	242.91
	Deferred tax	23.56	13.88	21.27	37.44	34.67	51.61
VII.	<b>Profit after tax (V-VI)</b>	<b>120.04</b>	<b>103.52</b>	<b>196.26</b>	<b>223.56</b>	<b>342.04</b>	<b>695.88</b>
VIII.	<b>Other Comprehensive Income/(Expenditure)</b>	0.02	0.03	0.41	0.05	0.82	0.19
IX.	<b>Total Comprehensive income (VII+VIII)</b>	<b>120.06</b>	<b>103.55</b>	<b>196.67</b>	<b>223.61</b>	<b>342.86</b>	<b>696.07</b>
X.	<b>Earnings Per Share (in Rs.) (not annualized)</b>						
	(a) Basic	20.88	18.01	34.17	38.88	59.55	121.13
	(b) Diluted	20.70	17.85	33.83	38.54	58.96	119.97
XI.	Paid up Equity Share Capital (Face value per share Rs.10)	57.50	57.49	57.44	57.50	57.44	57.48
XII.	Paid up Debt Capital*				499.80	499.80	499.80
XIII.	Other Equity						5,181.62
XIV.	Capital Redemption Reserve				6.26	6.26	6.26
XV.	Debenture Redemption Reserve				57.62	33.79	49.67
XVI.	Net Worth**				5,347.22	4,879.30	5,239.10
XVII.	Debt Equity Ratio***				0.34	0.32	0.43
XVIII.	Debt Service Coverage Ratio****				2.00	3.28	2.66
XIX.	Interest Service Coverage Ratio*****				6.95	9.05	9.39

\* Paid up Debt Capital comprises of listed debentures only.

\*\* Net Worth = Equity share capital + other equity

\*\*\* Debt equity ratio = Total Debt/Net Worth

\*\*\*\* Debt service coverage ratio (DSCR) = (EBDIT-Current Tax)/(Gross Interest+Scheduled principal repayment of Long term Debts)

\*\*\*\*\* Interest service coverage ratio (ISCR) = (EBDIT-Current Tax)/Gross Interest



**Unaudited Balance Sheet as at September 30, 2019**

**(Rs. In Crores)**

Sr. No.	Particulars	Unaudited	Audited
		September 30 ,2019	March 31 ,2019
	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	(a) Property, plant and equipment	3,324.53	3,057.24
	(b) Capital work-in-progress	243.09	273.63
	(c) Right of Use Asset (Refer Note-2)	8.39	-
	(d) Intangible assets	1.38	1.60
	(e) Financial assets		
	-Investments	570.64	749.57
	-Loans	0.92	0.72
	-Other financial assets	5.51	8.98
	(f) Other non-current assets	63.85	85.00
	<b>Total Non-current assets</b>	<b>4,218.31</b>	<b>4,176.74</b>
<b>2</b>	<b>Current assets</b>		
	(a) Inventories	1,508.58	2,442.13
	(b) Financial assets		
	-Investments	886.68	337.56
	-Trade receivables	854.81	762.82
	-Cash and cash equivalents	188.04	37.43
	-Bank Balance other than above	2.88	3.43
	-Loans	36.48	34.59
	-Other financial assets	32.00	58.39
	(c) Current tax assets (net)	100.10	100.10
	(d) Other current assets	322.77	415.93
	<b>Total current assets</b>	<b>3,932.34</b>	<b>4,192.38</b>
	<b>Total Assets</b>	<b>8,150.65</b>	<b>8,369.12</b>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	(a) Equity share capital	57.50	57.48
	(b) Other equity	5,289.72	5,181.62
	<b>Total equity</b>	<b>5,347.22</b>	<b>5,239.10</b>
<b>1</b>	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
	(a) Financial liabilities		
	-Borrowings	1,118.35	1,071.35
	-Other financial liabilities	4.41	4.48
	-Lease liability (Refer Note-2)	0.15	-
	(b) Provisions	12.24	10.86
	(c) Deferred tax liabilities (net)	334.90	297.47
	(d) Other non-current liabilities	19.09	20.40
	<b>Total Non-current liabilities</b>	<b>1,489.14</b>	<b>1,404.56</b>
<b>2</b>	<b>Current liabilities</b>		
	(a) Financial Liabilities		
	-Borrowings	342.47	868.68
	-Trade payables		
	(i) Total outstanding dues of micro enterprises and small enterprises	12.29	4.08
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises.	224.02	236.28
	-Other financial liabilities	531.98	535.63
	(b) Provisions	3.15	2.79
	(c) Current tax liabilities (net)	8.70	6.55
	(d) Other current liabilities	191.68	71.45
	<b>Total Current liabilities</b>	<b>1,314.29</b>	<b>1,725.46</b>
	<b>Total Equity and Liabilities</b>	<b>8,150.65</b>	<b>8,369.12</b>



