



REF: VPL:SEC: FEB: 2017-18

Date: 14.02.2018

The Listing Department, National Stock Exchange of India Ltd, "Exchange Plaza" Bandra-Kurla Complex, Bandra (East), Mumbai-400051 Scrip Code: VARDMNPOLY	The Listing Department, Bombay Stock Exchange Limited, 25 <sup>th</sup> Floor, P.J Towers Dalal Street Fort, Mumbai-400001 Scrip Code: 514175
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**SUBJECT: Outcome of Board meeting held on 14.02.2018 and Submission of Unaudited Financial Results for Third Quarter ended on 31<sup>st</sup> December, 2017 in Compliance with Regulation 33 and 30(2) of the SEBI (LODR) Regulations, 2015.**

Dear Sir/Madam,

1. Please find enclosed herewith the Un-audited Financial Results for Third Quarter ended on 31<sup>st</sup> December, 2017 in compliance with Regulation 33 read with 30(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. We would like to inform your good office that w.e.f. 1<sup>st</sup> April, 2017, the Ind-AS has become applicable on the Company. Therefore the aforesaid results have been prepared in conformity with Ind-AS principles.
2. The said results have been reviewed by the Audit Committee in its meeting held on 14.02.2018 and have been taken on record by the Board of Directors of the Company in their meeting held today.
3. Further, Limited review report issued by the Statutory Auditors of the Company in respect of the Un-audited financial results of the Company for the quarter ended 31<sup>st</sup> December, 2017 is also enclosed herewith.
4. Mr. Ashok Kumar Goyal, Executive Director of the Company has resigned from the Board of Directors w.e.f March 31, 2018.

**The meeting of Board of Directors commenced at 03.00 P.M. and concluded at 6:45 P.M.**

Kindly consider the submissions and take the same on your records.

Thanking you,  
Your's faithfully,

**For Vardhman Polytex Limited**

**(Pankaj Agarwal)**

**Company Secretary & Compliance Officer**



VARDHMAN 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

UNAUDITED FINANCIAL RESULTS FOR THE  
 QUARTER ENDED 31ST DECEMBER, 2017

Sl. No	Particulars	For the quarter ended		Year to date	
		31st Dec 2017 Reviewed	30th Sep 2017 Reviewed	31st Dec 2016 Reviewed	31st Dec 2017 Reviewed
1	Income from Operations	13,308.38	11,313.59	20,945.96	43,961.48
2	Other Income	89.86	213.87	100.41	425.09
3	Total Income (1+2)	13,398.24	11,527.46	21,046.37	44,386.57
4	Expenses				
	A) Cost of material consumed	8,925.02	7,256.90	14,521.09	29,178.71
	B) Purchase of stock-in-trade	945.57	192.86	1,493.11	3,116.14
	C) Changes in inventories of finished goods, work in progress and stock-in-trade	67.70	2,314.30	(810.84)	2,582.56
	D) Employee benefits expense	1,096.28	1,102.54	1,403.74	3,614.40
	E) Finance costs	1,540.40	1,630.28	1,205.95	4,746.01
	F) Depreciation and amortisation expense	512.37	523.09	511.70	1,557.98
	G) Other Expenditure	2,281.51	2,770.80	3,023.31	9,358.34
	Total Expenses	15,368.85	15,790.77	21,348.06	54,154.14
5	Profit from operations before tax and exceptional items (3-4)	(1,970.62)	(4,263.31)	(301.69)	(9,767.58)
6	Exceptional items	-	583.75	-	12,227.89
7	Profit before tax and after exceptional items (5-6)	(1,970.62)	(4,847.06)	(301.69)	(21,995.46)
8	Tax expense	-	-	-	-
9	Net Profit after tax (7-8)	(1,970.62)	(4,847.06)	(301.69)	(21,995.46)
	Other comprehensive income/ (loss), net of tax	22.28	22.28	1.23	66.84
10	Total Comprehensive Income for the period [Comprising Profit / (loss) for the period (after tax) and Other Comprehensive Income (after tax)]	(1,948.34)	(4,824.78)	(300.46)	(21,928.62)
11	Paid-up equity share capital (Face value-Rs.10 per equity share)	2,232.54	2,232.54	2,232.54	2,232.54
	Reserves (excluding revaluation reserves) as per Balance Sheet of previous accounting year	(13,418.59)	(11,470.25)	(13,418.59)	(13,418.59)
	Earnings per share (of Rs.10 each) (for the period - not - Basic (Rs.)	(8.84)	(21.74)	(1.35)	(98.67)
	- Diluted (Rs.)	(8.84)	(21.74)	(1.35)	(98.67)

