



REF: VPL: SEC: AUG: 2022-23

Date: 12.08.2022

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| <p>The Listing Department, National Stock Exchange of India Ltd "Exchange Plaza" Bandra-Kurla Complex, Bandra (East), Mumbai-400051 Scrip Code: VARDMNPOLY</p> | <p>The Listing Department, BSE Limited 25th Floor, P.J Towers Dalal Street Fort, Mumbai-400001 Scrip Code: 514175</p> |
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SUBJECT: Outcome of Board meeting held on 12.08.2022 and Submission of Unaudited Financial Results for the quarter ended 30th June, 2022.

Dear Sir/Madam,

Please take note that the Board of Directors of the company in its meeting held today i.e 12th August, 2022, inter alia, has taken the following decisions:

1. Board approved the Unaudited Financial Results of the Company for the quarter ended 30th June, 2022.

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 Unaudited Financial Results of the Company for the quarter ended 30th June, 2022 together with Limited Review Report as approved by Board of Directors in its meeting held on 12.08.2022.

2. Mr. Sanjeev Joshi has been appointed w.e.f 12.08.2022 as Additional Director under category of Non-Executive Independent Director of the company to hold office of director till the conclusion of ensuing Annual General Meeting. Board has further recommended to the members for their approval, his appointment as a Director (Non-Executive Independent Director) of the company for the tenure of 4 years w.e.f the date of ensuing AGM.
3. Mr. Sagar Bhatia has been appointed w.e.f 12.08.2022 as Additional Director under category of Non-Executive Independent Director of the company to hold office of director till the conclusion of ensuing Annual General Meeting. Board has further recommended to the members for their approval, his appointment as a Director (Non-Executive Independent Director) of the company for the tenure of 4 years w.e.f the date of ensuing AGM.
4. Mr. Varun Kumar Choudhary, Independent Director has tendered his resignation from position of Independent Director of the company w.e.f 12.08.2022 due to his other professional commitments as mentioned in the enclosed resignation letter dated 12.08.2022. It was also declared by Mr. Choudhary in his resignation letter that there is no other material reason for resignation other than mentioned in it.
5. Mr. Hardeep Singh, Independent Director has tendered his resignation from position of Independent Director of the company w.e.f 12.08.2022 due to his personal and professional commitments as mentioned in the enclosed resignation letter dated 12.08.2022. It was also declared by Mr. Singh in his resignation letter that there is no other material reason for resignation other than mentioned in it.





6. Consequent upon the above stated changes in directors, committees of the board members are reconstituted in the following manner:

Audit Committee:

| Sr. No. | Name of the directors | Category of directors | Designation in the committee |
|---------|-----------------------|-----------------------|------------------------------|
| 1. | Mr. Sandeep Mehta | Independent | Chairman |
| 2. | Mr. Sanjeev Joshi | Independent | Member |
| 3. | Mrs. Manju Oswal | Non-executive | Member |

Nomination and Remuneration Committee:

| Sr. No. | Name of the directors | Category of directors | Designation in the committee |
|---------|-----------------------|-----------------------|------------------------------|
| 1. | Mr. Sandeep Mehta | Independent | Chairman |
| 2. | Mr. Sanjeev Joshi | Independent | Member |
| 3. | Mrs. Manju Oswal | Non-executive | Member |

7. Board decided to hold the 42nd Annual General Meeting (AGM) of the company on Monday, 26th September, 2022 at 11.00 am at Registered Office of the company at Vardhman Park, Chandigarh Road, Ludhiana.
8. Book closure shall be from Tuesday, 20th September, 2022 to Monday, 26th September, 2022 (both days inclusive) for the purpose of ensuing AGM of the Company.
9. The Company has fixed the Cut-off date on 19th September, 2022 (end of day) for the purpose of determining the number of shareholders entitled to vote at the ensuing Annual General Meeting of the Company.
10. Status Update on One Time Settlement (OTS): OTS with four of the lender banks – Bank of India, Indian Bank (earlier Allahabad Bank), Jammu & Kashmir (J & K) Bank & Punjab National Bank (PNB) has been done. Complete amount of OTS has been paid in respect of Bank of India, Indian Bank and PNB. Partial payment has been made to J & K Bank and the balance payment of OTS will be made till 31.12.2022. Consequently, PNB and J & K Bank have withdrawn their earlier filed applications with NCLT. Applications filed before NCLT by few Creditors are pending and have not been admitted so far. State Bank of India, United bank of India, Canara Bank, Bank of Baroda and Bank of Maharashtra, Union Bank of India (For Andhra Bank & Corporation Bank) have already assigned their respective shares to Phoenix ARC. The management is in further discussion with the remaining banks and creditors to arrive at OTS.