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**VARDHMAN TEXTILES LIMITED**

Regd. Office : Chandigarh Road, Ludhiana-141010

Statement of Cash Flows for the six months ended September 30, 2019

(Rs. In Crores)

Particulars	Six Month Ended September 30, 2019 Unaudited	Six Month Ended September 30, 2018 Unaudited
<b>Net cash flow from operating activities</b>		
Net Profit before Tax	314.62	476.50
Operating profit before working capital changes	480.19	582.07
<b>A) Net cash generated from operating activities</b>	<b>1,396.52</b>	<b>1,183.02</b>
<b>B) Net Cash (used) in Investing Activities</b>	<b>(738.08)</b>	<b>(397.01)</b>
<b>C) Net cash (used) in financing activities</b>	<b>(507.83)</b>	<b>(803.91)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>150.61</b>	<b>(17.90)</b>
<b>Add: Cash and cash equivalents as at beginning of the year</b>	<b>37.43</b>	<b>65.20</b>
<b>Cash and cash equivalents as at end of the period</b>	<b>188.04</b>	<b>47.30</b>



**VARDHMAN TEXTILES LIMITED**

**Registered Office : Chandigarh Road, Ludhiana-141010**

**NOTES:**

- 1 The Company is primarily in the business of manufacturing and sales of textile products (i.e., Yarns and Fabrics). The Chief Operating Decision Maker (CODM), The Chairman & Managing Director, performs a detailed review of the operating results, makes decisions about the allocation of resources based on the analysis of the various performance indicators of the Company as a whole. Therefore, there is only one operating segment namely, "Textiles".
- 2 Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method along with the transition option to recognise Right-of-Use asset (ROU) at an amount equal to the lease liability. Accordingly, comparatives for the quarters ended June 30, 2018 and March 31, 2019 and year ended March 31, 2019 have not been retrospectively adjusted. On transition, "Right of use asset" of Rs. 0.15 crore and a corresponding "Lease Liabilities" of Rs. 0.15 crore has been recognised as at April 1, 2019. Further, in respect of leases which were classified as operating leases, applying Ind AS 17, Rs. 8.45 crores has been reclassified from "Other Assets" to "Right of Use Asset". The effect of this adoption is not material on the profit for the period and earnings per share.
- 3 The Board of Directors, in its meeting held on August 13, 2019 has approved a Scheme of Amalgamation (the "Scheme") under Sections 230 to 232 of the Companies Act, 2013 ('the 2013 Act') and other applicable provisions of the 2013 Act, as per pooling of interest method, between the Company and its subsidiaries, by the name of Vardhman Acrylics Limited, VMT Spinning Company Limited, VTL Investments Limited, and Vardhman Nishinbo Garments Company Limited. The amalgamation will be from April 1, 2020 being the appointed date and is subject to shareholders' and other statutory approvals.
- 4 These results have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.
- 5 The Company has issued secured, rated listed Redeemable Non-convertible Debentures (NCDs) aggregating to Rs. 499.80 crores for cash at par on private placement basis on September 8, 2017. The NCDs are listed at the Bombay Stock Exchange of India (BSE) and comprise of three series repayable in third, fourth and fifth years and have an overall yield of 7.69% per annum.  
  
