



REF: VPL: SEC: NOV: 2020-21

Dated: 12.11.2020

The Listing Department, National Stock Exchange of India Limited "Exchange Plaza", C-1, Block-G, Bandra - Kurla Complex, Bandra (E), Mumbai - 400051 SCRIP CODE: VARDMNPOLY	The Listing Department, BSE Limited 25 th Floor, P.J. Towers, Dalal Street Fort, Mumbai- 400001 SCRIP CODE: 514175
--	--

SUBJECT: OUTCOME OF BOARD MEETING

Dear Sir/ Madam,

In compliance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that the board of directors of the company at its meeting held today i.e., Thursday, 12th November, 2020 has, inter alia, approved Unaudited Financial Results (both Standalone and Consolidated) for the quarter/ half year ended 30th September, 2020 alongwith the Limited Review Report thereon as received from the Statutory Auditor of the company.

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, we are enclosing herewith the Unaudited Financial Results (both Standalone & Consolidated) of the Company for the quarter/ half year ended 30th September, 2020 together with Limited Review Report thereon.

The meeting of Board of Directors commenced at 5.00 PM and concluded at 6.20 PM

This is for your information and record please.

Thanking you,

Yours truly,
For Vardhman Polytex Limited


Ajay K. Ratra
Company Secretary



Vardhman Polytex Ltd
An **Oswal Group** Company
CIN: L17122PB1980PLC004242

Corp. Office: Vardhman Park,
Chandigarh Road Ludhiana - 141123
Punjab (India) Tel: +91-161-6629888