The meeting of Board of Directors commenced at 2.30 pm and concluded at 3.45 pm.

Thanking you,

Yours truly,

For Vardhman Polytex Limited


Ajay K. Ratra
Company Secretary

Encl: as above



VARDHMAN POLYTEX LTD.

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

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

STATEMENT OF FINANCIAL RESULTS FOR QUARTER ENDED 30th JUNE, 2022

(Rs. In Lakh)

| Sl. No | Particulars | Quarter ended | | | Year ended |
|--------|---|-------------------|------------------|-------------------|-------------------|
| | | 30th Jun | 31st Mar | 30th Jun | 31st Mar |
| | | 2022 Unaudited | 2022 Audited | 2021 Unaudited | 2022 Audited |
| 1 | Revenue from operations | 25,835.41 | 27,805.96 | 19,151.71 | 92,859.51 |
| 2 | Other income | 212.08 | 60.88 | 59.63 | 307.56 |
| 3 | Total Income (1+2) | 26,047.49 | 27,866.84 | 19,211.34 | 93,167.07 |
| 4 | Expenses | | | | |
| | A) Cost of material consumed | 17,453.99 | 22,111.70 | 14,022.81 | 70,856.82 |
| | B) Purchase of Stock in Trade | 3,624.13 | - | - | 2.06 |
| | C) Changes in inventories of finished goods, stock in trade and work in progress | 495.98 | (437.74) | (1,445.21) | (2,281.77) |
| | D) Employee benefit expense | 1,307.93 | 1,590.81 | 1,320.28 | 5,718.67 |
| | E) Finance costs | 1,200.51 | 1,736.27 | 1,521.32 | 6,416.18 |
| | F) Depreciation and amortisation expense | 321.24 | 324.88 | 348.72 | 1,364.97 |
| | G) Power & Fuel Cost | 1,482.35 | 1,804.57 | 1,675.63 | 7,074.52 |
| | H) Other Expenditure | 1,201.88 | 1,413.22 | 1,812.55 | 5,571.17 |
| | Total Expenses | 27,088.01 | 28,543.71 | 19,256.10 | 94,722.62 |
| 5 | Profit from operations before tax and exceptional items (3-4) | (1,040.52) | (676.87) | (44.76) | (1,555.55) |
| 6 | Exceptional items : Income / (Loss) | - | - | - | - |
| 7 | Profit/(Loss) before tax and after exceptional items (5-6) | (1,040.52) | (676.87) | (44.76) | (1,555.55) |
| 8 | Tax expenses | - | - | - | - |
| 9 | Net Profit/(Loss) after tax (7-8) | (1,040.52) | (676.87) | (44.76) | (1,555.55) |
| | Other comprehensive income/ (loss), net of taxes | (3.78) | 30.73 | (15.27) | (15.11) |
| 10 | Total Comprehensive Income/(Loss) for the period [Comprising Profit / (loss) for the period (after tax) and Other Comprehensive Income/(Loss) (after tax)] | (1,044.30) | (646.14) | (60.03) | (1,570.66) |
| 11 | Paid-up equity share capital (Face value-Rs.10 per equity share) | 2,229.10 | 2,229.10 | 2,229.10 | 2,229.10 |
| | Reserves (excluding revaluation reserves) | - | (38,585.10) | - | (38,585.10) |
| | Earnings per share (of Rs.10 each) (for the period - not annualised) | | | | |
| | - Basic (Rs.) | (4.67) | (3.04) | (0.20) | (6.98) |
| | - Diluted (Rs.) | (4.67) | (3.04) | (0.20) | (6.98) |

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Notes:

