



# Vardhman

Delivering Excellence. Since 1965.

## VARDHMAN TEXTILES LIMITED

CHANDIGARH ROAD  
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Ref. VTXL:SCY:OCT:2020-21

Dated: 24.10.2020

BSE Limited, 1 <sup>st</sup> Floor, New Trading Ring, Rotunda Building, P.J Towers, Dalal Street, 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
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**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, 2020 together with Limited Review Report as approved by Board of Directors in its meeting held on 24<sup>th</sup> October, 2020.

The meeting of the Board of Directors commenced at 10:00 a.m. and concluded at 03:15 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

**VARDHMAN TEXTILES LIMITED**  
Registered Office : Chandigarh Road, Ludhiana-141010  
Standalone Unaudited financial results for the quarter and half year ended September 30, 2020  
Corporate Identity Number (CIN): L17111PB1973PLC003345, PAN: AABCM4692E  
Website:www.vardhman.com Email: secretarial.lud@vardhman.com

(Rs. In Crores)

S.No.	Particulars	Quarter Ended	Quarter Ended	Quarter Ended	Half Year ended	Half Year ended	Year Ended March
		September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	31, 2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I.	Revenue from operations	1,532.90	771.17	1,552.78	2,304.07	3,111.10	6,325.15
II.	Other income	50.50	41.66	38.81	92.16	69.84	171.98
III.	<b>Total income from operations (I+II)</b>	<b>1,583.40</b>	<b>812.83</b>	<b>1,591.59</b>	<b>2,396.23</b>	<b>3,180.94</b>	<b>6,497.13</b>
IV.	<b>Expenses</b>						
	Cost of materials consumed	804.68	449.91	872.21	1,254.59	1,705.83	3,332.63
	Purchase of stock- in trade	8.36	13.15	12.10	21.51	30.81	52.05
	Change in inventories of finished goods, works -in progress and stock -in- trade	132.68	(36.67)	(81.26)	96.01	(105.39)	(50.30)
	Employee benefits expense	126.28	119.61	139.66	245.89	275.39	550.98
	Finance cost	27.34	33.08	32.95	60.42	69.31	132.54
	Depreciation and amortisation expense	87.83	85.58	78.97	173.40	151.42	319.21
	Power and fuel	127.43	99.56	172.97	226.99	351.36	710.28
	Other expenses	199.47	129.59	198.18	329.06	387.59	846.73
	<b>Total Expenses</b>	<b>1,514.07</b>	<b>893.81</b>	<b>1,425.78</b>	<b>2,407.87</b>	<b>2,866.32</b>	<b>5,894.12</b>
V.	<b>Profit/(Loss) before tax (III-IV)</b>	<b>69.33</b>	<b>(80.98)</b>	<b>165.81</b>	<b>(11.64)</b>	<b>314.62</b>	<b>603.01</b>
VI.	<b>Tax expense</b>						
	Current tax	-	-	22.21	-	53.62	129.66
	Deferred tax	19.76	(22.58)	23.56	(2.82)	37.44	(72.14)
VII.	<b>Profit/(Loss) after tax (V-VI)</b>	<b>49.57</b>	<b>(58.40)</b>	<b>120.04</b>	<b>(8.82)</b>	<b>223.56</b>	<b>545.49</b>
VIII.	<b>Other Comprehensive Income/(Expenditure)</b>	-	-	0.02	-	0.05	(3.26)
IX.	<b>Total Comprehensive income/(Expenditure) (VII+VIII)</b>	<b>49.57</b>	<b>(58.40)</b>	<b>120.06</b>	<b>(8.82)</b>	<b>223.61</b>	<b>542.23</b>
X.	<b>Earnings Per Share (in Rs.) (not annualized)</b>						
	(a) Basic	8.62	(10.15)	20.88	(1.53)	38.88	94.86
	(b) Diluted	8.56	(10.08)	20.70	(1.52)	38.54	94.16
XI.	<b>Paid up Equity Share Capital (Face value per share Rs.10)</b>	<b>57.52</b>	<b>57.52</b>	<b>57.50</b>	<b>57.52</b>	<b>57.50</b>	<b>57.52</b>
XII.	<b>Paid up Debt Capital*</b>				544.80	499.80	499.80
XIII.	<b>Other Equity</b>						5,608.69
XIV.	<b>Capital Redemption Reserve</b>				6.26	6.26	6.26
XV.	<b>Debenture Redemption Reserve</b>				57.62	57.62	57.62
XVI.	<b>Net Worth**</b>				5,658.69	5,347.22	5,666.21
XVII.	<b>Debt Equity Ratio***</b>				0.32	0.34	0.39
XVIII.	<b>Debt Service Coverage Ratio****</b>				2.38	2.00	2.72
XIX.	<b>Interest Service Coverage Ratio*****</b>				3.68	6.95	6.98

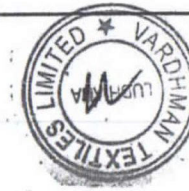
\* Paid up Debt Capital comprises of listed debentures only.