www.vpl.in
info@vpl.in

Sl. No	Particulars	Standalone						Consolidated					
		Quarter ended			Half Year ended		Year Ended	Quarter ended			Half Year ended		Year Ended
		30th Sep 2020 Unaudited	30th Jun 2020 Unaudited	30th Sep 2019 Unaudited	30th Sep 2020 Unaudited	30th Sep 2019 Unaudited	31st March 2020 Audited	30th Sep 2020 Unaudited	30th Jun 2020 Unaudited	30th Sep 2019 Unaudited	30th Sep 2020 Unaudited	30th Sep 2019 Unaudited	31st March 2020 Audited
1	Revenue from operations	12,056.28	4,273.78	9,777.22	16,330.06	30,222.33	56,066.23	12,064.21	4,278.90	9,783.38	16,343.11	30,293.45	56,086.50
2	Other Income	65.01	65.54	73.80	130.55	140.20	318.35	65.02	65.54	73.80	130.55	140.20	318.35
3	Total Income (1+2)	12,121.29	4,339.32	9,851.02	16,460.61	30,362.53	56,384.58	12,129.23	4,344.44	9,857.18	16,473.66	30,373.65	56,404.85
4	Expenses												
	A) Cost of material consumed	8,738.34	3,412.40	7,138.35	12,150.74	23,349.20	42,421.66	8,738.34	3,412.40	7,138.36	12,150.73	23,349.21	42,421.66
	B) Purchase of traded goods	68.11	-	63.70	68.11	84.84	370.80	68.11	-	63.70	68.11	84.84	370.80
	C) Changes in inventories of finished goods, stock in trade and work in progress	249.23	(171.06)	296.75	78.17	155.67	234.66	249.24	(171.06)	295.74	78.18	155.66	234.66
	D) Employee benefit expense	989.11	506.01	875.73	1,495.12	2,383.87	4,515.06	990.38	507.59	876.77	1,497.96	2,386.28	4,519.96
	E) Finance costs	1,654.25	1,535.47	1,534.48	3,189.72	2,959.76	5,969.99	1,654.24	1,535.47	1,534.48	3,189.71	2,959.76	5,969.98
	F) Depreciation and amortisation expense	366.68	366.93	378.38	733.61	832.41	1,563.89	387.61	369.69	379.42	757.30	837.02	1,570.56
	G) Power & Fuel Cost	1,374.69	541.43	979.26	1,916.12	2,882.99	5,456.94	1,374.69	541.43	979.26	1,916.12	2,882.99	5,456.94
	H) Other Expenditure	646.79	301.30	700.98	948.09	1,680.82	3,107.74	649.49	302.20	703.03	951.70	1,683.49	3,111.14
	Total Expenses	14,087.20	6,492.48	11,966.63	20,579.68	34,329.56	63,640.74	14,112.10	6,497.72	11,970.76	20,609.81	34,339.25	63,655.70
5	Profit from operations before tax and exceptional items (3-4)	(1,965.91)	(2,153.16)	(2,115.61)	(4,119.07)	(3,967.03)	(7,256.16)	(1,982.86)	(2,153.28)	(2,113.58)	(4,136.15)	(3,965.60)	(7,250.85)
6	Exceptional items : Income / (Loss)	-	-	-	-	-	17,435.13	-	-	-	-	-	17,435.13
7	Profit/(Loss) before tax and after exceptional items (5-6)	(1,965.91)	(2,153.16)	(2,115.61)	(4,119.07)	(3,967.03)	10,178.97	(1,982.86)	(2,153.28)	(2,113.58)	(4,136.15)	(3,965.60)	10,184.28
8	Tax expenses	-	-	-	-	-	-	0.75	-	0.34	0.75	0.68	1.38
9	Net Profit/(Loss) after tax (7-8)	(1,965.91)	(2,153.16)	(2,115.61)	(4,119.07)	(3,967.03)	10,178.97	(1,983.61)	(2,153.28)	(2,113.92)	(4,136.90)	(3,966.28)	10,182.90
	Other comprehensive income/ (loss), net of taxes	(17.52)	(17.52)	(15.76)	(35.04)	(31.52)	(70.08)	(17.52)	(17.52)	(15.76)	(35.04)	(31.52)	(70.08)
10	Total Comprehensive Income/(Loss) for the period [Comprising Profit / (loss) for the period (after tax) and Other Comprehensive Income/(Loss) (after tax)]	(1,983.43)	(2,170.68)	(2,131.37)	(4,154.11)	(3,998.55)	10,108.89	(2,001.13)	(2,170.80)	(2,129.68)	(4,171.94)	(3,997.80)	10,112.82
11	Paid-up equity share capital (Face value-Rs.10 per equity share)	2,229.10	2,229.10	2,232.54	2,229.10	2,229.10	2,229.10	2,229.10	2,229.10	2,232.54	2,229.10	2,229.10	2,229.10
	Reserves (excluding revaluation reserves)						(31,292.95)						(31,321.26)
	Earnings per share (of Rs.10 each) (for the period - not annualised)												
	- Basic (Rs.)	(8.82)	(9.66)	(9.49)	(18.48)	(17.80)	45.66	(8.90)	(9.66)	(9.48)	(18.56)	(17.79)	45.68
	- Diluted (Rs.)	(8.82)	(9.66)	(9.49)	(18.48)	(17.80)	45.66	(8.90)	(9.66)	(9.48)	(18.56)	(17.79)	45.68



Notes:

