



REF: VPL: SEC: July: 2020-21

Date: 10.07.2020

The Listing Department, National Stock Exchange of India Ltd "Exchange Plaza", Bandra-Kurla Complex, Bandra (East), Mumbai-400051 Scrip Code: VARDMNPOLY	The Listing Department, BSE Limited 25 th Floor, P.J Towers Dalal Street Fort, Mumbai-400001 Scrip Code: 514175
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SUBJECT: Outcome of Board meeting held on 10.07.2020 and Submission of Audited Financial Results for the quarter and year ended 31st March, 2020

Dear Sir/Madam,

In terms of the Regulation 30 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we would like to inform you that the Board in its meeting held today i.e 10th July, 2020 (from 2.00 PM to 4.00 PM) have, inter alia:

1. Approved the Audited Financial Results (both Standalone & Consolidated) of the Company for the Quarter and Financial Year ended 31st March, 2020

Pursuant to Regulation 33 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed herewith, the said financial results together with Auditors' Report thereon and the Statements on Impact of Audit Qualifications for Standalone and Consolidated Audit Reports with modified opinion.

2. Re-appointed M/s Khanna Ashwani & Associates, Company Secretaries, as the Secretarial Auditor for the Financial Year 2020-21.
3. Re-appointed M/s Ramanath Iyer & Co., Cost Accountants as Cost Auditors for the Financial Year 2020-21.

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

Thanking you,
Yours truly,

For Vardhman Polytex Limited


Ajay K. Ratra
Company Secretary



VA :DHMAN POLYTEX LTD.

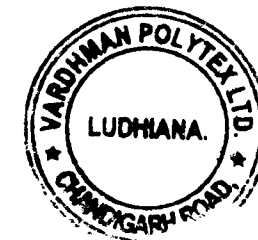
Regd. Office : Vardhman Park, Chandigarh Road, Ludhiana - 141123'

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

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MAR, 2020

(Rs. In Lakh)

