



Vardhman

Delivering Excellence. Since 1965.

VARDHMAN TEXTILES LIMITED

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Ref. VTXL:SCY:JUN:2020-21

Dated: 23.06.2020

The Deputy General Manager, Corporate Relationship Department, Bombay Stock Exchange Limited, 1 st 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 - 400051 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 Audited Financial Results (both Standalone & Consolidated) of the Company for the quarter/ financial year ended 31st March, 2020 together with Auditors' Report as approved by Board of Directors in its meeting held on 23rd June, 2020.


We further state that the report of Auditors is with unmodified opinion with respect to the Audited Financial Results (both Standalone & Consolidated) of the Company for the quarter/ financial year ended 31st March, 2020.

The meeting of the Board of Directors commenced at 09:30 a.m. and concluded at 02:30 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 Audited financial results for the quarter and year ended March 31, 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 March 31, 2020	Quarter Ended December 31, 2019	Quarter Ended March 31, 2019	Year Ended March 31, 2020	Year Ended March 31, 2019
		Unaudited (Refer Note No.9)	Unaudited	Unaudited (Refer Note No.9)	Audited	Audited
I.	Revenue from operations	1,491.17	1,722.88	1,654.28	6,325.15	6,414.58
II.	Other income	39.85	62.29	83.01	171.98	218.20
III.	Total income from operations (I+II)	1,531.02	1,785.17	1,737.29	6,497.13	6,632.78
IV.	Expenses					
	Cost of materials consumed	767.12	859.68	813.47	3,332.63	3,264.50
	Purchase of stock- in trade	7.55	13.69	17.18	52.05	50.08
	Change in inventories of finished goods, works -in progress and stock -in- trade	(15.85)	70.94	77.95	(50.30)	1.73
	Employee benefits expense	131.70	143.89	134.66	550.98	519.86
	Finance cost	34.65	28.58	30.18	132.54	117.84
	Depreciation and amortisation expense	84.81	82.99	63.45	319.21	241.48
	Power and fuel	165.98	192.94	171.94	710.28	665.90
	Other expenses	225.15	233.99	189.81	846.73	780.99
	Total Expenses	1,401.11	1,626.70	1,498.64	5,894.12	5,642.38
V.	Profit before tax (III-IV)	129.91	158.47	238.65	603.01	990.40
VI.	Tax expense					
	Current tax	30.28	45.76	69.47	129.66	242.91
	Deferred tax	(33.43)	(76.15)	4.62	(72.14)	51.61
VII.	Profit after tax (V-VI)	133.06	188.86	164.56	545.49	695.88
VIII.	Other Comprehensive Income/(Expenditure)	(3.35)	0.03	(1.04)	(3.26)	0.19
IX.	Total Comprehensive income (VII+VIII)	129.71	188.89	163.52	542.23	696.07
X.	Earnings Per Share (in Rs.) (not annualized)					
	(a) Basic	23.13	32.84	28.63	94.86	121.13
	(b) Diluted	22.97	32.56	28.34	94.16	119.97
XI.	Paid up Equity Share Capital (Face value per share Rs.10)	57.52	57.50	57.48	57.52	57.48
XII.	Paid up Debt Capital*				499.80	499.80
XIII.	Other Equity				5,608.69	5,181.62
XIV.	Capital Redemption Reserve				6.26	6.26
XV.	Debenture Redemption Reserve				57.62	49.68
XVI.	Net Worth**				5,666.21	5,239.10
XVII.	Debt Equity Ratio***				0.39	0.43
XVIII.	Debt Service Coverage Ratio****				2.72	2.66
XIX.	Interest Service Coverage Ratio*****				6.98	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



Standalone Audited Balance Sheet as at March 31, 2020

(Rs. In Crores)