\*\* 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



**VARDHMAN TEXTILES LIMITED**  
Regd. Office : Chandigarh Road, Ludhiana-141010

Standalone Unaudited Balance Sheet as at September 30, 2020 (Rs. In Crores)

Sr. No.	Particulars	Unaudited	Audited
		September 30, 2020	March 31, 2020
	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	(a) Property, plant and equipment	3,450.77	3,470.54
	(b) Capital work-in-progress	79.26	139.42
	(c) Right of Use Asset	8.70	8.76
	(d) Intangible assets	1.83	1.82
	(e) Financial assets	288.68	558.20
	-Investments	1.13	1.48
	-Loans	0.96	5.19
	-Other financial assets	53.17	63.11
	(f) Other non-current assets		
	<b>Total Non-current assets</b>	<b>3,884.50</b>	<b>4,248.52</b>
<b>2</b>	<b>Current assets</b>		
	(a) Inventories	1,631.51	2,506.16
	(b) Financial assets		
	-Investments	1,000.40	473.29
	-Trade receivables	888.95	794.81
	-Cash and cash equivalents	40.92	148.46
	-Bank Balance other than above	3.15	3.25
	-Loans	29.18	29.72
	-Other financial assets	59.89	11.03
	(c) Current tax assets (net)	8.71	65.82
	(d) Other current assets	630.67	445.47
	(e) Assets held-for-sale	0.15	0.15
	<b>Total current assets</b>	<b>4,293.53</b>	<b>4,478.16</b>
	<b>Total Assets</b>	<b>8,178.03</b>	<b>8,726.68</b>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	(a) Equity share capital	57.52	57.52
	(b) Other equity	5,601.17	5,608.69
	<b>Total equity</b>	<b>5,658.69</b>	<b>5,666.21</b>
<b>1</b>	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
	(a) Financial liabilities		
	-Borrowings	1,406.04	1,266.14
	-Other financial liabilities	3.92	3.98
	-Lease liability	0.16	0.15
	(b) Provisions	14.85	14.45
	(c) Deferred tax liabilities (net)	222.50	225.32
	(d) Other non-current liabilities	17.70	19.32
	<b>Total Non-current liabilities</b>	<b>1,665.17</b>	<b>1,529.36</b>
<b>2</b>	<b>Current liabilities</b>		
	(a) Financial Liabilities		
	-Borrowings	178.78	723.02
	-Trade payables		
	(i) Total outstanding dues of micro enterprises and small enterprises	11.81	27.23
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises.	231.00	264.69
	-Other financial liabilities	355.84	441.19
	(b) Provisions	4.52	2.46
	(c) Current tax liabilities (net)	-	-
	(d) Other current liabilities	72.22	72.52
	<b>Total Current liabilities</b>	<b>854.17</b>	<b>1,531.11</b>
	<b>Total Equity and Liabilities</b>	<b>8,178.03</b>	<b>8,726.68</b>



**VARDHMAN TEXTILES LIMITED**  
 Regd. Office : Chandigarh Road, Ludhiana-141010  
 Statement of Cash Flows for the Half year ended September 30, 2020

(Rs. In Crores)

Particulars	Half Year ended September 30,2020 Unaudited	Half Year ended September 30,2019 Unaudited
<b>Net cash flow from operating activities</b>		
Net Profit/(loss) before Tax	(11.64)	314.62
Operating profit before working capital changes	163.46	480.19
<b>A) Net cash generated from operating activities</b>	683.81	1,396.52
<b>B) Net Cash (used) in Investing Activities</b>	(315.85)	(738.08)
<b>C) Net cash (used) in financing activities</b>	(475.50)	(507.83)
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	(107.54)	150.61
<b>Add: Cash and cash equivalents as at beginning of the year</b>	<b>148.46</b>	<b>37.43</b>
<b>Cash and cash equivalents as at end of the period</b>	<b>40.92</b>	<b>188.04</b>