- 1 The above standalone and consolidated financial results for the quarter ended Sep,2020 were reviewed by the Audit Committee and thereafter have been adopted by the Board at its meeting held on November 12th, 2020. The company has prepared the financial results in accordance with Indian Accounting Standards (IND AS) as prescribed under section 133 of the companies Act, 2013 read with relevant rules issued thereunder and SEBI's circulars, and the management has exercised necessary due diligence to ensure that the financial results present a true and fair view of the company's affairs. These results have been reviewed by the Statutory Auditors of the Company.
- 2 Regarding the auditors qualification w.r.t. repayment of FCCB liability, the repayment of the same has been delayed due to liquidity crisis and additional liability, if any on this account, will be booked as and when finalised. The qualification still stands as on 30.09.2020
- 3 Due to various factors beyond the control of management/external factors, the company has suffered losses to the tune of Rs 1965.91 lakh during the current quarter. The company had defaulted on payment of its debt obligations to various lenders leading to its borrowing being classified as NPA by the banks. The company has requested bankers for resolution of its accounts by way of One time settlement (OTS). OTS proposal of the company has been approved by 80.00 % of total lenders as on date. However, despite net worth having been fully eroded, the Management is of the view that the company is an operative company. In view of the same, the financial statements have been prepared on a "going concern basis". Further two of the lenders namely Punjab National Bank & Jammu and Kashmir Bank and operational creditors have filed applications under Insolvency and Bankruptcy Code 2016 with NCLT for initiating Corporate Insolvency Resolution Process (CIRP). The petitions have not been admitted so far.
- 4 The consolidated financial results include results of F.M. Hammerle Verwaltung GmbH, Austria.
- 5 The company has entered into arrangement with few vendors from whom company is purchasing raw material and in turn processing the same to the finished output, which is sold back to them.
- 6 On account of COVID-19 pandemic, the Government of India had imposed a complete nation-wide lockdown on March 24, 2020 leading to temporarily shut down of company's manufacturing facilities and operations. Later on, the government of India has progressively relaxed lockdown conditions and has allowed the Industry to resume its operations in a phased manner. During the quarter, the company has resumed its manufacturing operations and is in the process of scaling them up. The results for the quarter are, therefore, not comparable with those for the previous quarters.

Further, the Company has made assessment of its liquidity position for the current year and the recoverability and carrying value of its assets comprising property, plant and equipment, investments, inventories and trade receivables. The Company has considered internal and external sources of information for making said assessment. On the basis of said assessment, the Company expects to recover the carrying amount of these assets and no material adjustments is required in the financial results. Given the uncertainties associated with nature, condition and duration of COVID-19, the Company will closely monitor any material changes arising out of the future economic conditions and its impact on the business of the Company.
- 7 The business of company falls within a single primary segment *Vit*, Textile and hence, the disclosure requirement of IND-AS 108 'Operating segment' is not applicable.
- 8 Figures relating to previous period have been regrouped/rearranged, where necessary to make them comparable with those of the current period.
- 9 The Code on Social Security 2020 has been notified in the Official Gazette on 29th September 2020. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact if any of the change will be assessed and accounted in the period in which said Code becomes effective and the rules framed thereunder are published.

Place : Ludhiana
Date : 12th November, 2020



Adish
12/11/2020

For Vardhman Polytex Ltd.

(Adish Oswal)
Chairman and Managing Director
(DIN 0009710)

VARDHMAN POLYTEX LTD.

Regd. Office : 'Vardhman Park, Chandigarh Road, Ludhiana - 141123'

CIN: L17122PB1980PLC 004242, PHONES: 0161-2685301-04, 6629888, FAX : 6629988, E-Mail- info@vpl.in, Web: www.vpl.in

STATEMENT OF ASSETS AND LIABILITIES FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020

(Rs in Lakhs)