Sr. No.	Particulars	Audited	Audited
		March 31, 2020	March 31, 2019
	ASSETS		
1	Non-current assets		
	(a) Property, plant and equipment	3,470.54	3,057.24
	(b) Capital work-in-progress	139.42	273.63
	(c) Right of Use Asset (Refer Note-2)	8.76	-
	(d) Intangible assets	1.82	1.60
	(e) Financial assets	558.20	749.57
	-Investments	1.48	0.72
	-Loans	5.19	8.98
	-Other financial assets	63.11	85.00
	(f) Other non-current assets		
	Total Non-current assets	4,248.52	4,176.74
2	Current assets		
	(a) Inventories	2,506.16	2,442.13
	(b) Financial assets	473.29	337.56
	-Investments	794.81	762.82
	-Trade receivables	148.46	37.43
	-Cash and cash equivalents	3.25	3.43
	-Bank Balance other than above	29.72	34.59
	-Loans	11.03	58.39
	-Other financial assets	65.82	100.10
	(c) Current tax assets (net)	445.47	415.93
	(d) Other current assets	0.15	-
	(e) Assets held-for-sale		
	Total current assets	4,478.16	4,192.38
	Total Assets	8,726.68	8,369.12
	EQUITY AND LIABILITIES		
	Equity		
	(a) Equity share capital	57.52	57.48
	(b) Other equity	5,608.69	5,181.62
	Total equity	5,666.21	5,239.10
1	Liabilities		
	Non-current liabilities		
	(a) Financial liabilities		
	-Borrowings	1,266.14	1,071.35
	-Other financial liabilities	3.98	4.48
	-Lease liability (Refer Note-2)	0.15	-
	(b) Provisions	14.45	10.86
	(c) Deferred tax liabilities (net)	225.32	297.47
	(d) Other non-current liabilities	19.32	20.40
	Total Non-current liabilities	1,529.36	1,404.56
2	Current liabilities		
	(a) Financial Liabilities		
	-Borrowings	723.02	868.68
	-Trade payables		
	(i) Total outstanding dues of micro enterprises and small enterprises	27.23	4.08
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises.	264.69	236.28
	-Other financial liabilities	441.19	535.63
	(b) Provisions	2.46	2.79
	(c) Current tax liabilities (net)	-	6.55
	(d) Other current liabilities	72.52	71.45
	Total Current liabilities	1,531.11	1,725.46
	Total Equity and Liabilities	8,726.68	8,369.12



VARDHMAN TEXTILES LIMITED
Regd. Office : Chandigarh Road, Ludhiana-141010
Statement of Cash Flows for the year ended March 31, 2020

(In Rs. Crores)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	603.01	990.40
Adjustments for:		
Finance costs	121.21	107.81
Fair valuation gain on investment	(38.13)	(46.56)
Capital Subsidy	(16.27)	(2.36)
Amortisation of Prepaid Leases	-	0.08
Interest income	(27.29)	(11.66)
Dividend on investments	(31.39)	(40.91)
Net gain on sale / discarding of property, plant and equipment	(4.50)	(17.42)
(Profit)/Loss on sale of Investments (Net)	(19.82)	(23.23)
Provision no longer required written back (net)	(1.66)	(19.31)
Assets written off	2.37	0.49
Bad debt written off	6.18	0.73
Allowances for doubtful trade receivables and advances written back (net)	(2.85)	-
Depreciation and amortisation	319.21	241.48
Share options outstanding account	0.97	6.32
Changes in working capital:		
<u>Adjustments for (increase) / decrease in operating assets :-</u>		
Trade receivables	(41.28)	(41.77)
Inventories	(64.03)	(325.63)
Loans (Current)	4.87	10.62
Loans (Non-current)	(0.76)	(0.13)
Other assets (Current)	(29.61)	(99.04)
Others financial assets (Current)	47.76	(34.13)
Others financial assets (Non Current)	3.46	0.11
Other assets (Non-current)	9.15	(2.15)
<u>Adjustments for increase / (decrease) in operating liabilities :-</u>		
Trade payables	53.22	12.75
Provisions (Non Current)	3.59	3.82
Provisions (Current)	(0.33)	(2.03)
Others financial liabilities (Current)	43.88	11.95
Others financial liabilities (Non-Current)	(0.35)	3.83
Other liabilities (Non-current)	0.76	0.09
Other liabilities (Current)	10.64	(40.81)
Cash generated from operations	952.02	683.34
Income taxes paid	(100.84)	(236.69)
Net cash generated by operating activities	851.18	446.65
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investments	(392.34)	(103.24)
Proceeds from sale Investments	505.96	677.83
Interest received	27.22	11.27
Payment for purchase of property, plant and equipment, capital work in progress and other intangible assets	(640.96)	(877.84)
Bank balances not considered as cash and cash equivalents	0.18	(0.32)
Proceeds from disposal of property, plant and equipment	6.60	24.46
Dividend on subsidiaries, associates and other investments	31.39	40.91
Net cash used in investing activities	(461.95)	(226.93)