- 1 The above standalone financial results for the Quarter ended June,2022 were reviewed by the Audit Committee and thereafter have been adopted by the Board at its meeting held on August 12th, 2022. The company has prepared the financial results in accordance with Indian Accounting Standards (IND AS) as prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and SEBI's circulars, and the management has exercised necessary due diligence to ensure that the financial results present a true and fair view of the company's affairs. These results have been reviewed by the Statutory Auditors of the Company.
- 2 Regarding the Auditors qualification w.r.t. repayment of FCCB liability, the repayment of the same has been delayed due to liquidity crisis and additional liability, if any on this account, will be booked as and when finalised. The qualification still stands as on 30.06.2022.
- 3 The Company had been classified as NPA by the Banks. So the company has made relentless efforts to resolve the debts with Banks. Further, State Bank of India, United Bank of India, Canara Bank, Bank of Baroda, Bank of Maharashtra and Union Bank of India (For Andhra Bank and Corporation bank) have already assigned their respective shares to Phoenix ARC. Further the company has completed final payment for OTS amount for Bank of India, Indian Bank (For Allahabad Bank) and Punjab National Bank during the quarter. No dues certificate has been received from Indian Bank as on the date of signing these results. Consequent to settlement with Punjab National Bank and J&K Bank, they have withdrawn the applications filed by them with NCLT. Applications filed by few other creditors with NCLT under IBC have not been admitted so far.
- 4 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.
- 5 The company has entered into arrangement with few vendors from whom company is purchasing raw materials and in turn processing the same to the finished output, which is sold back to them.
- 6 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.
- 7 The figures of the quarter ended 31 March 2022 are the balancing figures between the figures for the audited financial year 2021-22 and published year to date unaudited figures up to the third quarter of the financial year.

Place : Ludhiana
Date 12th August'2022



For Vardhman Polytex Ltd.


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







ROMESH K. AGGARWAL & ASSOCIATES

CHARTERED ACCOUNTANTS

Head Office – GT Road, Miller Ganj, Ludhiana-141003

Delhi Chandigarh Ludhiana

Phones: 2532920, 2534289

INDEPENDENT AUDITOR'S REVIEW REP'ORT ON REVIEW OF INTERIM FINANCIAL RESULTS

To
The Board of Directors,
Vardhman Polytex Ltd.

1. We have reviewed the accompanying statement of unaudited financial results of **Vardhman Polytex Limited** ("the Company") for the quarter ended June 30, 2022 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 of the SEBI (Listing Obligation and disclosure requirements) Regulations, 2015 as amended ("the Listing Regulations").

2. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial reporting" (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013 as amended read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity," issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. 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 June 30, 2022. The same has not been addressed in the current period under audit. This matter was also qualified in all the previous limited review/audit reports submitted by us.



5. Based on our review conducted as above, except for the effect of our observation stated in Para 4 above, nothing has come to our attention that causes us to believe that the accompanying statement prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Romesh K Aggarwal & Associates
Chartered Accountants

FRN - 000711N



Ruchir Singla
Partner

M. No. 519347

Place - Ludhiana

Dated - August 12, 2022

UDIN - 22519847AOWAKJ9169

Date:12/08/2022

To,
The Board of Directors,
Vardhman Polytex Limited,
Vardhman Park, Chandigarh Road,
Ludhiana-141123

Sub: Resignation from the position of Independent Director of the company.

Dear Sirs,

It has been a matter of honour to have the position in the board of VPL, though it was for a short period. Due to some other professional commitments, I hereby tender my resignation from the position of Independent Director of the company with effect from the date of this letter.

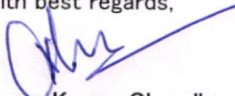
Furthermore, I hereby also declare that there is no other material reason, other than mentioned hereinabove, for resignation from the Board of the company.

I wish VPL and to its Board, its management and its employees all success in the future. I would also like to convey my deep sense of appreciation and feeling of gratitude for the support I received from all the other directors on the Board and senior executives of the company during my period of association with the company.

Kindly acknowledge the receipt of the same and do the necessary compliances in this regard.

Thanking you,

With best regards,



Varun Kumar Choudhary
Independent Director
DIN: 08857201

Address:

House no. 1166, Street No. 5,
Near Harkrishan Gurudwara,
Naginder Nagar, Ludhiana-141007

Date: 12.08.2022

To,
The Board of Directors,
Vardhman Polytex Limited,
Vardhman Park, Chandigarh Road,
Ludhiana-141123

Sub: Resignation from the Directorship of company.

