



Vardhman

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VARDHMAN TEXTILES LIMITED

CHANDIGARH ROAD
LUDHIANA-141010, PUNJAB
T: +91-161-2228943-48
F: +91-161-2601 048
E: secretarial.lud@vardhman.com

Ref. VTL:SCY:NOV:2018-19

Dated: 12.11.2018

The Deputy General Manager, Corporate Relationship Deptt, Bombay Stock Exchange Limited, 1 st Floor, New Trading Ring, Rotunda Building, P.J Towers, Dalal Street, Fort, MUMBAI-400001. Scrip Code: 502986	The National Stock Exchange of India Ltd, "Exchange Plaza, Bandra-Kurla Complex, Bandra (East), MUMBAI-400 051 Scrip Code: VTL
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SUB: DISCLOSURE UNDER REGULATION 30 & 33 OF SEBI LISTING OBLIGATIONS

Dear Sir,

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 Un-Audited Financial Results of the Company for the quarter/half-year ended 30th September, 2018 together with Limited Review Report as approved by Board of Directors in its meeting held on 12th November, 2018.

The meeting of the Board of Directors commenced at 10:30 a.m. and concluded at 3:15 p.m.

Kindly note and display the notice on your notice Board for the information of the members of your exchange and general public.

Thanking you,

Yours faithfully,
For VARDHMAN TEXTILES LIMITED


(SANJAY GUPTA)
Company Secretary

YARNS | FABRICS | THREADS | GARMENTS | FIBRES | STEELS

PAN NO.: AABCM4692E CIN: L17111PB1973PLC003345
WWW.VARDHMAN.COM

VARDHMAN TEXTILES LIMITED

Registered Office : Chandigarh Road, Ludhiana-141010

Standalone unaudited financial results for the quarter and half year ended September 30, 2018

Corporate Identity Number (CIN): L17111PB1973PLC003345, PAN: AABCM4692E

Website:www.vardhman.com Email: secretarial.lud@vardhman.com

(Rs. In Crores)

S.No.	Particulars	Quarter Ended September 30, 2018	Quarter Ended June 30, 2018	Quarter Ended September 30, 2017	Half Year ended September 30,2018	Half Year ended September 30,2017	Year Ended March 31, 2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I.	Revenue from operations	1,555.31	1,580.75	1,397.15	3,136.06	2,882.66	5,851.37
II.	Other income	58.99	23.92	53.29	82.91	93.47	185.06
III.	Total income from operations (I+II)	1,614.30	1,604.67	1,450.44	3,218.97	2,976.13	6,036.43
IV.	Expenses						
	Cost of materials consumed	812.55	798.85	818.75	1,611.40	1,631.50	3,180.52
	Purchase of stock- in trade	9.53	10.46	-	19.99	10.08	33.63
	Change in inventories of finished goods, works -in progress and stock -in- trade	(67.70)	27.06	(58.74)	(40.64)	(73.73)	(48.01)
	Employee benefits expense	128.35	125.45	128.35	253.80	242.63	479.63
	Finance cost	28.60	32.88	26.89	61.48	53.12	114.32
	Depreciation and amortisation expense	59.05	59.00	54.05	118.05	110.86	228.55
	Power and fuel	165.68	153.00	147.91	318.68	292.75	586.47
	Other expenses	204.64	195.07	170.10	399.71	377.10	760.57
	Total Expenses	1,340.70	1,401.77	1,287.31	2,742.47	2,644.31	5,335.68
V.	Profit before tax (III-IV)	273.60	202.90	163.13	476.50	331.82	700.75
VI.	Tax expense						
	Current tax	56.07	43.72	31.77	99.79	68.75	147.58
	Deferred tax	21.27	13.40	(0.26)	34.67	(7.83)	7.41
VII.	Profit after tax (V-VI)	196.26	145.78	131.62	342.04	270.90	545.76
VIII.	Other Comprehensive Income/(Expenditure)	0.41	0.41	-	0.82	-	1.70
IX.	Total Comprehensive income (VII+VIII)	196.67	146.19	131.62	342.86	270.90	547.46
X.	Earnings Per Share (in Rs.) (not annualized)						
	(a) Basic	34.17	25.38	23.24	59.55	47.84	96.41
	(b) Diluted	33.83	25.13	23.24	58.96	47.84	95.45
XI.	Paid up Equity Share Capital (Face value per share Rs.10)	57.44	57.44	56.63	57.44	56.63	57.43
XII.	Paid up Debt Capital*				499.80	499.80	499.80
XIII.	Other Equity						4,574.53
XIV.	Capital Redemption Reserve				6.26	6.26	6.26
XV.	Debenture Redemption Reserve				33.79	1.92	17.81
XVI.	Net Worth**				4,879.30	4,248.95	4,631.96
XVII.	Debt Equity Ratio***				0.32	0.51	0.49
XVIII.	Debt Service Coverage Ratio****				3.28	1.95	2.63
XIX.	Interest Service Coverage Ratio*****				9.05	9.33	9.13

* Paid up Debt Capital comprises of listed debentures only.