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Particulars	Year ended March 31, 2020	Year ended March 31, 2019
C CASH FLOW FROM FINANCING ACTIVITIES*		
Proceeds from equity share capital/share application	3.43	4.78
Proceeds from borrowings (non-current)	357.00	173.00
Repayment of borrowings (non-current)	(253.34)	(280.51)
Repayment of borrowings (current) (net)	(145.66)	-
Proceeds from borrowings (current) (net)	-	63.17
Corporate dividend tax paid	(17.76)	(13.32)
Dividends on equity share capital paid	(100.80)	(85.77)
Capital Subsidy received	-	0.47
Lease Payments made	(1.52)	-
Finance costs paid	(119.53)	(109.31)
Net cash used in financing activities	(278.21)	(247.49)
Net increase / (decrease) in cash and cash equivalents	111.03	(27.77)
Cash and cash equivalents at the beginning of the year	37.43	65.20
Cash and cash equivalents at the end of the year	148.46	37.43



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VARDHMAN TEXTILES LIMITED

Registered Office : Chandigarh Road, Ludhiana-141010

Notes to standalone financial results:

- 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 quarter and year ended March 31, 2019 have not been retrospectively adjusted. On transition, "Right of use asset" of Rs. 1.67 crore and a corresponding "Lease Liabilities" of Rs. 1.67 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. 7.22 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 Financial Results has been prepared in accordance with the Indian Accounting Standards ("Ind AS") as 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.
- 4 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 11, 2019. 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 2.36 times.
- 5 The Company has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for taxation and re-measured its deferred tax liabilities basis the rate prescribed in the said section and the impact of tax expense of current year and re-measurement of deferred tax liabilities is recognised in these financial results.
- 6 During the year ended March 31, 2020, the Company has issued 40,600 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. 57.52 crores.
- 7 Financial Results has been reviewed by the Audit Committee on June 22, 2020 and approved by the Board of Directors at its meeting held on June 23, 2020 . The statutory auditors have expressed an unmodified opinion on the aforesaid results.
- 8 On account of COVID-19 pandemic the Company has made assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventories and trade receivables as at the date of the balance sheet. The Company has considered internal and external sources of information for making said assessment. Basis the evaluation of the current estimates, the Company expects to recover the carrying amount of these assets and no material adjustments is required in the financial statements. Given the uncertainties associated with nature, condition and duration of COVID-19, the Company will closely monitor any material changes arising of the future economic conditions and impact on its business.
- 9 The figures for the quarter ended March 31 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto 31st December.


Place : Ludhiana
Date : June 23, 2020

For Vardhman Textiles Limited




S.P. Oswal
Chairman & Managing Director

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL STANDALONE FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF
VARDHMAN TEXTILES LIMITED

Opinion and Conclusion

We have (a) audited the Standalone Financial Results for the year ended March 31, 2020 and (b) reviewed the Standalone Financial Results for the quarter ended March 31, 2020 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Standalone Financial Results for the Quarter and Year Ended March 31, 2020 of **VARDHMAN TEXTILES LIMITED** ("the Company"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

(a) Opinion on Annual Financial Results

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Financial Results for the year ended March 31, 2020:

- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year then ended.

(b) Conclusion on Unaudited Standalone Financial Results for the quarter ended March 31, 2020

With respect to the Standalone Financial Results for the quarter ended March 31, 2020, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Standalone Financial Results for the quarter ended March 31, 2020, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards 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.



Basis for Opinion on the Audited Standalone Financial Results for the year ended March 31, 2020

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the year ended March 31, 2020 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

We draw attention to Note 8 of the statement, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Statement

This Statement which includes the Standalone Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Standalone Financial Results for the year ended March 31, 2020 has been compiled from the related audited standalone financial statements. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter and year ended March 31, 2020 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities

(a) Audit of the Standalone Financial Results for the year ended March 31, 2020

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results for the year ended March 31, 2020 as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance



Deloitte Haskins & Sells LLP

is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Standalone Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Standalone Financial Results, including the disclosures, and whether the Annual Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the Company to express an opinion on the Annual Standalone Financial Results.