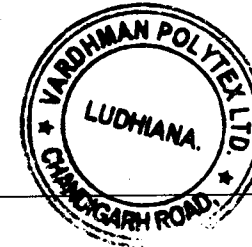
Sl. No	Particulars	Standalone					Consolidated				
		Quarter ended			Year ended		Quarter ended			Year ended	
		31st MAR 2020	31st Dec 2019	31st MAR 2019	31st Mar 2020	31st March 2019	31st MAR 2020	31st Dec 2019	31st MAR 2019	31st Mar 2020	31st March 2019
		Audited	Unaudited	Audited	Audited	Audited	Audited	Unaudited	Audited	Audited	Audited
1	Revenue from operations	13,554.76	12,289.14	21,328.15	56,066.23	81,055.79	13,558.90	12,294.15	21,332.98	56,086.50	81,075.31
2	Other income	84.04	94.11	52.19	318.35	287.33	84.04	94.11	52.20	318.35	287.36
3	Total Income (1+2)	13,638.80	12,383.25	21,380.34	56,384.58	81,343.12	13,642.94	12,388.26	21,385.18	56,404.85	81,362.67
4	Expenses										
	A) Cost of material consumed	10,029.47	9,042.99	15,500.59	42,421.66	58,748.97	10,029.47	9,042.98	15,500.60	42,421.66	58,748.98
	B) Purchase of traded goods	40.61	245.35	780.11	370.80	2,185.47	40.61	245.35	780.11	370.80	2,185.47
	C) Changes in inventories of finished goods, stock in trade and work in progress	(234.48)	313.47	236.69	234.66	880.24	(234.47)	313.47	219.13	234.66	862.68
	D) Employee benefit expense	1,050.43	1,080.76	1,404.59	4,515.06	5,706.95	1,051.53	1,082.16	1,404.59	4,519.96	5,706.96
	E) Finance costs	1,457.49	1,552.74	1,463.09	5,969.99	5,974.75	1,457.48	1,552.74	1,463.09	5,969.98	5,974.74
	F) Depreciation and amortisation expense	363.28	368.20	451.66	1,563.89	1,831.17	358.76	374.78	443.63	1,570.56	1,837.63
	G) Power & Fuel Cost	1,378.40	1,195.55	1,919.09	5,456.94	7,802.51	1,378.40	1,195.55	1,919.09	5,456.94	7,802.51
	H) Other Expenditure	837.20	589.72	1,167.88	3,107.74	5,639.39	837.29	590.36	1,168.49	3,111.14	5,641.82
	Total Expenses	14,922.40	14,388.78	22,923.70	63,640.74	88,769.45	14,919.07	14,397.40	22,898.73	63,655.70	88,760.79
5	Profit/(Loss) from operations before tax and exceptional items (3-4)	(1,283.60)	(2,005.53)	(1,543.36)	(7,256.16)	(7,426.33)	(1,276.13)	(2,009.14)	(1,513.55)	(7,250.85)	(7,398.12)
6	Exceptional items : Income / (Loss)	17,435.13	-	-	17,435.13	-	17,435.13	-	-	17,435.13	-
7	Profit/(Loss) before tax and after exceptional items (5-6)	16,151.53	(2,005.53)	(1,543.36)	10,178.97	(7,426.33)	16,159.00	(2,009.14)	(1,513.55)	10,184.28	(7,398.12)
8	Tax expenses	-	-	-	-	-	0.35	0.35	0.36	1.38	1.42
9	Net Profit/(Loss) after tax (7-8)	16,151.53	(2,005.53)	(1,543.36)	10,178.97	(7,426.33)	16,158.65	(2,009.48)	(1,513.91)	10,182.90	(7,399.53)
	Other comprehensive income/ (loss), net of taxes	(22.80)	(15.76)	(37.40)	(70.08)	(63.05)	(22.80)	(15.76)	(37.40)	(70.08)	(63.05)
10	Total Comprehensive Income/(Loss) for the period [Comprising Profit / (loss) for the period (after tax) and Other Comprehensive Income/(Loss) (after tax)]	16,128.73	(2,021.29)	(1,580.76)	10,108.89	(7,489.39)	16,135.85	(2,025.24)	(1,551.31)	10,112.82	(7,462.58)
11	Paid-up equity share capital (Face value-Rs.10 per equity share)	2,229.10	2,229.10	2,232.54	2,229.10	2,232.54	2,229.10	2,229.10	2,232.54	2,229.10	2,232.54
	Reserves (excluding revaluation reserves)	(31,292.95)	-	(41,401.84)	(31,292.95)	(41,401.84)	(31,321.26)	-	(41,435.06)	(31,321.26)	(41,435.06)
	Earnings per share (of Rs.10 each) (for the period - not annualised)										
	- Basic (Rs.)	72.46	(9.00)	(6.92)	45.66	(33.32)	72.49	(9.01)	(6.79)	45.68	(33.20)
	- Diluted (Rs.)	72.46	(9.00)	(6.92)	45.66	(33.32)	72.49	(9.01)	(6.79)	45.68	(33.20)




Notes:

- 1 The above standalone and consolidated financial results for the quarter and Year ended March 31,2020 were reviewed by the Audit Committee and thereafter have been adopted by the Board at its meeting held on July 10th, 2020. The company has prepared the financial results in accordance with Indian Accounting Standards (IND AS) as prescribed under section 133 of the companies Act, 2013 read with relevant rules issued thereunder and SEBI's circulars, and the management has exercised necessary due diligence to ensure that the financial results present a true and fair view of the company's affairs. These results have been audited by Statutory Auditors of the Company.
- 2 Regarding the auditors qualification w.r.t. repayment of FCCB liability, the repayment of the same has been delayed due to liquidity crisis and additional liability, if any on this account, will be booked as and when finalised. The qualification still stands as on 31.03.2020
- 3 Due to various factors beyond the control of management/external factors, the company has suffered operating losses to the tune of Rs 1283.60 lakh during the current quarter. The company had defaulted on payment of its debt obligations to various lenders leading to its borrowing being classified as NPA by the banks. The company has requested bankers for resolution of its accounts by way of One time settlement (OTS). State Bank of India (One of our consortium lenders) has assigned our debt to Phoenix ARC Private Limited through an Assignment agreement dated 27th March, 2020. OTS proposal of the company has been approved by 72.24 % of total lenders as on date. However, despite net worth having been fully eroded, the Management is of the view that the company is an operative company. In view of the same, the financial statements have been prepared on a "going concern basis". Further two of the lenders namely Punjab National Bank & Jammu and Kashmir Bank and operational creditors have filed applications under Insolvency and Bankruptcy Code 2016 with NCLT for initiating Corporate Insolvency Resolution Process (CIRP). The petitions have not been admitted so far.
- 4 The Group has assessed the impact of Ind As 116 - "Leases" effective April 1, 2019 and it has found that there is no impact to be recognised in the books of accounts'.
- 5 The consolidated financial results include results of F.M. Hammerle Verwaltung GmbH, Austria.
- 6 The company has entered into arrangement with few vendors from whom company is purchasing raw material and in turn processing the same to the finished output, which is sold back to them.
- 7 The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, Investments, Inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial results has used internal and external sources on the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial results may differ from that estimated as at the date of approval of these financial results.
- 8 Exceptional items for the quarter include :
On account of invocation of Corporate Guarantee of the company towards its erstwhile subsidiary M/s. F.M. Hammerle Textiles limited, a provision of Rs. 17,685.13 lacs was booked during the March 2018 quarter. This provision has been reversed in the current quarter as the Corporate Guarantee of the Company has been released by State Bank of India after depositing Rs 250 lacs as demanded by bank.
- 9 The business of company falls within a single primary segment Viz, Textile and hence, the disclosure requirement of IND-AS 108 'Operating segment' is not applicable.
- 10 Figures relating to previous period have been regrouped/rearranged, where necessary to make them comparable with those of the current period. The figures for the quarter ended 31.03.2020 are the balancing figures between the audited figures for the full financial year and the unaudited figures for the nine months ended 31.12.2019.