CRISIL has assigned a rating of AA+ with Stable outlook to the said NCDs of the Company on December 28, 2018. These NCDs are secured by way of a first pari passu charge over the immovable and movable fixed assets of the Company and it should have fixed asset cover of more than 1.05 times of outstanding amount of NCDs. The Fixed Asset coverage ratio as on September 30, 2019 is 2.26 times
- 6 During the Half year ended September 30, 2019, the Company has issued 20,000 equity shares under Employee Stock Options Scheme at Rs. 815 per share. As a result of above, the paid up equity share capital of the Company has increased from Rs. 57.48 crores to Rs. 57.50 crores.
- 7 Financial Results has been reviewed by the Audit Committee at its meeting held on November 07, 2019 and approved by the Board of Directors at its meeting held on November 08, 2019. The limited review as required under Regulation 33 of SEBI ( Listing Obligation and Disclosure Requirements) Regulations, 2015, has been completed by the Statutory Auditors.
- 8 On September 20, 2019, the Government of India, vide the Taxation Laws (Amendment) Ordinance 2019, inserted Section 115BAA in the Income Tax Act, 1961, which provides domestic companies an option to pay corporate tax at reduced rate effective April 01, 2019, subject to certain conditions. The Company is currently in the process of evaluating this option.

Place : Ludhiana  
Date : November 08, 2019



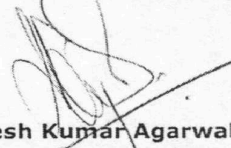
For Vardhman Textiles Limited

S.P. Oswal  
Chairman & Managing Director

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF  
INTERIM STANDALONE FINANCIAL RESULTS  
TO THE BOARD OF DIRECTORS OF  
VARDHMAN TEXTILES LIMITED**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **VARDHMAN TEXTILES LIMITED** ("the Company"), for the quarter and half year ended September 30, 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the 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 Accountants 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.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

  
**Rajesh Kumar Agarwal**  
(Partner)

(Membership No. 105546)

UDIN:19105546AAA AEH1267

  
GURUGRAM, NOVEMBER 8, 2019

(Rs. In crores)