Materiality is the magnitude of misstatements in the Annual Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Standalone Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Standalone Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Deloitte Haskins & Sells LLP

(b) Review of the Standalone Financial Results for the quarter ended March 31, 2020

We conducted our review of the Standalone Financial Results for the quarter ended March 31, 2020 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 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 SAs specified under section 143(10) of the Act 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.

Other Matters

- As stated in Note 9 of the Statement, the figures for the corresponding quarter ended March 31, 2019 are the balancing figures between the annual audited figures for the year then ended and the year to date figures for the 9 months period ended December 31, 2018. We have not issued a separate limited review report on the results and figures for the quarter ended March 31, 2019.
- The Statement includes the results for the Quarter ended March 31, 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.
- Due to the COVID-19 related lockdown, we were not able to attend the physical verification of inventory carried out by the management subsequent to the year end. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence - Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these Standalone Financial Statements. Our report is not modified in respect of this matter.

Our report on the Statement is not modified in respect of the above matters.

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



Rajesh Kumar Agarwal
Partner

(Membership No. 105546)
(UDIN: 20105546 AAAABM7229)

Place: New Delhi
Date: June 23, 2020

Vardhman Textiles Limited
Registered Office : Chandigarh Road, Ludhiana-141010
Consolidated Audited Financial Results for the quarter and year ended March 31, 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 March 31, 2020	Quarter Ended December 31, 2019	Quarter Ended March 31, 2019	Year Ended March 31, 2020	Year Ended March 31, 2019
		Unaudited (Refer note no.9)	Unaudited	Unaudited (Refer note no.9)	Audited	Audited
I.	Revenue from operations	1,595.76	1,825.21	1,763.41	6,735.00	6,877.92
II.	Other income	41.43	70.37	92.96	174.47	222.72
III.	Total income (I+II)	1,637.19	1,895.58	1,856.37	6,909.47	7,100.64
IV.	Expenses					
	Cost of materials consumed	830.45	924.31	870.43	3,604.19	3,573.75
	Purchase of stocks- in trade	6.74	0.00	7.24	9.01	12.92
	Change in inventories of finished goods, Works -in progress and stock -in-trade	(16.15)	81.52	90.31	(58.25)	9.06
	Employee benefits expenses	143.43	155.46	143.89	595.93	550.23
	Finance cost	34.79	29.44	30.05	135.27	119.65
	Depreciation and amortisation expense	88.16	86.49	67.14	333.22	254.02
	Power and fuel	176.30	203.49	182.42	754.87	709.14
	Other expenses	229.86	248.60	205.64	891.90	829.06
	Total Expenses	1,493.58	1,729.31	1,597.12	6,266.14	6,057.83
V	Share of Profit/(Loss) of Associates and/or Joint Venture	4.18	3.51	1.85	12.14	15.93
VI.	Profit before tax (III-IV+V)	147.79	169.78	261.10	655.47	1,058.74
VII.	Tax expense					
	Current tax	35.16	46.66	72.99	144.34	264.01
	Deferred tax	(36.23)	(78.36)	6.10	(79.84)	54.18
VIII.	Profit for the period (VI-VII)	148.86	201.48	182.01	590.97	740.55
IX.	Other Comprehensive Income/(Expenditure), net of tax	(3.71)	0.04	(1.76)	(3.63)	(0.56)
X.	Total Comprehensive Income/(Expenditure) for the period (VIII+IX)	145.15	201.52	180.25	587.34	739.99
XI.	Profit for the period attributable to :					
	Owners of the Company	145.71	199.17	179.39	577.52	730.71
	Non Controlling Interest	3.15	2.31	2.62	13.45	9.84
		148.86	201.48	182.01	590.97	740.55
XII.	Other Comprehensive Income (expenditure) for the period attributable to :					
	Owners of the Company	(3.63)	0.04	(1.73)	(3.54)	(0.56)
	Non Controlling Interest	(0.08)	-	(0.03)	(0.08)	-
		(3.71)	0.04	(1.76)	(3.63)	(0.56)
XIII.	Total Comprehensive Income (expenditure) for the period attributable to :					
	Owners of the Company	142.08	199.21	177.66	573.97	730.15
	Non Controlling Interest	3.07	2.31	2.59	13.37	9.84
		145.15	201.52	180.25	587.34	739.99
XIV.	Earnings Per Share (In Rs) (not annualized):					
	(a) Basic	25.78	35.25	31.77	102.22	129.45
	(b) Diluted	25.60	34.94	31.44	101.45	128.19
XV.	Paid up equity share capital (face value per share Rs.10)	56.52	56.50	56.48	56.52	56.48
XVI.	Paid up Debt Capital*				499.80	499.80
XVII.	Other equity				5,991.35	5,535.00
XVIII.	Capital Redemption Reserve				40.43	40.43
XIX.	Debenture Redemption Reserve				57.62	49.68
XX.	Net Worth**				6,047.87	5,591.48
XXI.	Debt Equity Ratio***				0.37	0.41
XXII.	Debt Service Coverage Ratio****				2.78	2.77
XXIII.	Interest Service Coverage Ratio*****				7.24	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/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
Audited Consolidated Balance Sheet as at March 31, 2020