Place : Ludhiana
Date : 10th July, 2020



For Vardhman Polytex Ltd.


(Adish Oswal)
Chairman and Managing Director
(DIN 00009710)

AB

VARDHMAN POLYTEX LTD.

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

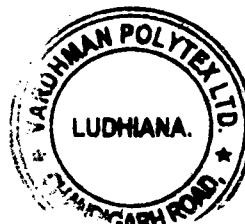
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STATEMENT OF ASSETS AND LIABILITIES FOR THE YEAR ENDED MARCH 31,2020

(Rs in Lakhs)

S.No.	Particulars	STANDALONE		CONSOLIDATED	
		As at Mar 31, 2020	As at March 31, 2019	As at Mar 31, 2020	As at March 31, 2019
		Audited	Audited	Audited	Audited
I	ASSETS				
1	Non-current assets				
	a) Property, plant and equipment	19,053.85	20,607.00	19,084.10	20,643.91
	b) Investment Property	485.38	495.22	485.38	495.25
	c) Capital work-in-progress	0.11	-	0.11	-
	d) Other intangible assets	5.23	5.96	5.22	5.95
	e) Financial assets				
	i) Investments	23.15	23.15	0.62	0.62
	ii) Other financial assets	1.55	-	1.55	-
	f) Trade receivable	812.20	115.99	812.20	115.99
	g) Deferred tax assets (net)	5,016.18	5,016.18	5,016.18	5,016.18
	h) Other non-current assets	734.96	671.71	734.96	671.71
	Total Non Current Assets	26,132.61	26,935.21	26,140.32	26,949.61
2	Current assets				
	a) Inventories	2,076.67	2,061.37	2,076.67	2,061.37
	b) Financial assets				
	i) Trade and other receivables	569.67	854.77	569.67	854.77
	ii) Cash and cash equivalents	7.99	19.41	7.99	19.69
	iii) Bank balances other than above	6.25	7.73	6.25	7.73
	iv) Loans	10.03	12.14	10.03	12.14
	v) Other financial assets	45.69	28.92	46.82	29.75
	c) Current tax assets	279.10	276.29	279.10	276.29
	d) Other current assets	1,772.42	2,180.78	1,772.42	2,180.78
	Total Current Assets	4,767.82	5,441.41	4,768.95	5,442.52
	TOTAL ASSETS	30,900.43	32,376.62	30,909.27	32,392.13
II	EQUITY AND LIABILITIES				
1	EQUITY				
	a) Equity share capital	2,229.10	2,232.54	2,229.10	2,232.54
	b) Other equity	(31,292.95)	(41,401.84)	(31,321.26)	(41,435.06)
	c) Preference Share Capital				
	Total Equity	(29,063.85)	(39,169.30)	(29,092.16)	(39,202.52)
2	LIABILITIES				
	Non-current liabilities				
	a) Financial liabilities				
	i) Borrowings	547.13	656.00	547.13	656.00
	b) Long term provisions	23.00	57.47	23.00	57.47
	c) Other non-current liabilities	0.53	0.53	0.53	0.53
	Total Non Current Liabilities	570.66	714.00	570.66	714.00
3	Current liabilities				
	a) Financial liabilities				
	i) Borrowings	48,366.49	43,874.31	48,366.66	43,874.31
	ii) Trade payables				
	a) Due to Micro & Small Enterprises	-	-	-	-
	b) Due to Others	6,201.93	4,422.51	6,227.09	4,463.07
	iii) Other financial liabilities	4,361.63	22,029.58	4,373.45	22,037.75
	b) Other current liabilities	203.35	262.57	203.35	262.57
	c) Short term provisions	260.22	242.95	260.22	242.95
	Total Current Liabilities	59,393.62	70,831.92	59,430.77	70,880.65
	TOTAL EQUITY AND LIABILITIES	30,900.43	32,376.62	30,909.27	32,392.13