**Notes:**

- 1 The above results were reviewed by the Audit Committee and thereafter have been adopted by the Board at its meeting held on February 14, 2018. A Limited review of the financial results for the nine months and quarter ended on December 31, 2017 have been carried out by the Statutory Auditors.
- 2 Regarding the auditors qualification for the year ended March 31, 2017 with respect to repayment of FCCB liability of Rs 472.20 Lacs as at 31.3.17, 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.
- 3 During the quarter under reference a JLM was held on 6-12-17, wherein all the lenders have agreed to consider the restructuring / resolution proposal of the company comprising modernisation and replenishment of WC Limits alongwith reduction in rate of interest etc based on external agency TEV report. External agency report is expected by 20th Feb,18 and it is estimated that resolution / restructuring plan will be implemented by the end of FY 2018. In the mean time, pending modernization and replenishment of WC funds, the company continued to face liquidity and operating costs/ productivity challenges with resultant losses. However with continuous measures and initiatives of management to improve, the company has reported positive EBITDA of Rs104.44 Lacs against negative EBITDA of Rs 143.52 Lacs in first quarter ending 30.6.17 and negative EBITDA of Rs.2087.66 Lacs in second quarter ending 30.9.17. With the implementation of modernisation plan, EBITDA of company is estimated to increase many fold alongwith enabling the company to serve all its lenders/ stakeholders on long term basis. In view of the same, the financial statements have been prepared on a going concern basis.
- 4 Exceptional item for the nine months ending on 31 December, 2017 Rs. 12227.89 Lacs pertains to provision against Investments & Loan and advances to subsidiary companies FM Hammerle Textiles Ltd and FM Hammerle Verwaltung GmbH, Austria (given before 31.3.2011). From the above, Rs 11992.44 Lakhs Pertains to FM Hammerle Textiles Ltd. and Rs 235.45 lakhs pertains to FM Hammerle Verwaltung GmbH, Austria.
- 5 A limited review as required under regulation 33 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 has been completed on the detailed financial results for the nine months and quarter ended on 31, December, 2017 filed with the Stock Exchanges. This report does not have any impact on the 'Results and Notes' for the quarter ending and nine months ending on 31, Dec, 2017 which needs to be explained.
- 6 The Company has adopted Indian Accounting Standards (INDAS) from April 1, 2017 (transition date being April 1, 2016) and accordingly, these financial results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and the other accounting principles generally accepted in India. Result for the quarter / nine months ending on 31, December, 2017 are in compliance with Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs. Consequently, result for the quarter ended on 31, December, 2016 and nine months ending on 31, December, 2016 have been restated to comply with Ind AS to make them comparable. The financial results and other information for the quarter and nine months ended on 31, December, 2017 have not been audited or reviewed by the Statutory Auditors. However the management has exercised necessary due diligence to ensure that the unaudited financial results present a true and fair view of the company's affairs.
- 7 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.

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Previous Indian GAAP to Ind AS in accordance with Ind AS 101:

**Total comprehensive income reconciliation:-**

Particulars	For the quarter ended Dec 31, 2016	For the Nine Months ended Dec 31, 2016
Biological assets recognized at fair value less cost to sell		
Employee future benefits - actuarial gains and losses, 0	(1.23)	(3.69)
Net Profit as reported under Ind AS	(301.69)	(214.82)
Other comprehensive income*	1.23	3.69
Total Income comprising Profit/(Loss) after Other Comprehensive income under Ind AS	(300.46)	(211.13)

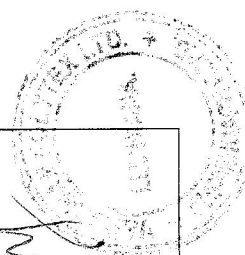
Figures relating to previous period have been regrouped/rearranged, wherever necessary to make them comparable with those of the current period.

For Vardhman Polytex Ltd  
  
 (Ashish Kumar Oswal)

Place : Ludhiana

Date : 14th February 2018

Chairman & Managing Director





# ROMESH K. AGGARWAL & ASSOCIATES

CHARTERED ACCOUNTANTS

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

Phones: 2532920, 2534289.

## LIMITED REVIEW REPORT FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2017

To  
The Board of Directors,  
Vardhman Polytex Ltd.  
Ludhiana

### 1. Introduction

We have reviewed the accompanying statement of unaudited standalone financial results of **Vardhman Polytex Limited** (The company) for the quarter and nine months ended December 31, 2017 ("the statement") prepared by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligation and disclosure requirements) Regulations, 2015 read with SEBI circular no. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July 2016. The Statement is responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these standalone financial results based on our review.

### 2. Scope of Review

We conducted our review in accordance 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

### 3. 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 December 31,2017. The same has not been addressed in the current quarter.

### 4. Qualified Opinion

Based on our review in conduct as above, except for the effect of our observation stated in Para 3 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results read with notes thereon, prepared in accordance with Indian Accounting Standards as specified under section 133 of the companies Act, 2013 read with Companies (Accounts) Rules, 2014 and other recognized accounting practises and policies 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 read with SEBI circular no. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.



## 5. Other Matters

We draw attention to the following matters:

1. Refer Note No. 6 to the interim financial results which states that the company has adopted Ind AS for the financial year commencing from April 1<sup>st</sup>, 2017 and accordingly the statement has been prepared in the compliance with Ind AS.
2. We were neither engaged to review, nor have we reviewed the comparative figures including the reconciliation to the Total Comprehensive Income for the quarter and nine months ended December 31, 2016 and accordingly, we do not express any conclusion on the results in the Statement for the quarter and nine months ended December 31, 2016. These figures have been furnished by the management.

Our conclusion is not modified in respect of the matters reported in para (1) to (2) of other matters.

For Romesh K Aggarwal & Associates

Chartered Accountants

FRN - 00071100

*Ruchir Singh*

Ruchir Singh

Partner

M. No. 519347



Place - Ludhiana

Dated - February 14, 2018