** Net Worth = Equity share capital + other equity

*** Debt equity ratio = Total Debt/Net Worth

**** Debt service coverage ratio (DSCR) = (EBDIT-Current Tax)/(Gross Interest+Scheduled principal repayment of Long term Debts)

***** Interest service coverage ratio (ISCR) = (EBDIT-Current Tax)/Gross Interest



Unaudited Balance Sheet as at September 30, 2018

(Rs. In Crores)

Sr. No.	Particulars	Unaudited	Audited
		September 30 ,2018	March 31 ,2018
	ASSETS		
1	Non-current assets		
	(a) Property, plant and equipment	2,465.09	2,503.04
	(b) Capital work-in-progress	379.01	105.08
	(c) Intangible assets	2.62	3.73
	(d) Financial assets		
	-Investments	663.93	787.96
	-Loans	0.61	0.59
	-Other financial assets	8.97	8.97
	(e) Other non-current assets	142.50	85.26
	Total Non-current assets	3,662.73	3,494.63
2	Current assets		
	(a) Inventories	1,437.61	2,116.51
	(b) Financial assets		
	-Investments	1,044.12	804.04
	-Trade receivables	766.00	727.32
	-Cash and cash equivalents	47.30	65.20
	-Bank Balance other than above	35.46	3.11
	-Loans	35.66	45.21
	-Other financial assets	12.57	23.99
	(c) Current tax assets (net)	104.07	99.07
	(d) Other current assets	321.28	316.88
	Total current assets	3,804.07	4,201.33
	Total Assets	7,466.80	7,695.96
	EQUITY AND LIABILITIES		
	Equity		
	(a) Equity share capital	57.44	57.43
	(b) Other equity	4,821.85	4,574.53
	Total equity	4,879.29	4,631.96
1	Liabilities		
	Non-current liabilities		
	(a) Financial liabilities		
	-Borrowings	1,039.59	1,195.55
	-Other financial liabilities	1.44	0.65
	(b) Provisions	6.64	7.04
	(c) Deferred tax liabilities (net)	270.18	235.60
	(d) Other non-current liabilities	45.88	22.18
	Total Non-current liabilities	1,363.73	1,461.02
2	Current liabilities		
	(a) Financial Liabilities		
	-Borrowings	278.50	805.51
	-Trade payables		
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises.	243.90	246.93
	-Other financial liabilities	501.89	421.20
	(b) Provisions	4.92	4.82
	(c) Current tax liabilities (net)	38.04	9.45
	(d) Other current liabilities	156.53	115.07
	Total Current liabilities	1,223.78	1,602.98
	Total Equity and Liabilities	7,466.80	7,695.96



VARDHMAN TEXTILES LIMITED

Registered Office : Chandigarh Road, Ludhiana-141010

NOTES:

- 1 The Company is primarily in the business of manufacturing and sales of textile products (i.e., Yarns and Fabrics). The Chief Operating Decision Maker (CODM), The Chairman & Managing Director, performs a detailed review of the operating results, makes decisions about the allocation of resources based on the analysis of the various performance indicators of the Company as a whole. Therefore, there is only one operating segment namely, "Textiles".
- 2 The Financial Results has been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and SEBI's circular no. CIR/CFD/FAC/62/2016 dated July 5, 2016.
- 3 The Company has issued secured, rated listed Redeemable Non-convertible Debentures (NCDs) aggregating to Rs. 499.80 crores for cash at par on private placement basis on September 8, 2017. The NCDs are listed at the Bombay Stock Exchange of India (BSE) and comprise of three series repayable in third, fourth and fifth years and have an overall yield of 7.69% per annum.
CRISIL has assigned a rating of AA+ with Stable outlook to the said NCDs of the Company on June 26, 2018. These are secured by way of a first pari passu charge over the immovable and movable fixed assets of the Company and it should have asset cover of more than 1.05 times of outstanding amount of NCDs. The Fixed Asset coverage ratio as on September 30, 2018 is 1.89 times.