**VARDHMAN TEXTILES LIMITED**

Registered Office : Chandigarh Road, Ludhiana-141010

**Notes to standalone financial results:**

- 1 The Financial Results has been prepared in accordance with recognition and measurement principles as laid down in the Indian Accounting Standards ("Ind AS") 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and SEBI's circular no. CIR/CFD/FAC/62/2016 dated July 5, 2016 as amended from time to time.
- 2 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, take 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".
- 3 The Company has made repayment of Commercial Papers on their respective due dates. The details of Commercial Papers repaid during the half year ended September 30, 2020, are as follows:-

ISIN No	ISIN Type	Rating	Due Date of payment	Actual Date of Repayment	Redemption Amount (Rs. In Crores)
INE825A14882	Fresh issued	Crisil A1+	23-June-2020	23-June-2020	250.00
INE825A14890	Fresh issued	Crisil A1+	22-July-2020	22-July-2020	200.00

- 4 (a) The Company had issued secured, rated listed Redeemable Non-convertible Debentures (NCDs) aggregating to Rs. 195.00 Crores for cash at par on private placement basis on June 1, 2020. The NCDs are listed at the Bombay Stock Exchange of India (BSE) and repayable at the end of 36 months from the date of allotment and have a yield of 6.83% per annum payable on 01-June on annual basis.

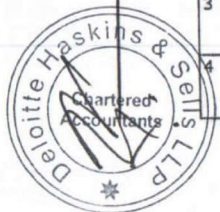
CRISIL has assigned a rating of AA+ with Stable outlook to the said NCDs of the Company on May 28, 2020. The NCDs shall be secured by way of a first pari passu charge over the immovable and movable fixed assets of the Company and it should have fixed asset cover of more than 1.25 times of outstanding amount of NCDs. The Fixed Asset coverage ratio as on September 30, 2020 is 2.14 times.

- (b) The Company had also 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. During the quarter ended September 30, 2020 1,500 7.59% Series A NCDs of Rs.10 lacs each amounting to Rs.150 Crores were redeemed on 08-September 2020.

CRISIL has assigned a rating of AA+ with Stable outlook to the said NCDs of the Company on May 28, 2020. 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, 2020 is 2.14 times.

- (c) Details of non-convertible debentures are as follows:-

S.No	ISIN Number	Particulars	Whether Secured/Unsecured	Rating	Previous Due Dates		Next Due Date	
					Principal	Interest	Principal	Interest
1	INE825A07043	1500 7.59% Series A NCDs of Rs. 10 Lacs each	Secured	Crisil AA+Stable	8-Sep-20	8-Sep-20	-	-
2	INE825A07050	1500 7.69% Series B NCDs of Rs. 10 Lacs each	Secured	Crisil AA+Stable	-	8-Sep-20	8-Sep-21	8-Sep-21
3	INE825A07068	1998 7.75% Series C NCDs of Rs. 10 Lacs each	Secured	Crisil AA+Stable	-	8-Sep-20	8-Sep-22	8-Sep-21
4	INE825A07076	1950 6.83% NCDs of Rs. 10 Lacs each	Secured	Crisil AA+Stable	-	-	1-Jun-23	1-Jun-21



**VARDHMAN TEXTILES LIMITED**

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

- 5 Financial Results has been reviewed by the Audit Committee on October 23,2020 and approved by the Board of Directors at its meeting held on October 24,2020 . The limited review as required under Regulation 33 of SEBI ( Listing Obligation and Disclosure Requirements) Regulations, 2015, has been completed by the Statutory Auditors.
- 6 The company had adopted the option permitted under section 115BAA of the Income-Tax Act,1961 with effect from quarter ended December 31,2019. Therefore income tax expense for the quarter and half year ended September 30,2019 is not comparable to all periods presented in above results.
- 7 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. Since then the Government of India has progressively relaxed lockdown conditions and has allowed the Industry to resume its operations in a phased manner. The Company had resumed operations at its manufacturing facilities and is currently in the process of scaling up its operations. Hence results of quarter and half year ended 30th September 2020 are not comparable with previous quarter and corresponding quarter and half year ended 30th September 2019 respectively. 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, right of use assets, 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.
- 8 The Company was carrying substantial stock of cotton at the start of the Financial Year 2020-21. Amidst Covid situation, it was thought prudent to hedge the same partially against price fluctuation. Accordingly, the Company had entered into derivative contracts at an international Commodity Exchange. 'Other Expenses' for the quarter and the half year ended 30 th September, 2020 include loss (Including Mark to Market loss) of Rs 25.74 cr and Rs 55.11 cr respectively on these derivative contracts.
- 9 The Board of Directors, in its meeting held on May 27, 2020 had approved a Scheme of Amalgamation (the "Scheme") under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the 2013 Act, as per pooling of interest method, amongst the Company (Transferee Company) and its subsidiaries VMT Spinning Company Limited and Vardhman Nisshinbo Garments Company Limited (Transferor companies) . The Appointed date for the scheme will be April 1, 2020. The Scheme is subject to necessary approval from members & creditors of all the companies involved in the merger and other statutory approvals.
- 10 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 : October 24, 2020