(Rs. In Crores)

S.No.	Particulars	Audited	Audited
		March 31, 2020	March 31, 2019
	ASSETS		
1	Non-current assets		
	(a) Property, Plant and Equipment	3,593.24	3,186.24
	(b) Capital work-in-progress	141.64	273.68
	(c) Right to Use Asset (Refer Note no.2)	20.24	-
	(d) Intangible Assets	2.45	2.35
	(e) Goodwill	12.50	12.50
	(f) Financial Assets		
	-Investment in associates	114.33	107.84
	-Investments	458.20	645.52
	-Loans	1.48	0.73
	-Other financial assets	63.03	9.39
	(g) Other non-current assets	63.87	96.98
	Total Non-current assets	4,470.98	4,335.23
2	Current assets		
	(a) Inventories	2,681.05	2,610.25
	(b) Financial Assets		
	-Investments	572.38	592.37
	-Trade receivables	821.00	803.08
	-Cash and cash equivalents	214.85	40.05
	-Bank balance other than above	65.04	3.80
	-Loans	2.82	17.69
	-Other financial assets	13.36	68.90
	(c) Current tax assets (net)	42.33	102.25
	(d) Other current assets	469.56	442.60
	(e) Assets held-for-sale	0.15	-
	Total Current assets	4,882.54	4,680.99
	TOTAL ASSETS	9,353.52	9,016.22
	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity Share capital	56.52	56.48
	(b) Other Equity	5,991.35	5,535.00
	(c) Non controlling interest		
	- Equity Share capital	23.44	23.44
	- Other Equity	97.20	89.63
	Total Equity	6,168.51	5,704.55
2	Liabilities		
	Non-current liabilities		
	(a) Financial Liabilities		
	-Borrowings	1,266.14	1,088.79
	-Other financial liabilities	3.98	4.48
	-Lease liability (Refer Note no.2)	0.15	-
	(b) Provisions	16.17	12.36
	(c) Deferred tax liabilities (Net)	243.49	323.31
	(d) Other non-current liabilities	19.58	20.67
	Total Non-current liabilities	1,549.51	1,449.61
3	Current liabilities		
	(a) Financial Liabilities		
	-Borrowings	736.92	886.42
	-Trade payables		
	(i) Total outstanding dues of micro enterprises and small enterprises	27.76	4.38
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises.	329.45	311.19
	-Other financial liabilities	460.86	550.15
	(b) Provisions	2.62	2.95
	(c) Current tax liabilities	0.62	30.66
	(d) Other current liabilities	77.27	76.31
	Total Current liabilities	1,635.50	1,862.06
	TOTAL EQUITY AND LIABILITIES	9,353.52	9,016.22