For Vardhman Polytex Ltd.



(Adish Oswal)

Chairman and Managing Director

DIN 00009710

Place : Ludhiana

Date : 10th July, 2020

VARDHMAN POLYTEX LTD.

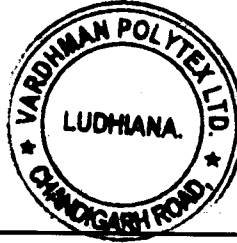
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Cash flow statement for the year ended March 31,2020

(Rs in Lakhs)

Particulars	STANDALONE		CONSOLIDATED	
	As at Mar 31, 2020	As at March 31, 2019	As at Mar 31, 2020	As at March 31, 2019
	Audited	Audited	Audited	Audited
Net Cash generated from Operating Activities				
Net profit before tax	10,178.97	(7,426.33)	10,182.90	(7,398.12)
Operating Profit before Working Capital changes	162.24	647.04	172.84	(7,560.61)
A) Net cash (used in)/ generated from Operating Activities	1,345.04	6,345.90	1,344.60	13,388.97
B) Net Cash (used)/from Investing Activities	36.59	(84.54)	36.59	11,357.91
C) Net Cash (used)/from Financing Activities	(1,394.53)	(6,402.47)	(1,394.36)	(25,108.75)
Net Increase/(Decrease) in cash & cash equivalents (A+B+C)	(12.90)	(141.11)	(13.17)	(361.86)
Add:Cash and cash equivalents as at 1st April (Opening Balance)	27.14	168.25	27.42	389.28
Cash and cash equivalents as at 31st Mar'20 & 31st March(Closing Balance)	14.24	27.14	14.24	27.42

For Vardhman Polytex Ltd.



Place : Ludhiana
 Date : 10th July, 2020

(Adish Oswal)
 Chairman and Managing Director
 DIN:00009710



ROMESH K. AGGARWAL & ASSOCIATES

CHARTERED ACCOUNTANTS

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

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

Phones: 2532920, 2534289.

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

To
The Board of Directors,
Vardhman Polytex Ltd.

Report on Audit of Standalone Financial Results

Qualified Opinion

We have audited the accompanying statement of standalone financial results of Vardhman Polytex Limited ("the Company") for the quarter ended March 31, 2020 and year to date from April 01, 2019 to March 31, 2020 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligation and disclosure requirements) Regulations, 2015 as amended ("the Listing Regulations").

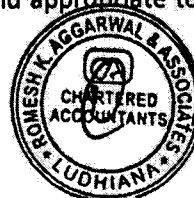
In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i) is presented in accordance with the requirements of the Listing Regulations in this regard;
and
- ii) except for the possible effect of the matter described in basis for qualified opinion paragraph below, gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the quarter ended March 31, 2020 and for the year ended March 31, 2020.

Basis of Qualified Opinion

The company had credited profit of Rs 396.44 lacs due on payment of FCCB liability to the statement of profit & loss during the period ending March 31, 2017. This profit should have been credited in the statement of profit & loss on payment of FCCB liability which is still outstanding to the tune of 554,160 USD as on March 31, 2020. The same has not been addressed in the current period under audit. This matter was also qualified in all the previous limited review/audit reports submitted by us.

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



Emphasis of Matter

We draw attention to Note 7 of the standalone and consolidated financial results, as regards the management's evaluation of COVID-19 impact on the future performance of the Company and its subsidiaries. Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued there under 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 of 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, 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.