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, 2020 ("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.
5. We draw attention to Note 7 of the statement, which describes the uncertainties and the impact of COVID-19 pandemic on the company's operations and results as assessed by management. Our conclusion on the Statement is not modified in respect of this matter.

#### For DELOITTE HASKINS & SELLS LLP

Chartered Accountants  
(Firm's Registration No. 111366W/W-100018)



*Rajesh Kumar Agarwal*  
**Rajesh Kumar Agarwal**  
(Partner)

(Membership No. 105546)  
(UDIN: 20105546AAAAET4708)

Place: New Delhi  
Date: 24 October 2020

Vardhman Textiles Limited  
Registered Office : Chandigarh Road, Ludhiana-141010  
Consolidated Unaudited Financial Results for the quarter and half year ended September 30, 2020  
Corporate Identity Number (CIN): L17111PB1973PLC003345, PAN: AABCM4692E  
Website:www.vardhman.com Email: secretarial.lud@vardhman.com

		(Rs. In crores)					
S.No	Particulars	Quarter Ended	Quarter Ended	Quarter Ended	Half Year Ended	Half Year Ended	Year Ended
		September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I.	Revenue from operations	1,625.23	817.47	1,663.67	2,442.70	3,314.03	6,735.00
II.	Other income	54.25	43.16	29.95	97.41	62.67	174.47
III.	<b>Total income (I+II)</b>	<b>1,679.48</b>	<b>860.63</b>	<b>1,693.62</b>	<b>2,540.11</b>	<b>3,376.70</b>	<b>6,909.47</b>
IV.	Expenses						
	Cost of materials consumed	846.47	490.77	952.87	1,337.24	1,849.43	3,604.19
	Purchase of stocks- in trade	0.64	0.50	0.22	1.14	2.27	9.01
	Change in inventories of finished goods, Works -in progress and stock -in-trade	152.09	(46.44)	(86.06)	105.65	(123.62)	(58.25)
	Employee benefits expenses	135.27	129.12	150.76	264.39	297.04	595.93
	Finance cost	27.93	33.73	33.79	61.66	71.04	135.27
	Depreciation and amortisation expense	91.39	88.96	82.55	180.35	158.57	333.22
	Power and fuel	137.56	108.27	185.20	245.83	375.08	754.87
	Other expenses	208.55	136.96	210.87	345.51	413.44	891.90
	<b>Total Expenses</b>	<b>1,599.90</b>	<b>941.87</b>	<b>1,530.20</b>	<b>2,541.77</b>	<b>3,043.25</b>	<b>6,266.14</b>
V	Share of Profit/(Loss) of Associates	4.71	(4.73)	1.92	(0.02)	4.45	12.14
VI.	<b>Profit/(Loss) before tax (III-IV+V)</b>	<b>84.29</b>	<b>(85.97)</b>	<b>165.34</b>	<b>(1.68)</b>	<b>337.90</b>	<b>655.47</b>
VII.	Tax expense						
	Current tax	2.29	1.54	23.92	3.83	62.52	144.34
	Deferred tax	20.42	(23.37)	21.78	(2.95)	34.75	(79.84)
VIII.	<b>Profit/(Loss) after tax (VI-VII)</b>	<b>61.58</b>	<b>(64.14)</b>	<b>119.64</b>	<b>(2.56)</b>	<b>240.63</b>	<b>590.97</b>
IX.	Other Comprehensive Income/(Expenditure)	-	-	0.02	-	0.05	(3.63)
X.	<b>Total Comprehensive Income/(Expenditure) (VIII+IX)</b>	<b>61.58</b>	<b>(64.14)</b>	<b>119.66</b>	<b>(2.56)</b>	<b>240.68</b>	<b>587.34</b>
XI.	Profit/(Loss) for the period attributable to :						
	Owners of the Company	60.22	(64.29)	116.56	(4.07)	232.64	577.52
	Non Controlling Interest	1.36	0.15	3.08	1.51	7.99	13.45
		<b>61.58</b>	<b>(64.14)</b>	<b>119.64</b>	<b>(2.56)</b>	<b>240.63</b>	<b>590.97</b>
XII.	Other Comprehensive Income/ (expenditure) for the period attributable to :						
	Owners of the Company	-	-	0.02	-	0.05	(3.54)
	Non Controlling Interest	-	-	-	-	-	(0.08)
		-	-	0.02	-	0.05	(3.63)
XIII.	Total Comprehensive Income/ (expenditure) for the period attributable to :						
	Owners of the Company	60.22	(64.29)	116.58	(4.07)	232.69	573.97
	Non Controlling Interest	1.36	0.15	3.08	1.51	7.99	13.37
		<b>61.58</b>	<b>(64.14)</b>	<b>119.66</b>	<b>(2.56)</b>	<b>240.68</b>	<b>587.34</b>
XIV.	Earnings Per Share (in Rs)						
	(not annualized):						
	(a) Basic	10.66	(11.38)	20.63	(0.72)	41.18	102.22
	(b) Diluted	10.59	(11.31)	20.45	(0.71)	40.81	101.45
XV.	Paid up equity share capital (face value per share Rs.10)	56.52	56.52	56.50	56.52	56.50	56.52
XVI.	Paid up Debt Capital*				544.80	499.80	499.80
XVII.	Other equity						5,991.35
XVIII.	Capital Redemption Reserve				40.43	40.43	40.43
XIX.	Debenture Redemption Reserve				57.62	57.62	57.62
XX.	Net Worth**				6,045.10	5,706.29	6,047.87
XXI.	Debt Equity Ratio***				0.30	0.32	0.37
XXII.	Debt Service Coverage Ratio****				2.37	2.05	2.78
XXIII.	Interest Service Coverage Ratio*****				3.84	7.17	7.24