Details of earliest due dates for the payment of interest and repayment of the principal of NCD's are as follows:

Particulars	Due Date	
	Interest	Principal
1500 7.59% Series A NCDs of Rs. 10 Lacs each	10-Sep-19	8-Sep-20
1500 7.69% Series B NCDs of Rs. 10 Lacs each	10-Sep-19	8-Sep-21
1998 7.75% Series C NCDs of Rs. 10 Lacs each	10-Sep-19	8-Sep-22

- 4 During the half year ended September 30, 2018, the Company has issued 10,800 equity shares (including 6,800 shares in the quarter ended June 30, 2018) under Employee Stock Options Scheme at Rs. 815 per share. As a result of above, the paid up equity share capital of the Company has increased from Rs. 57.43 crores to Rs. 57.44 crores.
- 5 Financial Results has been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 12, 2018. The results for quarter and half year ended September 30, 2018 have been reviewed by Statutory Auditors as per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For Vardhman Textiles Limited



Place : Ludhiana
Date : November 12, 2018

S.P. Oswal
Chairman & Managing Director

**INDEPENDENT AUDITOR'S REVIEW REPORT
ON REVIEW OF INTERIM FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF
VARDHMAN TEXTILES LIMITED**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **VARDHMAN TEXTILES LIMITED** ("the Company"), for the quarter and half year ended September 30, 2018 and the Unaudited Balance Sheet as at September 30, 2018 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

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 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. 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. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards 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, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Rajesh Kumar Agarwal
Partner
(Membership No. 105546)



LUDHIANA, NOVEMBER 12, 2018

S.No	Particulars	(Rs. In Crores)				
		Quarter Ended September 30, 2018 Unaudited	Quarter Ended June 30, 2018 Unaudited	Quarter Ended September 30, 2017 Unaudited	Half Year Ended September 30, 2018 Unaudited	Half Year Ended September 30, 2017 Unaudited
I.	Revenue from operations	1,685.10	1,699.97	1,523.06	3,385.07	3,090.66
II.	Other income	42.07	27.27	51.17	69.34	98.51
III.	Total income from operations (I+II)	1,727.17	1,727.24	1,574.23	3,454.41	3,189.17
IV.	Expenses					
	Cost of materials consumed	892.32	876.22	888.39	1,768.54	1,765.69
	Purchase of stocks- in trade	4.96	-	1.86	4.96	3.14
	Change in inventories of finished goods, Works -in progress and stock -in- trade	(67.38)	30.05	(39.75)	(37.33)	(68.34)
	Employee benefits expenses	135.63	132.25	135.18	267.88	255.89
	Finance cost	29.22	33.72	27.60	62.94	54.80
	Depreciation and amortisation expense	61.99	61.94	56.98	123.93	116.68
	Power and fuel	177.23	163.93	158.65	341.16	313.98
	Other expenses	211.37	205.32	181.10	416.69	402.14
	Total Expenses	1,445.34	1,503.43	1,410.01	2,948.77	2,843.98
V.	Profit before tax, non controlling interest, minority interest, share of profit of associates and joint venture (III-IV)	281.83	223.81	164.22	505.64	345.19
VI.	Tax expense					
	Current tax	63.61	49.61	34.38	113.22	75.36
	Deferred tax	22.62	16.47	(1.99)	39.09	(11.02)
VII.	Net Profit after tax (V-VI)	195.60	157.73	131.83	353.33	280.85
VIII.	Share of Profit/(Loss) of Associates and Joint Venture	4.61	5.01	3.45	9.62	6.07
IX.	Non Controlling Interest	3.80	3.61	2.13	7.41	4.94
X.	Net Profit after taxes, non controlling interest and Share of Profit of Associates and Joint Venture (VII+VIII-IX)	196.41	159.13	133.15	355.54	281.98
XI.	Other Comprehensive Income/(Expenditure)	0.41	0.41	-	0.82	-
XII.	Total Comprehensive Income/(Expenditure) for the period (X+XI)	196.82	159.54	133.15	356.36	281.98
XIII.	Earnings Per Share (in Rs.) (not annualized):					
	(a) Basic	34.80	28.20	23.95	63.00	50.71
	(b) Diluted	34.46	27.92	23.95	62.36	50.71
XIV.	Paid up equity share capital (face value per share Rs.10)	56.44	56.44	55.63	56.44	56.43
XV.	Paid up Debt Capital*				499.80	499.80
XVI.	Other equity					
XVII.	Capital Redemption Reserve				40.43	40.43
XVIII.	Debt Redemption Reserve				1.92	17.81
XIX.	Net Worth**				5,205.07	4,953.70
XX.	Debt Equity Ratio***				0.31	0.48
XXI.	Debt Service Coverage Ratio****				4.03	2.73
XXII.	Interest Service Coverage Ratio*****				9.36	9.54