S.No	Particulars	Quarter Ended September 30, 2019	Quarter Ended June 30, 2019	Quarter Ended September 30, 2018	Half Year Ended September 30, 2019	Half Year Ended September 30, 2018	Year Ended March 31, 2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I.	Revenue from operations	1,663.67	1,650.36	1,685.10	3,314.03	3,385.07	6,877.92
II.	Other income	29.95	32.72	42.07	62.67	69.34	222.72
III.	<b>Total income (I+II)</b>	<b>1,693.62</b>	<b>1,683.08</b>	<b>1,727.17</b>	<b>3,376.70</b>	<b>3,454.41</b>	<b>7,100.64</b>
IV.	<b>Expenses</b>						
	Cost of materials consumed	952.87	896.56	892.32	1,849.43	1,768.54	3,573.75
	Purchase of stocks- in trade	0.22	2.05	4.96	2.27	4.96	12.92
	Change in inventories of finished goods, Works -in progress and stock -in-trade	(86.06)	(37.56)	(67.38)	(123.62)	(37.33)	9.06
	Employee benefits expenses	150.76	146.28	135.63	297.04	267.88	550.23
	Finance cost	33.79	37.25	29.22	71.04	62.94	119.65
	Depreciation and amortisation expense	82.55	76.02	61.99	158.57	123.93	254.02
	Power and fuel	185.20	189.88	177.23	375.08	341.16	709.14
	Other expenses	210.87	202.57	211.37	413.44	416.69	829.06
	<b>Total Expenses</b>	<b>1,530.20</b>	<b>1,513.05</b>	<b>1,445.34</b>	<b>3,043.25</b>	<b>2,948.77</b>	<b>6,057.83</b>
V	Share of Profit/(Loss) of Associates and/or Joint Venture	1.92	2.53	4.61	4.45	9.62	15.93
VI.	<b>Profit before tax (III-IV+V)</b>	<b>165.34</b>	<b>172.56</b>	<b>286.44</b>	<b>337.90</b>	<b>515.26</b>	<b>1,058.74</b>
VII.	<b>Tax expense</b>						
	Current tax	23.92	38.60	63.61	62.52	113.22	264.01
	Deferred tax	21.78	12.97	22.62	34.75	39.09	54.18
VIII.	<b>Profit for the period (VI-VII)</b>	<b>119.64</b>	<b>120.99</b>	<b>200.21</b>	<b>240.63</b>	<b>362.95</b>	<b>740.55</b>
IX.	Other Comprehensive Income/(Expenditure), net of tax	0.02	0.03	0.41	0.05	0.82	(0.56)
X.	<b>Total Comprehensive Income/(Expenditure) for the period (VIII+IX)</b>	<b>119.66</b>	<b>121.02</b>	<b>200.62</b>	<b>240.68</b>	<b>363.77</b>	<b>739.99</b>
XI.	<b>Profit for the period attributable to :</b>						
	Owners of the Company	116.56	116.08	196.41	232.64	355.54	730.71
	Non Controlling Interest	3.08	4.91	3.80	7.99	7.41	9.84
		<b>119.64</b>	<b>120.99</b>	<b>200.21</b>	<b>240.63</b>	<b>362.95</b>	<b>740.55</b>
XII.	<b>Other Comprehensive Income for the period attributable to :</b>						
	Owners of the Company	0.02	0.03	0.41	0.05	0.82	(0.56)
	Non Controlling Interest	-	-	-	-	-	-
		<b>0.02</b>	<b>0.03</b>	<b>0.41</b>	<b>0.05</b>	<b>0.82</b>	<b>(0.56)</b>
XIII	<b>Total Comprehensive Income for the period attributable to :</b>						
	Owners of the Company	116.58	116.11	196.82	232.69	356.36	730.15
	Non Controlling Interest	3.08	4.91	3.80	7.99	7.41	9.84
		<b>119.66</b>	<b>121.02</b>	<b>200.62</b>	<b>240.68</b>	<b>363.77</b>	<b>739.99</b>
XIV.	<b>Earnings Per Share (in Rs)</b> (not annualized):						
	(a)Basic	20.63	20.55	34.80	41.18	63.00	129.45
	(b) Diluted	20.45	20.36	34.46	40.81	62.36	128.19
XV.	Paid up equity share capital (face value per share Rs.10)	56.50	56.49	56.44	56.50	56.44	56.48
XVI.	Paid up Debt Capital*				499.80	499.80	499.80
XVII.	Other equity						5,535.00
XVIII.	Capital Redemption Reserve				40.43	40.43	40.43
XIX.	Debenture Redemption Reserve				57.62	33.79	49.67
XX.	Net Worth**				5,706.29	5,205.07	5,591.48
XXI.	Debt Equity Ratio***				0.32	0.31	0.41
XXII.	Debt Service Coverage Ratio****				2.05	4.03	2.77
XXIII.	Interest Service Coverage Ratio*****				7.17	9.36	9.77

\* Paid up Debt Capital comprises of listed debentures only/-

\*\* Net Worth = Equity share capital + Reserves attributable to owners of equity

\*\*\* Debt equity ratio = Total Debt/Equity

\*\*\*\* Debt service coverage ratio (DSCR) = (EBDIT-Current Tax)/(Gross Interest+Scheduled principal repayment of Long term Debts)

\*\*\*\*\* Interest service coverage ratio (ISCR) = (EBDIT-Current Tax)/Gross Interest



**VARDHMAN TEXTILES LIMITED**

Unaudited Consolidated Balance Sheet as at September 30, 2019

(Rs. In Crores)