YARDHMAN TEXTILES LIMITED

Regd. Office : Chandigarh Road, Ludhiana-141010

Consolidated Statement of Cash Flows for the year ended March 31, 2020

	Year ended March 31, 2020	Year ended March 31, 2019
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	655.47	1,058.74
Adjustments for:		
Share of profit of associates	(12.14)	(15.93)
Finance costs	123.13	108.77
Fair valuation gain on investment	(43.17)	(60.75)
Subsidy income	(16.31)	(2.43)
Prepayments of Leasehold land		0.24
Interest income	(26.51)	(11.18)
Dividend on current investments	(16.19)	(16.47)
Net gain on sale / discarding of property, plant and equipment	(4.76)	(17.49)
(Profit)/Loss on sale of Investments (Net)	(33.38)	(29.32)
Provision no longer required written back(Net)	(1.86)	(20.90)
Amortisation of processing charges	0.09	0.38
Asset written off	2.44	0.52
Bad debt written off	6.20	1.14
Allowances for doubtful trade receivables and advances	(2.71)	(0.29)
Depreciation and amortisation expense	333.22	254.02
Share options outstanding account	0.97	6.32
Changes in working capital:		
<u>Adjustments for (increase) / decrease in operating assets</u>		
:-		
Trade receivables	(21.41)	(46.40)
Inventories	(70.80)	(353.61)
Loans (Current)	14.87	12.11
Loans (Non-current)	(0.75)	(0.14)
Other assets (Current)	(27.03)	(90.59)
Other assets (Non-current)	20.19	(2.21)
Others financial assets (Current)	56.02	(51.22)
Others financial assets (Non Current)	(53.97)	0.13
<u>Adjustments for increase / (decrease) in operating liabilities :-</u>		
Trade payables and other liabilities	43.50	45.87
Provisions (Non Current)	3.81	4.67
Provisions (Current)	(0.33)	5.47
Others financial liabilities (Current)	37.20	19.08
Others financial liabilities (Non-Current)	(0.35)	3.83
Other liabilities (Non-current)	0.83	0.10
Other liabilities (Current)	(3.53)	(46.20)
Cash generated from operations	962.75	756.26
Income taxes paid	(113.33)	(257.28)
Net cash generated by operating activities	849.41	498.98
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investments	(473.72)	(334.55)
Proceeds from sale of investments	763.23	911.77
Interest received	26.36	12.66
Payment for purchase of property, plant and equipment, capital work in progress and other intangible assets	(657.01)	(908.18)
Bank balances not considered as cash and cash equivalents	(61.24)	(0.42)
Proceeds from disposal of property, plant and equipment	7.16	24.74
Dividend on associates, other investments	16.19	16.47
Net cash used in investing activities	(379.02)	(277.51)



VARDHMAN TEXTILES LIMITED

Regd. Office : Chandigarh Road, Ludhiana-141010

Consolidated Statement of Cash Flows for the year ended March 31, 2020

C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/ (Repayment) from Equity Share capital	3.42	4.79
Proceeds from borrowings (non-current)	357.00	173.00
Repayment from borrowings (non-current)	(264.53)	(282.43)
Repayment of borrowings (current)	-	-
Proceeds from borrowings (current) (net)	(149.50)	65.23
Corporate dividend tax paid	-	(18.67)
Dividends on equity share capital paid	(120.86)	(84.16)
Capital Subsidy received	(0.01)	0.71
Finance costs paid	(121.11)	(110.26)
Net cash generated/(used) in financing activities	(295.59)	(251.79)
Net increase / (decrease) in cash and cash equivalents	174.80	(30.32)
Cash and cash equivalents at the beginning of the year	40.05	70.37
Cash and cash equivalents at the end of the year	214.85	40.05



VARDHMAN TEXTILES LIMITED
Consolidated Audited Financial Results for the quarter and year ended March 31, 2020
Registered Office : Chandigarh Road, Ludhiana-141010

Statement of Segment Information

(Rs. In Crores)