* Paid up Debt Capital comprises of listed debentures only/-
** Net Worth = Equity share capital + Reserves attributable to owners of equity
*** Debt equity ratio = Total Debt/Equity
**** Debt service coverage ratio (DSCR) = (EBDIT-Current Tax)/(Gross Interest+Scheduled principal repayment of Long term Debts)
***** Interest service coverage ratio (ISCR) = (EBDIT-Current Tax)/Gross Interest



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VARDHMAN TEXTILES LIMITED

Consolidated Unaudited Balance Sheet as at September 30, 2018

(Rs. In Crores)

S.No.	Particulars	Unaudited	Audited
		September 30 ,2018	March 31 ,2018
	ASSETS		
1	Non-current assets		
	(a) Property, Plant and Equipment	2,572.03	2,614.59
	(b) Capital work-in-progress	382.20	105.71
	(c) Intangible Assets	2.67	3.81
	(d) Goodwill	12.50	12.50
	(e) Financial Assets		
	-Investment in associates and joint ventures	113.11	106.00
	-Investments	685.41	748.58
	-Loans	0.61	0.59
	-Others financial assets	9.30	9.40
	(f) Other non-current assets	155.48	97.31
	Total Non-current assets	3,933.31	3,698.49
2	Current assets		
	(a) Inventories	1,582.17	2,256.64
	(b) Financial Assets		
	-Investments	1,174.94	979.09
	-Trade receivables	819.05	757.53
	-Cash and cash equivalents	50.46	70.38
	-Bank balance other than above	39.67	3.38
	-Loans	34.20	29.80
	-Other financial assets	27.28	18.35
	(c) Current tax assets (net)	83.85	78.41
	(d) Other current assets	349.19	352.02
	Total Current assets	4,160.81	4,545.60
	TOTAL ASSETS	8,094.12	8,244.09
	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity Share capital	56.44	56.43
	(b) Other Equity	5,148.64	4,897.27
	(c) Non controlling interest		
	- Equity Share capital	23.44	23.44
	- Other Equity	92.75	85.34
	Total Equity	5,321.27	5,062.48
3	Liabilities		
	Non-current liabilities		
	(a) Financial Liabilities		
	-Borrowings	1,054.00	1,209.77
	-Other financial liabilities	1.44	0.65
	(b) Provisions	6.83	7.69
	(c) Deferred tax liabilities (Net)	295.58	255.62
	(d) Other non-current liabilities	45.88	22.18
	Total Non-current liabilities	1,403.73	1,495.91
4	Current liabilities		
	(a) Financial Liabilities		
	-Borrowings	286.29	821.19
	-Trade payables		
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small	342.51	290.60
	-Other financial liabilities	520.40	438.52
	(b) Provisions	5.98	5.47
	(c) Current tax liabilities	44.98	10.93
	(d) Other current liabilities	168.96	118.99
	Total Current liabilities	1,369.12	1,685.70
	TOTAL EQUITY AND LIABILITIES	8,094.12	8,244.09



VARDHMAN TEXTILES LIMITED

Consolidated Unaudited Financial Results for the Quarter and half year ended September 30, 2018

Registered Office : Chandigarh Road, Ludhiana-141010

Statement of Segment Information

(Rs. In Crores)

