



REF: VPL : SEC: SEP: 2016-17

Date: 20.09.2017

|                                                                                                                                                                                        |                                                                                                                                                                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>The Listing Department,<br/>National Stock Exchange of India Ltd,<br/>"Exchange Plaza"<br/>Bandra-Kurla Complex,<br/>Bandra(East),<br/>Mumbai-400051<br/>Scrip Code: VARDMNPOLY</b> | <b>The Listing Department,<br/>Bombay Stock Exchange Limited,<br/>25<sup>th</sup> Floor,<br/>P.J Towers<br/>Dalal Street Fort,<br/>Mumbai-400001<br/>Scrip Code: 514175</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**Subject :** Non-Compliance as per Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Dear Sir/Madam,

Reference your letter dated 14.09.2017, regarding observations in un-audited standalone financial results filed for the quarter ended on 30.06.2017, our reply is submitted as under:

**Observation 1:** Reconciliation of profit and loss not submitted.

**Reply :** As per the SEBI circular no. CIR/CFD/FAC/62/2016 dated 5 July, 2016 on revised formats for financial results and Implementation of Ind-AS by Listed Entities, the Company vide clarification no. 2.8(ii) is required to submit the reconciliation of net profit/loss and accordingly the same has been provided in the results.

**Observation 2:** Consolidated limited review report not submitted.

**Reply:** As per regulation 33(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company has submitted the standalone financial results for the 1<sup>st</sup> quarter ended 30.06.2017 along with standalone limited review report by opting not to additionally submit quarterly/year-to-date consolidated financial results. Inadvertently the option consolidated has been opted though the results filed were un-audited standalone results and the aforesaid provisions would be complied more diligently.

**Observation 3:** Financial results not submitted as per Schedule III to the Companies Act, 2013

**Reply:** The un-audited financial results for the quarter ended on 30th June, 2017 were submitted in compliance of Ind-AS, but the format was not in accordance of Schedule III of the Companies Act, 2013. Therefore, we are hereby re-submitting the un-audited standalone financial results for the 1<sup>st</sup> quarter ended on 30.06.2017 in the requisite format. The results are attached herewith as **Annexure -I.**

Further, we wish to inform you that there is no change in figures of the un-audited financial results for the quarter ended on 30.06.2017 as submitted before.

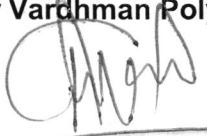


Kindly consider the submissions and take the same on your records.

Thanking you,

Your's faithfully,

**For Vardhman Polytex Limited**



**(Ashok Kumar Goyal)**

**Compliance Officer**

*AS*



## 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

UNAUDITED FINANCIAL RESULTS FOR THE  
QUARTER ENDED 30TH JUNE, 2017

(Rs. In Lakh)

| Sl. No | Particulars                                                                                                                                  | For the quarter ended            |                                  |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
|        |                                                                                                                                              | 30th June<br>2017<br>(Unaudited) | 30th June<br>2016<br>(Unaudited) |
| 1      | Income from Operations                                                                                                                       | 19,339.52                        | 19,878.27                        |
| 2      | Other income                                                                                                                                 | 121.36                           | 500.54                           |
| 3      | Total Income (1+2)                                                                                                                           | 19,460.88                        | 20,378.81                        |
| 4      | Expenses                                                                                                                                     |                                  |                                  |
|        | A) Cost of Materials Consumed                                                                                                                | 12,996.79                        | 12,956.88                        |
|        | B) Purchase of traded goods                                                                                                                  | 1,977.71                         | 1,268.96                         |
|        | C) Increase/(decrease) in stock in trade and work in progress                                                                                | 200.56                           | (960.64)                         |
|        | D) Employee cost                                                                                                                             | 1,415.58                         | 1,425.95                         |
|        | E) Finance costs                                                                                                                             | 1,482.58                         | 1,305.43                         |
|        | F) Depreciation                                                                                                                              | 522.52                           | 515.42                           |
|        | G) Other Expenditure                                                                                                                         | 4,398.78                         | 3,834.12                         |
|        | Total expenses                                                                                                                               | 22,994.52                        | 20,346.13                        |
| 5      | Profit/(Loss) from operations before exceptional items and tax(3-4)                                                                          | (3,533.65)                       | 32.68                            |
| 6      | Exceptional items                                                                                                                            | 11,644.14                        | -                                |
| 7      | Profit/(Loss) before tax and after exceptional items (5-6)                                                                                   | (15,177.79)                      | 32.68                            |
| 8      | Tax expense                                                                                                                                  | -                                | -                                |
| 9      | Net Profit/(Loss) for the period (7-8)                                                                                                       | (15,177.79)                      | 32.68                            |
|        | Other comprehensive income/ (loss), net of tax                                                                                               | 22.28                            | 1.23                             |
| 10     | Total Comprehensive Income for the period [Comprising Profit / (loss) for the period (after tax) and Other Comprehensive Income (after tax)] | (15,155.51)                      | 33.91                            |
| 11     | Paid-up equity share capital (Face value-Rs.10 per equity share)                                                                             | 2,232.54                         | 2,232.54                         |
|        | Reserves (excluding revaluation reserves) as per Balance Sheet of previous accounting year                                                   | (6,645.05)                       | 8,543.14                         |
|        | Earnings per share (of Rs.10 each) (for the period - not annualized)                                                                         |                                  |                                  |
|        | - Basic (Rs.)                                                                                                                                | (68.09)                          | 0.15                             |
|        | - Diluted (Rs.)                                                                                                                              | (68.09)                          | 0.15                             |