Particulars	Quarter Ended March 31, 2020	Quarter Ended December 31, 2019	Quarter Ended March 31, 2019	Year Ended March 31, 2020	Year Ended March 31, 2019
	(Unaudited) (Refer Note no.9)	(Unaudited)	(Unaudited) (Refer Note no.9)	(Audited)	(Audited)
I. Segment Revenue					
Textiles	1,529.35	1,759.19	1,703.16	6,478.92	6,577.51
Acrylic Fibre	83.37	81.99	78.87	334.37	391.96
Total	1,612.72	1,841.18	1,782.03	6,813.29	6,969.47
Less : Inter Segment Revenue	16.96	15.97	18.62	78.29	91.55
Net sales/income from operations	1,595.76	1,825.21	1,763.41	6,735.00	6,877.92
II. Segment Results					
Profit before tax & interest from each segment					
Textiles	157.58	167.55	253.27	700.23	1,082.55
Acrylic Fibre	5.13	(0.30)	7.70	24.89	28.51
Total	162.71	167.25	260.97	725.12	1,111.06
Less : (a) Interest	34.79	29.44	30.05	135.27	119.65
(b) Other un-allocable expenditure / (income) (Net of un-allocable (income)/expenditure)	(15.69)	(28.46)	(28.33)	(53.48)	(51.40)
Add: Share of Profit/(Loss) of Associates and/or Joint Venture	4.18	3.51	1.85	12.14	15.93
Total Profit before tax	147.79	169.78	261.10	655.47	1,058.74
Tax expenses	(1.07)	(31.70)	79.09	64.50	318.19
Net Profit after tax	148.86	201.48	182.01	590.97	740.55
Less: Non Controlling Interest	3.15	2.31	2.62	13.45	9.84
Net Profit after taxes, non controlling interest and Share of profit of Associates and/or Joint Venture	145.71	199.17	179.39	577.52	730.71
III. Segment Assets					
Textiles*	7,543.28	6,895.34	7,124.50	7,543.28	7,124.50
Acrylic Fibre	125.70	124.24	146.00	125.70	146.00
Total Segment Assets	7,668.98	7,019.58	7,270.50	7,668.98	7,270.50
Un-allocated	1684.54	1878.64	1,745.72	1,684.54	1,745.72
Total Assets	9,353.52	8,898.22	9,016.22	9,353.52	9,016.22
IV. Segment Liabilities**					
Textiles	565.11	560.83	523.63	565.11	523.63
Acrylic Fibre	60.48	50.62	75.97	60.48	75.97
Total Segment Liabilities	625.59	611.45	599.60	625.59	599.60
Un-allocated	95.15	95.53	111.12	95.15	111.12
Total Liabilities	720.74	706.98	710.72	720.74	710.72

* Includes Capital Work in Progress and Capital Advances

163.64

259.06

308.60

163.64

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 year ended March 31, 2019 have not been retrospectively adjusted. On transition, "Right of use asset" of Rs. 1.67 crore and a corresponding "Lease Liabilities" of Rs. 1.67 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. 18.85 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 Financial Results has been prepared in accordance with the Indian Accounting Standards ("Ind AS") as 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.
4. The Parent 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 11, 2019. 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 2.36 times.
5. The Parent Company along with some of its subsidiaries and associates had elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Companies had recognised provision for taxation and re-measured its deferred tax liabilities basis the rate prescribed in the said section and the impact of tax expense of current year and re-measurement of deferred tax liabilities is recognised in these financial results.
6. During the year ended March 31, 2020, the Company has issued 40,600 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. 56.48 crores to Rs. 56.52 crores.
7. On account of COVID-19 pandemic the Group has made assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventories and trade receivables as at the date of the balance sheet. The Group has considered internal and external sources of information for making said assessment. Basis the evaluation of the current estimates, the Group expects to recover the carrying amount of these assets and no material adjustments is required in the financial statements. Given the uncertainties associated with nature, condition and duration of COVID-19, the Group will closely monitor any material changes arising of the future economic conditions and impact on its' business.
8. Financial Results has been reviewed by the 'Audit Committee on June 22, 2020' and approved by the Board of Directors at its meeting held on June 23, 2020. The statutory auditors have expressed an unmodified opinion on the aforesaid results.
9. The figures for the quarter ended March 31 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto 31st December.

Place : Ludhiana
Date : June 23, 2020

For Vardhman Textiles Limited

S.P Oswal
Chairman and Managaing Director



INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL CONSOLIDATED FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF VARDHMAN TEXTILES LIMITED

Opinion and Conclusion

We have (a) audited the Consolidated Financial Results for the year ended March 31, 2020 and (b) reviewed the Consolidated Financial Results for the quarter ended March 31, 2020 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Consolidated Financial Results for the Quarter and Year Ended March 31, 2020 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 year ended March 31, 2020, ("the Statement") being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

(a) Opinion on Annual Consolidated Financial Results

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the audit reports of other auditors on separate financial statements of the subsidiaries and associates referred to in Other Matters section below, the Consolidated Financial Results for the year ended March 31, 2020:

- (i) includes the results of the following entities:

Name of the Entity	Relationship
Vardhman Textiles Limited	Parent
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 Acrylics Limited	Subsidiary company
Vardhman Yarns and Threads Limited	Associate Company
Vardhman Special Steels Limited	Associate Company
Vardhman Spinning and General Mills Limited	Associate Company

- (ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated net profit and consolidated total comprehensive income and other financial information of the Group for the year ended March 31, 2020.