\* 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/Other equity attributable to owners of the company

\*\*\*\* 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

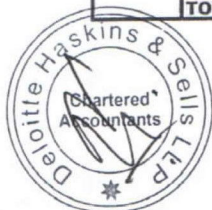




**VARDHMAN TEXTILES LIMITED**  
Unaudited Consolidated Balance Sheet as at September 30, 2020

(Rs. In Crores)

S.No.	Particulars	Unaudited	Audited
		September 30 ,2020	March 31 ,2020
	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	(a) Property, Plant and Equipment	3,568.49	3,593.24
	(b) Capital work-in-progress	80.47	141.64
	(c) Right to Use Asset	20.10	20.24
	(d) Intangible Assets	2.59	2.45
	(e) Goodwill	12.50	12.50
	(f) Financial Assets		
	-Investment in associates	111.80	114.33
	-Investments	123.38	458.20
	-Loans	1.13	1.48
	-Other financial assets	42.82	63.03
	(g) Other non-current assets	53.94	63.87
	<b>Total Non-current assets</b>	<b>4,017.22</b>	<b>4,470.98</b>
<b>2</b>	<b>Current assets</b>		
	(a) Inventories	1,741.97	2,681.05
	(b) Financial Assets		
	-Investments	1,205.99	572.38
	-Trade receivables	941.89	821.00
	-Cash and cash equivalents	51.93	214.85
	-Bank balance other than above	112.76	65.04
	-Loans	2.43	2.82
	-Other financial assets	63.39	13.36
	(c) Current tax assets (net)	9.17	42.33
	(d) Other current assets	649.96	469.56
	(e) Assets held-for-sale	0.15	0.15
	<b>Total Current assets</b>	<b>4,779.64</b>	<b>4,882.54</b>
	<b>TOTAL ASSETS</b>	<b>8,796.86</b>	<b>9,353.52</b>
	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Equity</b>		
	(a) Equity Share capital	56.52	56.52
	(b) Other Equity	5,988.58	5,991.35
	(c) Non controlling Interest		
	- Equity Share capital	23.44	23.44
	- Other Equity	98.71	97.20
	<b>Total Equity</b>	<b>6,167.25</b>	<b>6,168.51</b>
<b>2</b>	<b>Non-current liabilities</b>		
	(a) Financial Liabilities		
	-Borrowings	1,406.03	1,266.14
	-Other financial liabilities	3.92	3.98
	-Lease liability	0.16	0.15
	(b) Provisions	16.70	16.17
	(c) Deferred tax liabilities (Net)	240.54	243.49
	(d) Other non-current liabilities	18.05	19.58
	<b>Total Non-current liabilities</b>	<b>1,685.40</b>	<b>1,549.51</b>
<b>3</b>	<b>Current liabilities</b>		
	(a) Financial Liabilities		
	-Borrowings	187.22	736.92
	-Trade payables		
	(i) Total outstanding dues of micro enterprises and small enterprises	12.50	27.76
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises.	264.97	329.45
	-Other financial liabilities	372.18	460.86
	(b) Provisions	4.65	2.62
	(c) Current tax liabilities (Net)	26.08	0.62
	(d) Other current liabilities	76.61	77.27
	<b>Total Current liabilities</b>	<b>944.21</b>	<b>1,635.50</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>8,796.86</b>	<b>9,353.52</b>