S.No.	Particulars	STANDALONE		CONSOLIDATED	
		As at Sep 30, 2020	As at March 31, 2020	As at Sep 30, 2020	As at March 31, 2020
		Audited	Audited	Audited	Audited
I	ASSETS				
1	Non-current assets				
	a) Property, plant and equipment	18,340.64	19,053.85	18,347.22	19,084.10
	b) Investment Property	480.46	485.38	480.44	485.38
	c) Capital work-in-progress	-	0.11	-	0.11
	d) Other intangible assets	4.86	5.23	4.85	5.22
	e) Financial assets				
	i) Investments	23.15	23.15	0.62	0.62
	ii) Other financial assets	7.27	1.55	7.27	1.55
	f) Trade receivable	947.82	812.20	947.82	812.20
	g) Deferred tax assets (net)	5,016.18	5,016.18	5,016.18	5,016.18
	h) Other non-current assets	794.67	734.96	794.67	734.96
	Total Non Current Assets	25,615.05	26,132.61	25,599.07	26,140.32
2	Current assets				
	a) Inventories	1,852.87	2,076.67	1,852.87	2,076.67
	b) Financial assets				
	i) Trade and other receivables	667.58	569.67	667.58	569.67
	ii) Cash and cash equivalents	14.28	7.99	14.28	7.99
	iii) Bank balances other than above	1.25	6.25	1.25	6.25
	iv) Loans	9.42	10.03	9.42	10.03
	v) Other financial assets	23.21	45.69	25.33	46.82
	c) Current tax assets	293.94	279.10	293.94	279.10
	d) Other current assets	1,787.33	1,772.42	1,787.33	1,772.42
	Total Current Assets	4,649.88	4,767.82	4,652.00	4,768.95
	TOTAL ASSETS	30,264.93	30,900.43	30,251.07	30,909.27
II	EQUITY AND LIABILITIES				
1	EQUITY				
	a) Equity share capital	2,229.10	2,229.10	2,229.10	2,229.10
	b) Other equity	(35,447.07)	(31,292.95)	(35,498.42)	(31,321.26)
	c) Preference Share Capital	-	-	-	-
	Total Equity	(33,217.97)	(29,063.85)	(33,269.33)	(29,092.16)
	LIABILITIES				
2	Non-current liabilities				
	a) Financial liabilities				
	i) Borrowings	566.59	547.13	566.60	547.13
	b) Long term provisions	33.48	23.00	33.48	23.00
	c) Other non-current liabilities	0.53	0.53	0.53	0.53
	Total Non Current Liabilities	600.60	570.66	600.61	570.66
3	Current liabilities				
	a) Financial liabilities				
	i) Borrowings	50,984.56	48,366.49	50,984.56	48,366.66
	ii) Trade payables				
	a) Due to Micro & Small Enterprises	-	-	-	-
	b) Due to Others	5,862.94	6,201.93	5,883.75	6,227.09
	iii) Other financial liabilities	5,493.91	4,361.63	5,510.58	4,373.45
	b) Other current liabilities	280.67	203.35	280.67	203.35
	c) Short term provisions	260.22	260.22	260.22	260.22
	Total Current Liabilities	62,882.30	59,393.62	62,919.79	59,430.77
	TOTAL EQUITY AND LIABILITIES	30,264.93	30,900.43	30,251.07	30,909.27

Place : Ludhiana

Date : 12th November, 2020



For Vardhman Polytex Ltd.

(Signature)

(Adish Oswal)

Chairman and Managing Director
DIN 00009710

*Atk
12/11/2020*

Cash flow statement for the Half Year ended September 30,2020

(Rs in Lakhs)

Particulars	STANDALONE		CONSOLIDATED	
	As at Sep 30, 2020	As at Mar 31, 2020	As at Sep 30, 2020	As at Mar 31, 2020
	Unaudited	Audited	Unaudited	Audited
Net Cash generated from Operating Activities				
Net profit before tax	(4,119.06)	10,178.97	(4,136.90)	10,182.90
Operating Profit before Working Capital changes	(223.19)	162.24	(217.33)	172.84
A) Net cash (used in)/ generated from Operating Activities	161.96	1,345.04	162.00	1,344.60
B) Net Cash (used)/from Investing Activities	3.58	36.59	3.57	36.59
C) Net Cash (used)/from Financing Activities	(164.15)	(1,394.53)	(164.29)	(1,394.36)
Net Increase/(Decrease) in cash & cash equivalents (A+B+C)	1.39	(12.90)	1.28	(13.17)
Add:Cash and cash equivalents as at 1st April (Opening Balance)	14.24	27.14	14.25	27.42
Cash and cash equivalents as at 30th Sep'20 & 31st March'20(Closing Balance)	15.63	14.24	15.53	14.25

Place : Ludhiana

Date : 12th November, 2020



For Vardhman Polytex Ltd.