Particulars	Quarter Ended September 30, 2018	Quarter Ended June 30, 2018	Quarter Ended September 30, 2017	Half year ended September 30, 2018	Half year ended September 30, 2017	Year Ended March 31, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I. Segment Revenue						
Textiles	1,591.79	1,625.02	1,443.57	3,216.81	2,963.64	5,996.37
Acrylic Fibre	117.50	99.45	91.99	216.95	159.53	326.93
Total	1,709.29	1,724.47	1,535.56	3,433.76	3,123.17	6,323.30
Less : Inter Segment Revenue	24.19	24.50	12.50	48.69	32.51	75.03
Net sales/income from operations	1,685.10	1,699.97	1,523.06	3,385.07	3,090.66	6,248.27
II. Segment Results						
Profit before tax & Interest from each segment						
Textiles	282.78	246.50	174.20	529.28	363.96	760.91
Acrylic Fibre	13.77	14.52	5.04	28.29	11.83	28.77
Total	296.55	261.02	179.24	557.57	375.79	789.68
Less : (a) Interest	29.22	33.72	27.60	62.94	54.80	118.19
(b) Other un-allocable expenditure / (income) (Net of un-allocable (income)/expenditure)	(14.50)	3.49	(12.58)	(11.01)	(24.20)	(70.63)
Total Profit before tax	281.83	223.81	164.22	505.64	345.19	742.12
Tax expenses	86.23	66.08	32.39	152.31	64.34	167.19
Net Profit after tax	195.60	157.73	131.83	353.33	280.85	574.93
Add: Share of Profit/(Loss) of Associates and Joint Venture	4.61	5.01	3.45	9.62	6.07	17.51
Less: Non Controlling Interest	3.80	3.61	2.13	7.41	4.94	11.25
Net Profit after taxes, non controlling interest and Share of profit of Associates and Joint Venture	196.41	159.13	133.15	355.54	281.98	581.19
III. Segment Assets						
Textiles*	5,584.44	5,835.73	4,945.57	5,584.44	4,945.57	5,863.01
Acrylic Fibre	170.85	172.53	156.18	170.85	156.18	129.88
Unallocated	2,338.83	2,061.00	2,670.93	2,338.83	2,670.93	2,251.20
Total	8,094.12	8,069.26	7,772.68	8,094.12	7,772.68	8,244.09
IV. Segment Liabilities**						
Textiles	601.45	509.37	530.68	601.45	530.68	477.12
Acrylic Fibre	99.12	109.98	69.34	99.12	69.34	48.58
Unallocated	166.40	103.91	49.30	166.40	49.30	78.81
Total	866.97	723.26	649.32	866.97	649.32	604.51
* Includes Capital Work in Progress and Capital Advances	449.91	234.46	122.69	449.91	122.69	142.08
**excludes borrowings						



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VARDHMAN TEXTILES LIMITED**Consolidated Unaudited Financial Results for the Quarter and half year ended September 30, 2018****Registered Office : Chandigarh Road, Ludhiana-141010****NOTES :**

1. The consolidated unaudited financial results includes result of all its - (i) Subsidiaries - viz Vardhman Acrylics Limited, VMT Spinning Company Limited and VTL Investments Limited, (ii) Joint Venture - viz Vardhman Nisshimbo Garments Company Limited and (iii) Associates - viz Vardhman Yarns and Threads Limited, Vardhman Special Steels Limited and Vardhman Spinning and General Mills Limited.

2. The Financial Results has been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and SEBI's circular no. CIR/CFD/FAC/62/2016 dated July 5, 2016.

3. The Company has issued secured, rated listed Redeemable Non-convertible Debentures (NCDs) aggregating to Rs. 499.80 crores for cash at par on private placement basis on September 8, 2017. The NCDs are listed at the Bombay Stock Exchange of India (BSE) and comprise of three series repayable in third, fourth and fifth years and have an overall yield of 7.69% per annum.

CRISIL has assigned a rating of AA+ with Stable outlook to the said NCDs of the Company on June 26, 2018. These NCDs are secured by way of a first pari passu charge over the immovable and movable fixed assets of the Company and it should have asset cover of more than 1.05 times of outstanding amount of NCDs. The Fixed asset coverage ratio is 1.94 times.

Details of earliest due dates for the payment of interest and repayment of the principal of NCD's are as follows:

Particulars	Due Date	
	Interest	Principal
1500 7.59% Series A NCDs of Rs. 10 Lacs each	10-Sep-19	8-Sep-20
1500 7.69% Series B NCDs of Rs. 10 Lacs each	10-Sep-19	8-Sep-21
1998 7.75% Series C NCDs of Rs. 10 Lacs each	10-Sep-19	8-Sep-22

4. During the half year ended September 30, 2018, the Company has issued 10,800 equity shares (including 6,800 shares in the quarter ended June 30, 2018) under Employee Stock Options Scheme at Rs. 815 per share. As a result of above, the paid up equity share capital of the Company has increased from Rs. 57.43 crores to Rs. 57.44 crores.

5. Financial Results has been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 12, 2018. The results for quarter and half year ended September 30, 2018 have been reviewed by Statutory Auditors as per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

6. In accordance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has opted to publish consolidated financial results. The standalone financial results of the Company is available on the Company's website www.vardhman.com or on the website of BSE (www.bseindia.com) or NSE (www.nseindia.com).