**VARDHMAN TEXTILES LIMITED**  
 Regd. Office : Chandigarh Road, Ludhiana-141010  
 Consolidated Statement of Cash Flows for the half year ended September 30, 2020  
 (Rs. In Crores)

Particulars	Half Year Ended September 30, 2020	Half Year Ended September 30, 2019
	Unaudited	Unaudited
<b>Net cash flow from operating activities</b>		
Net Profit/(Loss) before Tax	(1.68)	337.90
Operating profit before working capital changes	175.32	514.86
<b>A) Net cash generated from operating activities</b>	725.07	1,477.17
<b>B) Net Cash (used) in Investing Activities</b>	(400.90)	(775.16)
<b>C) Net cash (used) in financing activities</b>	(487.09)	(519.05)
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	(162.92)	182.96
<b>Add: Cash and cash equivalents as at beginning of the year</b>	<b>214.85</b>	<b>40.05</b>
<b>Cash and cash equivalents as at end of the period</b>	<b>51.93</b>	<b>223.01</b>

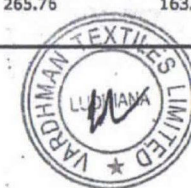


**VARDHMAN TEXTILES LIMITED**  
**Consolidated Unaudited Financial Results for the quarter and half year ended September 30, 2020**  
**Registered Office : Chandigarh Road, Ludhiana-141010**

**Statement of Segment Information**

(Rs. In Crores)

Particulars	Quarter Ended September 30, 2020	Quarter Ended June 30, 2020	Quarter Ended September 30, 2019	Half year ended September 30,2020	Half year ended September 30,2019	Year Ended March 31, 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>I. Segment Revenue</b>						
Textiles	1,576.21	796.92	1,600.77	2,373.13	3,190.39	6,478.92
Acrylic Fibre	64.90	29.68	82.72	94.58	169.00	334.37
<b>Total</b>	<b>1,641.11</b>	<b>826.60</b>	<b>1,683.49</b>	<b>2,467.71</b>	<b>3,359.39</b>	<b>6,813.29</b>
Less : Inter Segment Revenue	15.88	9.13	19.82	25.01	45.36	78.29
<b>Net Revenue from operations</b>	<b>1,625.23</b>	<b>817.47</b>	<b>1,663.67</b>	<b>2,442.70</b>	<b>3,314.03</b>	<b>6,735.00</b>
<b>II. Segment Results</b>						
Profit/(loss) before tax & interest from each segment						
Textiles	82.02	(59.42)	180.60	22.60	375.11	700.23
Acrylic Fibre	2.83	(3.45)	2.81	(0.62)	20.06	24.89
<b>Total</b>	<b>84.85</b>	<b>(62.87)</b>	<b>183.41</b>	<b>21.98</b>	<b>395.17</b>	<b>725.12</b>
Less : (a) Interest	27.93	33.73	33.79	61.66	71.04	135.27
(b) Other un-allocable expenditure / (income) (Net of un-allocable (income)/expenditure)	(22.66)	(15.36)	(13.80)	(38.02)	(9.32)	(53.48)
Add: Share of Profit/(Loss) of Associates	4.71	(4.73)	1.92	(0.02)	4.45	12.14
<b>Total Profit/(loss) before tax</b>	<b>84.29</b>	<b>(85.97)</b>	<b>165.34</b>	<b>(1.68)</b>	<b>337.90</b>	<b>655.47</b>
Tax expenses	22.71	(21.83)	45.70	0.88	97.27	64.50
<b>Net Profit/(loss) after tax</b>	<b>61.58</b>	<b>(64.14)</b>	<b>119.64</b>	<b>(2.56)</b>	<b>240.63</b>	<b>590.97</b>
Less: Non Controlling Interest	1.36	0.15	3.08	1.51	7.99	13.45
<b>Net Profit/(Loss) after taxes, non controlling interest and Share of profit/(loss) of Associates</b>	<b>60.22</b>	<b>(64.29)</b>	<b>116.56</b>	<b>(4.07)</b>	<b>232.64</b>	<b>577.52</b>
<b>III. Segment Assets</b>						
Textiles*	6860.92	7,184.93	6,433.65	6,860.92	6,433.65	7,543.28
Acrylic Fibre	119.67	142.89	170.54	119.67	170.54	125.70
<b>Total Segment Assets</b>	<b>6,980.59</b>	<b>7,327.82</b>	<b>6,604.19</b>	<b>6,980.59</b>	<b>6,604.19</b>	<b>7,668.98</b>
Un-allocated	1816.27	1692.74	2,191.14	1,816.27	2,191.14	1,684.54
<b>Total Assets</b>	<b>8,796.86</b>	<b>9,020.56</b>	<b>8,795.33</b>	<b>8,796.86</b>	<b>8,795.33</b>	<b>9,353.52</b>
<b>IV. Segment Liabilities**</b>						
Textiles	482.34	483.45	530.17	482.34	530.17	565.11
Acrylic Fibre	37.39	40.74	61.05	37.39	61.05	60.48
<b>Total Segment Liabilities</b>	<b>519.73</b>	<b>524.19</b>	<b>591.22</b>	<b>519.73</b>	<b>591.22</b>	<b>625.59</b>
Un-allocated	63.74	71.48	188.14	63.74	188.14	95.15
<b>Total Liabilities</b>	<b>583.47</b>	<b>595.67</b>	<b>779.36</b>	<b>583.47</b>	<b>779.36</b>	<b>720.74</b>
* Includes Capital Work in Progress and Capital Advances	91.65	104.18	265.76	91.65	265.76	163.64
**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 and (ii) Associates - viz Vardhman Yarns and Threads Limited, Vardhman Special Steels Limited and Vardhman Spinning and General Mills Limited herein referred to as "The Group".