Dear Sirs,

It has been a matter of honour to have the position in the board of VPL. Due to some personal and professional commitments, I hereby tender my resignation from the position of Independent Director of the company with effect from the date of this letter.

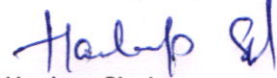
Furthermore, I hereby also declare that there is no other material reason, other than mentioned hereinabove, for resignation from the Board of the company.

I wish VPL and to its Board, its management and its employees all success in the future. I would also like to convey my sincere gratitude for the support I received from all the other directors on the Board and senior executives of the company during my period of association with the company.

Kindly acknowledge the receipt of the same and do the necessary compliances in this regard.

Thanking you,

With best regards,



Hardeep Singh
Independent Director
DIN: 08896801

Address:

House no. 1706/121, Street No. 3,
Preet Nagar, New Shimlapuri,
Ludhiana-141003



Annexure-1

Additional details as required under Regulation 30 and other relevant provisions of Listing Regulations read with SEBI Circular dated 09.09.2015 are as follows:

1. Appointment of Mr. Sanjeev Joshi as an Additional (Non-Executive Independent) Director of the company

| Sr. No. | Particulars | Details |
|---------|--|--|
| 1. | Reason for change | Appointment of Independent Director |
| 2. | Date of appointment and term of appointment | 12.08.2022 till the date of ensuing Annual General Meeting. Board has recommended to the members for their approval, his appointment for a term of four years from the date of ensuing 42 nd AGM i.e 26.09.2022. |
| 3. | Brief profile | Mr. Sanjeev Joshi is a Commerce Graduate and is having rich experience of more than 25 years in various Textile companies. His areas of expertise includes Costing, MIS, Budgeting and Planning. |
| 4. | Disclosure of relationship between directors | No Relationship with any director of the company. |
| 5. | Information as required under circular no. LIST/COMP/14/2018-19 and NSE/CML/2018/24 dated 20 th June, 2018 issued by the BSE and NSE, respectively. | It is hereby affirmed that Mr. Sanjeev Joshi is not debarred from holding the office by virtue of any SEBI Order or any other authority. |

2. Appointment of Mr. Sagar Bhatia as an Additional (Non-Executive Independent) Director of the company

| Sr. No. | Particulars | Details |
|---------|--|--|
| 1. | Reason for change | Appointment of Independent Director |
| 2. | Date of appointment and term of appointment | 12.08.2022 till the date of ensuing Annual General Meeting. Board has recommended to the members for their approval, his appointment for a term of four years from the date of ensuing 42 nd AGM i.e 26.09.2022. |
| 3. | Brief profile | Mr. Sagar Bhatia is a Graduate with experience of more than 7 years having expertise in finance. |
| 4. | Disclosure of relationship between directors | No Relationship with any director of the company. |



| | | |
|----|--|---|
| 5. | Information as required under circular no. LIST/COMP/14/2018-19 and NSE/CML/2018/24 dated 20 th June, 2018 issued by the BSE and NSE, respectively. | It is hereby affirmed that Mr. Sagar Bhatia is not debarred from holding the office by virtue of any SEBI Order or any other authority. |
|----|--|---|

3. Resignation of Mr. Varun Kumar Choudhary from the position of Independent Director

| Sr. No. | Particulars | Details |
|---------|--|--|
| 1. | Reason for change | Resignation by Mr. Varun Kumar Choudhary due to his other professional commitments |
| 2. | Date of cessation | 12.08.2022 |
| 3. | Brief profile (in case of appointment) | Not Applicable |
| 4. | Disclosure of relationship between director (in case of Appointment) | Not Applicable |
| 5. | Names of the listed entities in which the resigning director holds directorships, including the category of directorship and membership of board committees, if any. | Nil |

4. Resignation of Mr. Hardeep Singh from the position of Independent Director

| Sr. No. | Particulars | Details |
|---------|--|--|
| 1. | Reason for change | Resignation by Mr. Hardeep Singh due to his personal and professional commitments. |
| 2. | Date of cessation | 12.08.2022 |
| 3. | Brief profile (in case of appointment) | Not Applicable |
| 4. | Disclosure of relationship between director (in case of Appointment) | Not Applicable |
| 5. | Names of the listed entities in which the resigning director holds directorships, including the category of directorship and membership of board committees, if any. | Nil |