For Vardhman Textiles Limited**S.P Oswal****Chairman and Managing Director****Place : Ludhiana****Date: November 12, 2018**

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF VARDHMAN TEXTILES LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **VARDHMAN TEXTILES LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as ("the Group") and its share of the profit/(loss) of its associates and joint venture for the quarter and half year ended September 30, 2018 and the Consolidated Unaudited Balance Sheet as at September 30, 2018 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

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

2. 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. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Parent's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. The Statement includes the interim financial results of the following entities:

Name of the Entity	Relationship
Vardhman Acrylics Limited	Subsidiary company
VMT Spinning Company Limited	Wholly owned subsidiary company
VTL Investments Limited	Wholly owned subsidiary company
Vardhman Nisshimbo Garments Company Limited	Joint Venture
Vardhman Yarn and Threads Limited	Associate company
Vardhman Special Steels Limited	Associate company
Vardhman Spinning and General Mills Limited	Associate company



4. Based on our review conducted as stated above and based on the consideration of the review reports of other auditors referred to in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards 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, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We did not review the interim financial results of one subsidiary included in the consolidated unaudited financial results, whose interim financial results reflect total assets of Rs. 475.59 crores as at September 30, 2018, total revenues of Rs. 123.35 crores and Rs. 229.26 crores respectively the quarter and half year ended September 30, 2018, and total profit after tax of Rs. 13.01 crores and Rs. 25.34 crores respectively for the quarter and half year ended September 30, 2018, and total comprehensive income of Rs. 13.01 crores and Rs. 25.34 crores respectively for the quarter and half year ended September 30, 2018, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes Group's share of profit after tax of Rs. 1.89 crores and Rs. 4.36 crores respectively for the quarter and half year ended September 30, 2018 and total comprehensive income of Rs. 1.89 crores and Rs. 4.36 crores respectively for the quarter and half year ended September 30, 2018, as considered in the consolidated unaudited financial results, in respect of one associate, whose interim financial results have not been reviewed by us. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and associate, is based solely on the reports of the other auditors.

Our report is not modified in respect of this matter.

6. The consolidated unaudited financial results includes the interim financial results of two subsidiaries which have not been reviewed/audited by their auditors, whose interim financial results reflect total assets of Rs. 228.56 crores as at September 30, 2018, total revenue of Rs. 62.45 crores and Rs. 125.28 crores respectively for the quarter and half year ended September 30, 2018, and total profit after tax of Rs. 10.64 crores and Rs. 15.13 crores respectively for the quarter and half year ended September 30, 2018 and total comprehensive income of Rs. 10.64 crores and Rs. 15.13 crores respectively for the quarter and half year ended September 30, 2018, as considered in the consolidated unaudited financial results. The consolidated financial results also includes the Group's share of profit after tax of Rs. 2.72 crores and Rs. 5.26 crores respectively for the quarter and half year ended September 30, 2018 and total comprehensive income of Rs. 2.72 crores and Rs. 5.26 crores respectively for the quarter and half year ended September 30, 2018, as considered in the consolidated unaudited financial results, in respect of two associates and one joint venture, based on their interim financial statements / results which have not been reviewed/audited by their auditors. According to the information and explanations given to us by

**Deloitte
Haskins & Sells LLP**

the Management, these interim financial statements / results are not material to the Group.

Our report on the Statement is not modified in respect of our reliance on the interim financial statements / results certified by the Management.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Rajesh Kumar Agarwal
Partner
(Membership No. 105546)



LUDHIANA, NOVEMBER 12, 2018



Ref.no.2603/SBICTCL/DT/2018-19

Date: 12th November 2018

To,
VARDHMAN TEXTILES LIMITED
Vardhman Premises,
Chandigarh Road, Ludhiana

Kind Attention: Mr. Diwakar Sood

Sub:-Certificate u/r 52(5) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, for NCDs aggregating to Rs 499.80 Crores by Vardhman Textiles Ltd ("Issuer"), for the half year ended 30th September 2018.

Dear Sir,

We are acting as Debenture Trustee for the captioned Debenture Issue. Pursuant to Regulation 52(5) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, ('Regulations') we state that we have taken note of the disclosures made by the Issuer under Regulation 52(4) of the Regulations.

Yours faithfully,
For SBICAP Trustee Company Limited

Authorised Signatory