S.No.	Particulars	Unaudited	Audited
		September 30, 2019	March 31, 2019
	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	(a) Property, Plant and Equipment	3,446.51	3,186.24
	(b) Capital work-in-progress	245.57	273.68
	(c) Right to Use Asset (Refer Note no.2)	19.94	-
	(d) Intangible Assets	2.09	2.35
	(e) Goodwill	12.50	12.50
	(f) Financial Assets		
	-Investment in associates and Joint ventures	108.39	107.84
	-Investments	468.92	645.52
	-Loans	0.92	0.73
	-Other financial assets	5.86	9.39
	(g) Other non-current assets	64.17	96.98
	<b>Total Non-current assets</b>	<b>4,374.87</b>	<b>4,335.23</b>
<b>2</b>	<b>Current assets</b>		
	(a) Inventories	1,647.15	2,610.25
	(b) Financial Assets		
	-Investments	1,168.05	592.37
	-Trade receivables	898.82	803.08
	-Cash and cash equivalents	223.01	40.05
	-Bank balance other than above	3.26	3.80
	-Loans	19.49	17.69
	-Other financial assets	18.48	68.90
	(c) Current tax assets (net)	102.25	102.25
	(d) Other current assets	339.95	442.60
	<b>Total Current assets</b>	<b>4,420.46</b>	<b>4,680.99</b>
	<b>TOTAL ASSETS</b>	<b>8,795.33</b>	<b>9,016.22</b>
	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Equity</b>		
	(a) Equity Share capital	56.50	56.48
	(b) Other Equity	5,649.79	5,535.00
	(c) Non controlling interest		
	- Equity Share capital	23.44	23.44
	- Other Equity	91.74	89.63
	<b>Total Equity</b>	<b>5,821.47</b>	<b>5,704.55</b>
<b>2</b>	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
	(a) Financial Liabilities		
	-Borrowings	1,127.07	1,088.79
	-Other financial liabilities	4.41	4.48
	-Lease liability (Refer Note no.2)	0.15	-
	(b) Provisions	13.25	12.36
	(c) Deferred tax liabilities (Net)	358.06	323.31
	(d) Other non-current liabilities	19.38	20.67
	<b>Total Non-current liabilities</b>	<b>1,522.32</b>	<b>1,449.61</b>
<b>3</b>	<b>Current liabilities</b>		
	(a) Financial Liabilities		
	-Borrowings	351.26	886.42
	-Trade payables		
	(i) Total outstanding dues of micro enterprises and small enterprises	12.70	4.38
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises.	291.69	311.19
	-Other financial liabilities	551.10	550.15
	(b) Provisions	3.81	2.95
	(c) Current tax liabilities	36.56	30.66
	(d) Other current liabilities	204.42	76.31
	<b>Total Current liabilities</b>	<b>1,451.54</b>	<b>1,862.06</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>8,795.33</b>	<b>9,016.22</b>





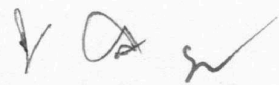
**VARDHMAN TEXTILES LIMITED**

Regd. Office : Chandigarh Road, Ludhiana-141010

Consolidated Statement of Cash Flows for the half year ended September 30, 2019

**(Rs. In Crores)**

Particulars	Half Year Ended September 30, 2019	Half Year Ended September 30, 2018
	Unaudited	Unaudited
<b>Net cash flow from operating activities</b>		
Net Profit before Tax	337.90	515.25
Operating profit before working capital changes	514.86	631.33
<b>A) Net cash generated from operating activities</b>	1,477.17	1,235.06
<b>B) Net Cash (used) in Investing Activities</b>	(775.16)	(437.36)
<b>C) Net cash (used) in financing activities</b>	(519.05)	(817.63)
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	182.96	(19.92)
<b>Add: Cash and cash equivalents as at beginning of the year</b>	<b>40.05</b>	<b>70.38</b>
<b>Cash and cash equivalents as at end of the period</b>	<b>223.01</b>	<b>50.46</b>



**VARDHMAN TEXTILES LIMITED**

Consolidated Unaudited Financial Results for the quarter and half year ended September 30, 2019

Registered Office : Chandigarh Road, Ludhiana-141010

**Statement of Segment Information**

(Rs. In Crores)