2. The Financial Results has been prepared in accordance with recognition and measurement principles as laid down in the Indian Accounting Standards ("Ind AS") 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and SEBI's circular no. CIR/CFD/FAC/62/2016 dated July 5, 2016 as amended from time to time.

3. The Parent Company has made the repayment of Commercial Papers on their respective due dates. The details of Commercial Papers repaid during the half year ended September 30, 2020, are as follows:-

ISIN No	ISIN Type	Rating	Due Date of payment	Actual Date of Repayment	Redemption Amount (Rs. In Crores)
INE825A14882	Fresh issued	Crisil A1+	23-June-2020	23-June-2020	250.00
INE825A14890	Fresh issued	Crisil A1+	22-July-2020	22-July-2020	200.00

4 (a) .The Parent Company had issued secured, rated listed Redeemable Non-convertible Debentures (NCDs) aggregating to Rs. 195.00 Crores for cash at par on private placement basis on June 1, 2020. The NCD's are listed at the Bombay Stock Exchange of India (BSE) and repayable at the end of 36 months from the date of allotment and have a yield of 6.83% per annum payable on 01-June on annual basis.

CRISIL has assigned a rating of AA+ with Stable outlook to the said NCDs of the Company on May 28, 2020. The NCDs shall be 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 1.25 times of outstanding amount of NCDs. The Fixed Asset coverage ratio as on September 30, 2020 is 2.14 times.

(b).The Parent Company had also 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. During the quarter ended September 30, 2020 1,500 7.59% Series A NCDs of Rs.10 lacs each amounting to Rs.150 Cr were redeemed on 08-September 2020.

CRISIL has assigned a rating of AA+ with Stable outlook to the said NCDs of the Company on May 28, 2020. 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 March 31, 2020 is 2.14 times.

(c) 'Details of non-convertible debentures are as follows:-

S.No	ISIN Number	Particulars	Whether Secured/ Unsecured	Rating	Previous Due Dates		Next Due Date	
					Principal	Interest	Principal	Interest
1	INE825A07043	1500 7.59% Series A NCDs of Rs. 10 Lacs each	Secured	Crisil AA+Stable	8-Sep-20	8-Sep-20	-	-
2	INE825A07050	1500 7.69% Series B NCDs of Rs. 10 Lacs each	Secured	Crisil AA+Stable	-	8-Sep-20	8-Sep-21	8-Sep-21
3	INE825A07068	1998 7.75% Series C NCDs of Rs. 10 Lacs each	Secured	Crisil AA+Stable	-	8-Sep-20	8-Sep-22	8-Sep-21
4	INE825A07076	1950 6.83% NCDs of Rs. 10 Lacs each	Secured	Crisil AA+Stable	-	-	1-Jun-23	1-Jun-21