**Notes:**

- 1 The above results were reviewed by the Audit Committee and thereafter have been adopted by the Board at its meeting held on September 13, 2017. A limited review of the financial results for the quarter ended June 30, 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, 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 Due to various external /other factors beyond the control of management including delay in implementation of modernization pending complete tie up of debt funds with resultant deteriorating cost/operating efficiency of respective plants, resultant liquidity challenges putting pressure on sales front of the company to sell its products as such, lower capacity utilization with resultant increased fixed costs, the company has suffered losses to the tune of Rs. 15155.51 lakh (including exceptional losses of Rs.11644.14 lakh) during the current quarter, resulting in net worth being fully eroded . However, the Company's management is of the view that the company is an operative company and necessary steps are being taken to mitigate this. Since all the plants of company are operating and management is in the process for capturing modernization and liquidity challenges, the management does not foresee any threat to going concern concept and therefore financial statements have been prepared on a going concern basis.
- 4 The Auditor's Qualification on the accounts for the year ended 31st March 2017, with respect of creation of provision on Investments and Loans & Advances in Subsidiary Companies namely FM Hammerle Textiles Limited & F.M. Hammerle Verwaltung GmbH, Austria, has been addressed in the quarter under reference.
- 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 quarter ended 30 June 2017 filed with the Stock Exchanges. This report does not have any impact on the 'Results and Notes' for the quarter ended 30 June 2017 which needs to be explained.
- 6 **Transition to Indian Accounting standards (Ind AS)**  
The company has adopted Indian Accounting Standards (Ind AS) 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 the relevant rules issued there under and the other accounting principles generally accepted in India. The results for the quarter ended June 30, 2016 are also Ind AS compliant and have not been subject to limited review or audit. However, management has exercised necessary due diligence to ensure that the financial results provide a true and fair view

**Reconciliation of the Net Profit for the quarter ended June 30, 2016 as reported under erstwhile IGAAP and as re-instated under Ind-As is as under :**

| Particulars                                                                                | For the period ended<br>June 30, 2016 |
|--------------------------------------------------------------------------------------------|---------------------------------------|
| Net Profit under previous GAAP                                                             | 33.91                                 |
| Employee future benefits – actuarial gains and losses (i)                                  | (1.23)                                |
| <b>Net Profit as reported under Ind AS</b>                                                 | <b>32.68</b>                          |
| Other comprehensive income*                                                                | 1.23                                  |
| <b>Total Income comprising Profit/(Loss) after Other Comprehensive income under Ind AS</b> | <b>33.91</b>                          |

- 7 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.

(Ashok Kumar Oswal)  
Chairman & Managing Director

Place : Ludhiana

Date : 13th September 2017



## **ROMESH K. AGGARWAL & ASSOCIATES**

CHARTERED ACCOUNTANTS  
G.T. ROAD, MILLER GANJ, LUDHIANA-141003  
Phones: 2532920, 2534289.

### **LIMITED REVIEW REPORT FOR THE QUARTER ENDED JUNE 30, 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 ended June 30, 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 June 30, 2017 as explained in the footnote number-2 of the financial results. 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 have not reviewed the comparative figures including the reconciliation of total comprehensive income for the quarter ended on June 30<sup>th</sup>, 2016 and accordingly we do not express any conclusion on the results in the statement for the quarter ended June 30<sup>th</sup>, 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 - 000711N

*Ruchir Singla*

Ruchir Singla  
Partner  
M. No. 519347



Place - Ludhiana  
Dated - September 13, 2017