Particulars	Quarter Ended September 30, 2019	Quarter Ended June 30, 2019	Quarter Ended September 30, 2018	Half year ended September 30,2019	Half year ended September 30,2018	Year Ended March 31, 2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>I. Segment Revenue</b>						
Textiles	1,600.77	1,589.62	1,591.79	3,190.39	3,216.81	6,577.51
Acrylic Fibre	82.72	86.28	117.50	169.00	216.95	391.96
<b>Total</b>	<b>1,683.49</b>	<b>1,675.90</b>	<b>1,709.29</b>	<b>3,359.39</b>	<b>3,433.76</b>	<b>6,969.47</b>
Less : Inter Segment Revenue	19.82	25.54	24.19	45.36	48.69	91.55
<b>Net sales/income from operations</b>	<b>1,663.67</b>	<b>1,650.36</b>	<b>1,685.10</b>	<b>3,314.03</b>	<b>3,385.07</b>	<b>6,877.92</b>
<b>II. Segment Results</b>						
Profit before tax & interest from each segment						
Textiles	180.60	194.51	282.78	375.11	529.28	1,082.55
Acrylic Fibre	2.81	17.25	13.77	20.06	28.29	28.51
<b>Total</b>	<b>183.41</b>	<b>211.76</b>	<b>296.55</b>	<b>395.17</b>	<b>557.57</b>	<b>1,111.06</b>
Less : (a) Interest	33.79	37.25	29.22	71.04	62.94	119.65
(b) Other un-allocable expenditure / (income) (Net of un-allocable (income)/expenditure)	(13.80)	4.48	(14.50)	(9.32)	(11.01)	(51.40)
Add: Share of Profit/(Loss) of Associates and/or Joint Venture	1.92	2.53	4.61	4.45	9.62	15.93
<b>Total Profit before tax</b>	<b>165.34</b>	<b>172.56</b>	<b>286.44</b>	<b>337.90</b>	<b>515.26</b>	<b>1,058.74</b>
Tax expenses	45.70	51.57	86.23	97.27	152.31	318.19
<b>Net Profit after tax</b>	<b>119.64</b>	<b>120.99</b>	<b>200.21</b>	<b>240.63</b>	<b>362.95</b>	<b>740.55</b>
Less: Non Controlling Interest	3.08	4.91	3.80	7.99	7.41	9.84
<b>Net Profit after taxes, non controlling interest and Share of profit of Associates and/or Joint Venture</b>	<b>116.56</b>	<b>116.08</b>	<b>196.41</b>	<b>232.64</b>	<b>355.54</b>	<b>730.71</b>
<b>III. Segment Assets</b>						
Textiles*	6,433.65	6,904.19	5,584.44	6,433.65	5,584.44	7,124.50
Acrylic Fibre	170.54	147.31	170.85	170.54	170.85	146.00
<b>Total Segment Assets</b>	<b>6,604.19</b>	<b>7,051.50</b>	<b>5,755.29</b>	<b>6,604.19</b>	<b>5,755.29</b>	<b>7,270.50</b>
Un-allocated	2,191.14	1,711.98	2,338.83	2,191.14	2,338.83	1,745.72
<b>Total Assets</b>	<b>8,795.33</b>	<b>8,763.48</b>	<b>8,094.12</b>	<b>8,795.33</b>	<b>8,094.12</b>	<b>9,016.22</b>
<b>IV. Segment Liabilities**</b>						
Textiles	530.17	523.55	601.45	530.17	601.45	523.63
Acrylic Fibre	61.05	60.04	99.12	61.05	99.12	75.97
<b>Total Segment Liabilities</b>	<b>591.22</b>	<b>583.59</b>	<b>700.57</b>	<b>591.22</b>	<b>700.57</b>	<b>599.60</b>
Un-allocated	188.14	97.88	166.40	188.14	166.40	111.12
<b>Total Liabilities</b>	<b>779.36</b>	<b>681.47</b>	<b>866.97</b>	<b>779.36</b>	<b>866.97</b>	<b>710.72</b>
* Includes Capital Work in Progress and Capital Advances	265.76	511.18	449.91	265.76	449.91	308.60
**excludes borrowings, deferred tax liabilities						