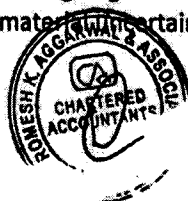
The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement 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 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 the Statement.

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 Statement, 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. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- 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 Company's ability 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 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
- For the other entities included in the Statement, which have been compiled by the management, management remains responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement 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.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMDI/44/2019 dated March 29, 2019 issued by the Securities Exchange Board of India under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

Other Matter

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.

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For Romesh K Aggarwal & Associates
Chartered Accountants

FRM
ROMESH K AGGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
Rohit Singla
PATEL CHDHIANA
M. No. 519347

Place - Ludhiana

Dated - July 10, 2020

UDIN - 20519347AAAAAP7776



ROMESH K. AGGARWAL & ASSOCIATES

CHARTERED ACCOUNTANTS

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

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

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

To
The Board of Directors,
Vardhman Polytex Ltd.

Report on Audit of Consolidated Financial Results

Qualified Opinion

We have audited the accompanying statement of consolidated financial results of Vardhman Polytex Limited ("Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") for the quarter ended March 31, 2020 and year to date from April 01, 2019 to March 31, 2020 ("the Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligation and disclosure requirements) Regulations, 2015 as amended ("the Listing Regulations").

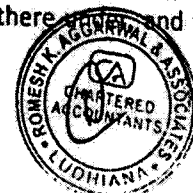
In our opinion and to the best of our information and according to the explanations given to us and based on the quarterly financial statement and other financial information for the subsidiary located outside India given to us, the Statement:

- i) includes the results of F.M. Hammerle Verwaltung GmbH, Austria
- ii) is presented in accordance with the requirements of the Listing Regulations in this regard;
and
- ii) except for the possible effect of the matter described in basis for qualified opinion paragraph below, gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Group for the quarter ended March 31, 2020 and for the year ended March 31, 2020.

Basis of Qualified Opinion

The group had credited profit of Rs 396.44 lacs due on payment of FCCB liability to the statement of profit & loss during the period ending March 31, 2017. This profit should have been credited in the statement of profit & loss on payment of FCCB liability which is still outstanding to the tune of 554,160 USD as on March 31, 2020. The same has not been addressed in the current period under audit. This matter was also qualified in all the previous limited review/audit reports submitted by us.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(1) of the Companies Act, 2013, as amended (the "Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements 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 Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 7 of the standalone and consolidated financial results, as regards the management's evaluation of COVID-19 impact on the future performance of the Group. Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Consolidated Financial Results

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Group and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued there under 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 of the assets of the Group 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 Statement 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 the Statement by the Directors of the Holding Company, as aforesaid

In preparing the Statement, the Board of Directors of the Companies included in the group, are responsible for assessing the Group'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 respective Board of Directors either intends to Liquidate the Group or to cease operations, or has no realistic alternative but to do so.

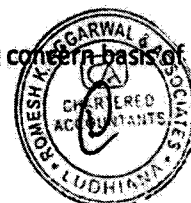
The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement 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 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 the Statement.

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 Statement, 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. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- 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 Group's ability 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 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 to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

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.

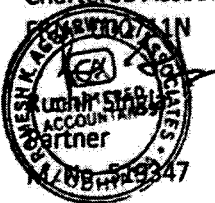
Other Matter

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

- 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 Consolidated Financial Statements. Our report is not modified in respect of this matter.

- The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For Romesh K Aggarwal & Associates
Chartered Accountants



Place - Ludhiana

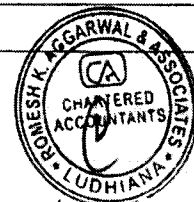
Dated - July 10, 2020

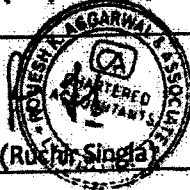
UDIN - 20519347AAAAO5552

**Statement on Impact of Audit Qualification (for audit report with modified opinion) submitted
along with Annual Audited Financial Results
(Consolidated)**

(Rs in lacs)