(Adish Oswal)

Chairman and Managing Director

DIN 00009710

Done
12/11/20



ROMESH K. AGGARWAL & ASSOCIATES

CHARTERED ACCOUNTANTS

Head Office - 101, STREET No. 2, BALAJI COLONY, FARIDKOT- 151203

Branch Office - G.T. ROAD, MILLER GANJ, LUDHIANA-141003

Phones: 2532920, 2534289.

Independent Auditor's Review Report On the Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors,
Vardhman Polytex Ltd.

1. We have reviewed the accompanying statement of unaudited consolidated financial results of **Vardhman Polytex Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), for the quarter and half year ended September 30, 2020 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligation and disclosure requirements) Regulations, 2015 as amended ("the Listing Regulations").
 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. A review of interim financial information consists of making inquiries, primarily of persons 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 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 F.M. Hammerle Verwaltung Gmbh, Austria.
 5. The group had credited profit of Rs 396.44 lacs due on payment of FCCB liability to the statement of profit & loss during the period ending March 31, 2017. This profit should have been credited in the statement of profit & loss on payment of FCCB liability which is still outstanding to the tune of 554,160 USD as on September 30, 2020. The same has not been addressed in the current period under audit. This matter was also qualified in all the previous limited review/audit reports submitted by us.



6. Based on our review conducted and procedures performed as stated in paragraph 3, except for the effect of our observation stated in Para 5 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 including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. We draw attention to Note 6 to the Consolidated financial results, which describes the uncertainties and the impact of Covid-19 pandemic on the Group's operations and results as assessed by the management. Our conclusion is not modified in respect of this matter.

7. The subsidiary Company is located outside India whose quarterly financial statement and other financial information have been prepared in accordance with the accounting principles generally accepted in their respective country. These financial results are unaudited and have been furnished to us by the management. The company's management has converted the above mentioned financial statement and other financial information of such subsidiary company located outside India from accounting principles generally accepted in their respective country to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary company located outside India is based solely on the unaudited financial statements and the conversion adjustments prepared by the management of the Company and reviewed by us.

Our opinion on the unaudited quarterly consolidated financial results is not modified in respect of the above matter.

For Romesh K Aggarwal & Associates



Chartered Accountants

Ruchit Singla

Partner

M. No. 519347

Place - Ludhiana

Dated - November 12, 2020

UDIN - 20519347AAAABL7201



ROMESH K. AGGARWAL & ASSOCIATES

CHARTERED ACCOUNTANTS

Head Office - 101, STREET No. 2, BALAJI COLONY, FARIDKOT- 151203

Branch Office - G.T. ROAD, MILLER GANJ, LUDHIANA-141003

Phones: 2532920, 2534289.

Independent Auditor's Review Report On the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors,
Vardhman Polytex Ltd.

1. We have reviewed the accompanying statement of unaudited standalone financial results of Vardhman Polytex Limited ("the Company") for the quarter and half year ended September 30, 2020 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligation and disclosure requirements) Regulations, 2015 as amended ("the Listing Regulations").
2. This Statement which is the responsibility of the Company's Management and approved by the 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 as amended 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. The company had credited profit of Rs 396.44 lacs due on payment of FCCB liability to the statement of profit & loss during the period ending March 31, 2017. This profit should have been credited in the statement of profit & loss on payment of FCCB liability which is still outstanding to the tune of 554,160 USD as on September 30, 2020. The same has not been addressed in the current period under audit. This matter was also qualified in all the previous limited review/audit reports submitted by us.
5. Based on our review conducted as above, except for the effect of our observation stated in Para 4 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 including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We draw attention to Note 6 to the standalone financial results, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. Our conclusion is not modified in respect of this matter.

For Romesh K Aggarwal & Associates

Chartered Accountants

FRN - 000711N



M. No. 519347

Place - Ludhiana

Dated - November 12, 2020

UDIN - 20519347AAAABK2308