

**PRESS RELEASE**

**VARDHMAN TEXTILES DECLARES Q1 RESULTS**

Ludhiana, August 7, 2014

Vardhman Textiles Limited, one of the leading textile companies in India, has earned a net profit of Rs. 106.27 crore in the quarter ended 30<sup>th</sup> June, 2014. The net profit registered a decline of 26.46% as compared to the profits of corresponding period last year that stood at Rs. 144.50 crore. The net profits of the quarter are also lower as compared to immediately preceding quarter ended 31<sup>st</sup> March, 2014 (Rs. 154.32 crore).

The EBITDA margin is down at 20.86% at the end of the 30<sup>th</sup> June, 2014 quarter as against 24.91% of corresponding period. This decline in the margins over the corresponding period last year is essentially due to availability of raw material at higher prices and lower export of cotton yarn from India.

However, the Net Sales of the Company has increased from Rs. 1,193.61 crore for the quarter ended 30<sup>th</sup> June, 2013 to Rs. 1,417.60 crore for the quarter ended 30<sup>th</sup> June, 2014, an increase of about 18.76% due to capacity expansions in spinning by the Company during Financial year 2013-14.

Pursuant to the enactment of the Companies Act, 2013 w.e.f 1<sup>st</sup> April, 2014, the Company had to recalculate the remaining useful life of fixed assets in accordance with provisions of Schedule II to the new Act which increased the depreciation and amortisation expense by Rs. 33.15 crores and curtailed the profits of the Company to that extent.