Statement on Impact of Audit Qualification for the Financial Year ended March 31, 2020				
I.	S. No.	Particulars	Audited Figure (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	73,839.98	73,839.98
	2.	Total Expenditure	63,657.08	64,053.52
	3.	Net Profit / (Loss)	10,182.90	9,786.46
	4.	Earnings per share	45.68	43.90
	5.	Total Assets	30,909.27	30,909.27
	6.	Total Liabilities excluding net worth	60,001.43	60,397.87
	7.	Net Worth	-29,092.16	-29,488.60
	8.	Any other financial item(s) (as appropriate by the management)		
II.	f) Audit Qualification (each audit qualification separately):			
	<p>The group had credited profit of Rs 396.44 lacs due on payment of FCCB liability to the statement of profit & loss during the period ending March 31,2017. This profit should have been credited in the statement of profit & loss on payment of FCCB liability which is still outstanding to the tune of 554,160 USD as on March 31,2020. The same has not been addressed in the current period under audit. This matter was also qualified in all the previous limited review/audit reports submitted by us.</p>			
	g) Type of Audit Qualification : Qualified Opinion			
	h) Frequency of qualification : Repetitive			
	<p>i) For Audit Qualification(s) where the impact is qualified by the auditor, Management's Views:</p> <p>We state that the Company has credited the amount on the basis of settlement of FCCB liability and repayment of the same has been delayed due to liquidity crisis. Additional liability, if any on this account, will be booked as and when finalised.</p>			
	<p>j) For Audit Qualification(s) where the impact is not quantified by the auditor: Not Applicable</p> <p>iv) Management's estimation on the impact of audit qualification:</p> <p>v) If management is unable to estimate the impact, reasons for the same:</p> <p>vi) Auditors Comments on (i) or (ii) above :</p>			
III.	Signatories:			
	<ul style="list-style-type: none"> CEO/ Managing Director 			

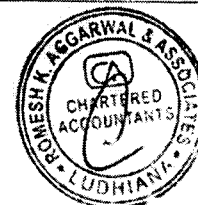



	(Adish Oswal)
• CFO	As (Apjit Arora)
• Audit Committee Chairman	<i>Harpal Singh</i> (Harpal Singh)
• Statutory Auditor	 (Ruchir Singh)
Place: Ludhiana	
Date: 10-07-2020	

**Statement on Impact of Audit Qualification (for audit report with modified opinion) submitted
along- with Annual Audited Financial Results
(Standalone)**

(Rs in lacs)

Statement on Impact of Audit Qualification for the Financial Year ended March 31, 2020				
I.	S. No.	Particulars	Audited Figure (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income (Incl. Exceptional Income)	73,819.71	73,819.71
	2.	Total Expenditure	63,640.74	64,037.18
	3.	Net Profit / (Loss)	10,178.97	9,782.53
	4.	Earnings per share	45.66	43.89
	5.	Total Assets	30,900.43	30,900.43
	6.	Total Liabilities excluding net worth	59,964.29	60,360.73
	7.	Net Worth	-29,063.85	-29,460.29
	8.	Any other financial item(s) (as appropriate by the management)		
II.	a) Audit Qualification (each audit qualification separately):			
	The company had credited profit of Rs 396.44 lacs due on payment of FCCB liability to the statement of profit & loss during the period ending March 31, 2017. This profit should have been credited in the statement of profit & loss on payment of FCCB liability which is still outstanding to the tune of 554,160 USD as on March 31, 2020. The same has not been addressed in the current period under audit. This matter was also qualified in all the previous limited review/audit reports submitted by us.			
	b) Type of Audit Qualification : Qualified opinion			
	c) Frequency of qualification : Repetitive			
	d) For Audit Qualification(s) where the impact is qualified by the auditor, Management's Views: We state that the Company has credited the amount on the basis of settlement of FCCB liability and repayment of the same has been delayed due to liquidity crisis. Additional liability, if any on this account, will be booked as and when finalised.			
	e) For Audit Qualification(s) where the impact is not quantified by the auditor: Not applicable i) Management's estimation on the impact of audit qualification: ii) If management is unable to estimate the impact, reasons for the same: iii) Auditors Comments on (i) or (ii) above :			
III.	Signatories:			
	<ul style="list-style-type: none"> CEO/ Managing Director 			



	(Adish Oswal)
• CFO	<i>AV</i> (Ajit Arora)
• Audit Committee Chairman	<i>Harpal</i> (Harpal Singh)
• Statutory Auditor	
Place: Ludhiana	
Date: 10-07-2020	