5. 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. Since then the Government of India has progressively relaxed lockdown conditions and has allowed the industry to resume its operations in a phased manner. The Group had resumed operations at its manufacturing facilities and is currently in the process of scaling up its operations. Hence results of quarter and half year ended 30th September 2020 are not comparable with previous quarter and corresponding quarter and half year ended 30th September 2019 respectively. The Group 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, right of use assets, investments, inventories and trade receivables. The Group has considered internal and external sources of information for making said assessment. On the basis of said assessment, the Group 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 Group will closely monitor any material changes arising out of the future economic conditions and its impact on the business of the Company.



6.The Parent Company was carrying substantial stock of cotton at the start of the Financial Year 2020-21. Amidst Covid situation, it was thought prudent to hedge the same partially against price fluctuation. Accordingly, the Parent Company had entered into derivative contracts at an international Commodity Exchange. 'Other Expense' for the quarter and the half year ended 30 th September, 2020 include loss (including Mark to Market loss) of Rs 25.74 cr and Rs 55.11 cr respectively on these derivative contracts.

7.The Parent Company along with some of its subsidiaries had adopted the option permitted under section 115BAA of the Income-Tax Act,1961 with effect from quarter ended December 31,2019. Therefore income tax expense for the quarter and half year ended September 30,2019 is not comparable to all periods presented in above results.

8.Financial Results has been reviewed by the Audit Committee on October 23,2020 and approved by the Board of Directors at its meeting held on October 24, 2020. The limited review as required under Regulation 33 of SEBI ( Listing Obligation and Disclosure Requirements) Regulations, 2015, has been completed by the Statutory Auditors.

9.The Board of Directors, in its meeting held on May 27, 2020 had approved a Scheme of Amalgamation (the "Scheme") under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the 2013 Act, as per pooling of interest method, amongst the Company (Transferee Company) and its subsidiaries VMT Spinning Company Limited and Vardhman Nishinbo Garments Company Limited (Transferor companies) . The Appointed date for the scheme will be April 1, 2020. The Scheme is subject to necessary approval from members & creditors of all the companies involved in the merger and other statutory approvals.

10.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.

For Vardhman Textiles Limited  
LUDHIANA  
S.P. Oswal  
Chairman and Managing Director



Place : Ludhiana  
Date : October 24, 2020



## 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/(loss) after tax and total comprehensive income / loss of its associates for the quarter and half year ended September 30, 2020 ("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 7 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.



# Deloitte Haskins & Sells LLP

6. We draw attention to Note 5 of the statement, 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 on the Statement is not modified in respect of this matter.
7. We did not review the interim financial results of two subsidiaries included in the consolidated unaudited financial results, whose interim financial results reflect total assets of Rs. 593.19 crores as at September 30, 2020, total revenues of Rs. 126.23 crores and Rs. 208.34 crores for the quarter and half year ended September 30, 2020 respectively, total net profit after tax of Rs. 7.17 crores and Rs. 11.28 crores for the quarter and half year ended September 30, 2020 respectively and total comprehensive income of Rs. 7.17 crores and Rs. 11.28 crores for the quarter and half year ended September 30, 2020 respectively and net cash outflows of Rs. 53.99 crores for the half year ended September 30, 2020, as considered in the Statement. 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 subsidiaries, 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 this matter.

8. The consolidated unaudited financial results includes the interim financial results of two subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total assets of Rs. 108.44 crores as at September 30, 2020, total revenue of Rs. 8.46 crores and Rs. 10.57 crores for the quarter and half year ended September 30, 2020, total loss after tax of Rs. 0.23 crores and Rs. 2.31 crores for the quarter and half year ended September 30, 2020 and Total comprehensive loss of Rs. 0.23 crores and Rs. 2.31 crores for the quarter and half year ended September 30, 2020 respectively and net cash outflows of Rs. 1.27 crores for the half year ended September 30, 2020, as considered in the Statement. The consolidated unaudited financial results also includes the Group's share of profit after tax of Rs. 4.77 crores and Rs. 0.11 crores for the quarter and half year ended September 30, 2020 respectively and total comprehensive income of Rs. 4.71 crores and total comprehensive loss of Rs. 0.02 crores for the quarter and half year ended September 30, 2020 respectively, as considered in the Statement, in respect of three associates, based on their interim financial results which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial results 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: 20105546AAAAEU6603)

Place: New Delhi

Date: 24 October 2020