**VARDHMAN TEXTILES LIMITED**

**Registered Office : Chandigarh Road, Ludhiana-141010**

**NOTES :**

1. The consolidated financial results includes result of all its - (i) Subsidiaries - viz Vardhman Acrylics Limited, VMT Spinning Company Limited, VTL Investments Limited, and Vardhman Nisshinbo Garments Company Limited (Joint Venture upto January 22, 2019) and (ii) Associates - viz Vardhman Yarns and Threads Limited, Vardhman Special Steels Limited and Vardhman Spinning and General Mills Limited.

2 Effective April 1, 2019, the Group has adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method along with the transition option to recognise Right of Use asset (ROU) at an amount equal to the lease liability. Accordingly, comparatives for the quarters and half year ended September 30, 2018 and year ended March 31, 2019 have not been retrospectively adjusted. On transition, "Right of use asset" of Rs. 0.15 crore and a corresponding "Lease Liabilities" of Rs. 0.15 crore has been recognised as at April 1, 2019. Further, in respect of leases which were classified as operating leases, applying Ind AS 17, Rs. 20.23 crores has been reclassified from "Other Assets" to "Right of Use Asset". The effect of this adoption is not material on the profit for the period and earnings per share.

3 The Board of Directors, in its meeting held on August 13, 2019 has approved a Scheme of Amalgamation (the "Scheme") under Sections 230 to 232 of the Companies Act, 2013 ('the 2013 Act') and other applicable provisions of the 2013 Act, as per pooling of interest method, between the Company and its subsidiaries, by the name of Vardhman Acrylics Limited, VMT Spinning Company Limited, VTL Investments Limited, and Vardhman Nisshinbo Garments Company Limited. The amalgamation will be from April 1, 2020 being the appointed date and is subject to shareholders' and other statutory approvals.

4. These results have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

5. The Company has issued secured, rated listed Redeemable Non-convertible Debentures (NCDs) aggregating to Rs. 499.80 crores for cash at par on private placement basis on September 8, 2017. The NCDs are listed at the Bombay Stock Exchange of India (BSE) and comprise of three series repayable in third, fourth and fifth years and have an overall yield of 7.69% per annum.

CRISIL has assigned a rating of AA+ with Stable outlook to the said NCDs of the Company on December 28, 2018. These NCDs are secured by way of a first pari passu charge over the immovable and movable fixed assets of the Company and it should have fixed asset cover of more than 1.05 times of outstanding amount of NCDs. The Fixed Asset coverage ratio as on September 30, 2019 is 2.26 times.

6. During the half year ended September 30, 2019, the Company has issued 20,000 equity shares under Employee Stock Options Scheme at Rs. 815 per share. As a result of above, the paid up equity share capital of the Company has increased from Rs. 57.48 crores to Rs. 57.50 crores.

7. Financial Results has been reviewed by the Audit Committee at its meeting held on November 07, 2019 and approved by the Board of Directors at its meeting held on November 08, 2019. The limited review as required under Regulation 33 of SEBI ( Listing Obligation and Disclosure Requirements) Regulations, 2015, has been completed by the Statutory Auditors.

8. On September 20, 2019, the Government of India, vide the Taxation Laws (Amendment) Ordinance 2019, inserted Section 115BAA in the Income Tax Act, 1961, which provides domestic companies an option to pay corporate tax at reduced rate effective April 01, 2019, subject to certain conditions. The Group is currently in the process of evaluating this option.