(b) Conclusion on Unaudited Consolidated Financial Results for the quarter ended March 31, 2020

With respect to the Consolidated Financial Results for the quarter ended March 31, 2020, based on our review conducted and procedures performed as stated in paragraph (b) of Auditor's Responsibilities section below and based on the consideration of the review reports of the other auditors referred to in Other Matters section below, nothing has come to our attention that causes us to believe that the Consolidated Financial Results for the quarter ended March 31, 2020, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards 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.

Basis for Opinion on the Audited Consolidated Financial Results for the year ended March 31, 2020

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Group and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results for the year ended March 31, 2020 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

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 the management. Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Statement

This Statement, which includes the Consolidated Financial Results is the responsibility of the Parent's Board of Directors and has been approved by them for the issuance. The Consolidated Financial Results for the year ended March 31, 2020, has been compiled from the related audited consolidated financial statements. This responsibility includes the preparation and presentation of the Consolidated Financial Results for the quarter and year ended March 31, 2020 that give a true and fair view of the consolidated net profit and consolidated other comprehensive income and other financial information of the Group including its associates in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.



The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of this Consolidated Financial Results by the Directors of the Parent, as aforesaid.

In preparing the Consolidated Financial Results, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibilities

(a) Audit of the Consolidated Financial Results for the year ended March 31, 2020

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results for the year ended March 31, 2020 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Consolidated Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Consolidated Financial Results, including the disclosures, and whether the Annual Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results, entities within the Group and its associates to express an opinion on the Annual Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of entity included in the Annual Consolidated Financial Results of which we are the independent auditors. For the other entities included in the Annual Consolidated Financial Results, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Annual Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Consolidated Financial Results.



We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

(b) Review of the Consolidated Financial Results for the quarter ended March 31, 2020

We conducted our review of the Consolidated Financial Results for the quarter ended March 31, 2020 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 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 SA specified under section 143(10) of the Act 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.

The Statement includes the results of the entities as listed under paragraph (a)(i) of Opinion and Conclusion section above.

As part of our annual audit 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.

Other Matters

- As stated in Note 9 of the Statement, the figures for the corresponding quarter ended March 31, 2019 are the balancing figures between the annual audited figures for the year then ended and the year to date figures for the 9 months period ended December 31, 2018. We have not issued a separate limited review report on the results and figures for the quarter ended March 31, 2019.
- The Statement includes the results for the Quarter ended March 31, 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report is not modified in respect of this matter.

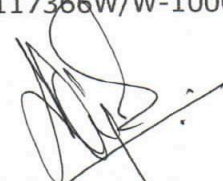


**Deloitte
Haskins & Sells LLP**

- Due to the COVID-19 related lockdown, we were not able to attend the physical verification of inventory carried out by the management at the locations of the Parent Company subsequent to the year end. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence - Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence to issue our opinion on these Financial Results.
- We did not audit the financial statements of four subsidiaries included in the consolidated financial results, whose financial statements reflect total assets of Rs. 741.77 Crores as at March 31, 2020 and total revenues of Rs 158.22 Crores and Rs. 641.59 Crores for the quarter and year ended March 31, 2020 respectively, total net profit after tax of Rs 14.56 Crores and Rs. 58.04 Crores for the quarter and year ended March 31, 2020 respectively and total comprehensive income of Rs 14.18 Crores and Rs. 57.66 Crores for the quarter and year ended March 31, 2020 respectively and net cash inflows of Rs. 63.58 Crores for the year ended March 31, 2020 , as considered in the Statement. The consolidated financial results also includes the Group's share of profit after tax of Rs 4.47 Crores and Rs. 12.48 Crores for the quarter and year ended March 31, 2020 respectively and Total comprehensive income of Rs. 4.18 Crores and Rs. 12.14 Crores for the quarter and year ended March 31, 2020 respectively, as considered in the Statement, in respect of three associates whose financial statements have not been audited by us. These financial statements have been audited/reviewed, as applicable, by other auditors whose reports have been furnished to us by the Management and our opinion and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, is based solely on the reports of the other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.

Our report on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

For Deloitte Haskins & Sells LLP
(Firm's Registration No. 117366W/W-100018)



Rajesh Kumar Agarwal
Partner
(Membership No. 105546)
(UDIN:20105546 AAAAA BN 6506)

Place: New Delhi
Date: June 23,2020