For Vardhman Textiles Limited



S.P Oswal

Chairman and Managaing Director

Place : Ludhiana

Date : November 08, 2019



## INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS

### TO THE BOARD OF DIRECTORS OF VARDHMAN TEXTILES LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **VARDHMAN TEXTILES LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net profit after tax and total comprehensive income of its associates for the quarter and half year ended September 30, 2019 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the 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 Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent'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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

Name of the Entity	Relationship
Vardhman Acrylics Limited	Subsidiary company
VMT Spinning Company Limited	Wholly owned subsidiary company
VTL Investments Limited	Wholly owned subsidiary company
Vardhman Nisshinbo Garments Company Limited	Wholly owned subsidiary company
Vardhman Yarn and Threads Limited	Associate company
Vardhman Special Steels Limited	Associate company
Vardhman Spinning and General Mills Limited	Associate company

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We did not review the interim financial results of one subsidiary included in the consolidated unaudited financial results, whose interim financial results reflect total assets of Rs. 470.55 crores as at September 30, 2019, total revenues of Rs. 89.47 crores and Rs 180.44 crores for the quarter and half year ended September 30, 2019 respectively, total net profit after tax of Rs. 10.67 crores and Rs. 27.46 crores for the quarter and half year ended September 30, 2019 and total comprehensive income of Rs. 10.67 crores and Rs. 27.46 crores for the quarter and half year ended September 30, 2019 respectively and net cash inflows of Rs. 31.10 crores for the half year ended September 30, 2019, as considered in the Statement. The consolidated unaudited financial results also includes the Group's share of loss after tax of Rs. 0.86 crore and Rs. 0.55 crore for the quarter and half year ended September 30, 2019 and Total comprehensive loss of Rs. 0.87 crore and Rs. 0.58 crore for the quarter and half year ended September 30, 2019 respectively, as considered in the Statement, in respect of one associate, whose interim financial results have not been reviewed by us. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and associate, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.


Our conclusion on the Statement is not modified in respect of these matters.

7. The consolidated unaudited financial results includes the interim financial results of three subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total assets of Rs. 270.80 crores as at September 30, 2019 and, total revenue of Rs. 78.85 crores and Rs. 141.53 crores for the quarter and half year ended September 30, 2019 respectively, total profit after tax of Rs. 4.34 crores and Rs. 5.93 crores for the quarter and half year ended September 30, 2019 respectively and Total comprehensive income of Rs. 4.34 crores and Rs. 5.93 crores for the quarter and half year ended September 30, 2019 respectively and net cash inflow of Rs. 1.25 crores for the half year ended September 30, 2019, as considered in the Statement. The consolidated unaudited financial results also includes the Group's share of profit after tax of Rs. 2.80 crores and Rs. 5.03 crores for the quarter and half year ended September 30, 2019 respectively and total comprehensive income of Rs. 2.80 crores and Rs. 5.03 crores for the quarter and half year ended September 30, 2019 respectively, as considered in the Statement, in respect of two associates, based on their interim financial information which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial information are not material to the Group.


Our Conclusion on the Statement is not modified in respect of our reliance on the interim financial results certified by the Management.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

  
**Rajesh Kumar Agarwal**  
(Partner)  
(Membership No. 105546)

UDIN: 19105546AAAAEI8634

  
GURUGRAM, NOVEMBER 8, 2019

Ref.no.2808/SBICTCL/DT/2019-20

Date: 08<sup>th</sup> November 2019

To,  
**VARDHMAN TEXTILES LIMITED**  
Vardhman Premises,  
Chandigarh Road, Ludhiana

**Kind Attention: Mr. Akshay Jain**

**Sub:-Certificate u/r 52(5) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, for NCDs aggregating to Rs 499.80 Crores by Vardhman Textiles Ltd ("Issuer"), for the half year ended 30<sup>th</sup> September 2019.**

Dear Sir/ Madam,

We are acting as Debenture Trustee for the captioned Debenture Issues. Pursuant to Regulation 52(4) read with Regulation 52(5) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the issuer is required to submit its half yearly financial results with a certificate of Debenture Trustee, that the Debenture Trustee has noted the contents furnished by the issuer as per the Regulation 52(4).

In pursuance thereof we hereby confirm that we have received the said information vide your email dated November 8, 2019 along with the relevant/ necessary supporting and we have noted the contents of the financial results furnished by the issuer as per the Regulation 52(4) of the Regulations.

**Yours faithfully,  
For SBICAP Trustee Company Limited**



**Authorised Signatory**