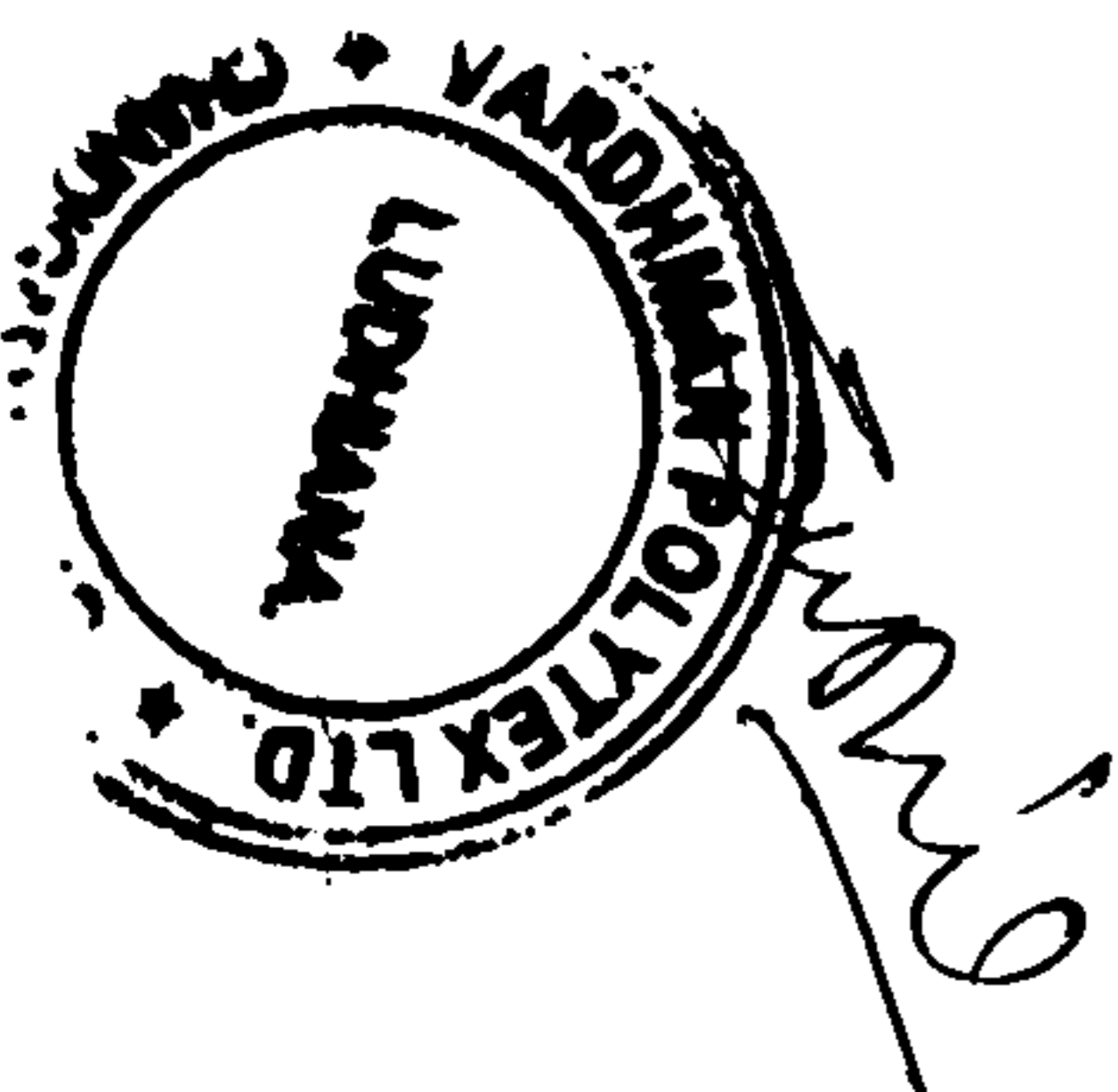


VARDHMAN POLYTEX LTD.

Regd. Office : 341K-1, Mundian Khurd, P.O. Sahabana, Chandigarh Road, Ludhiana - 141 123

**UNAUDITED FINANCIAL RESULTS FOR THE
PERIOD ENDED 30TH SEP 2012**

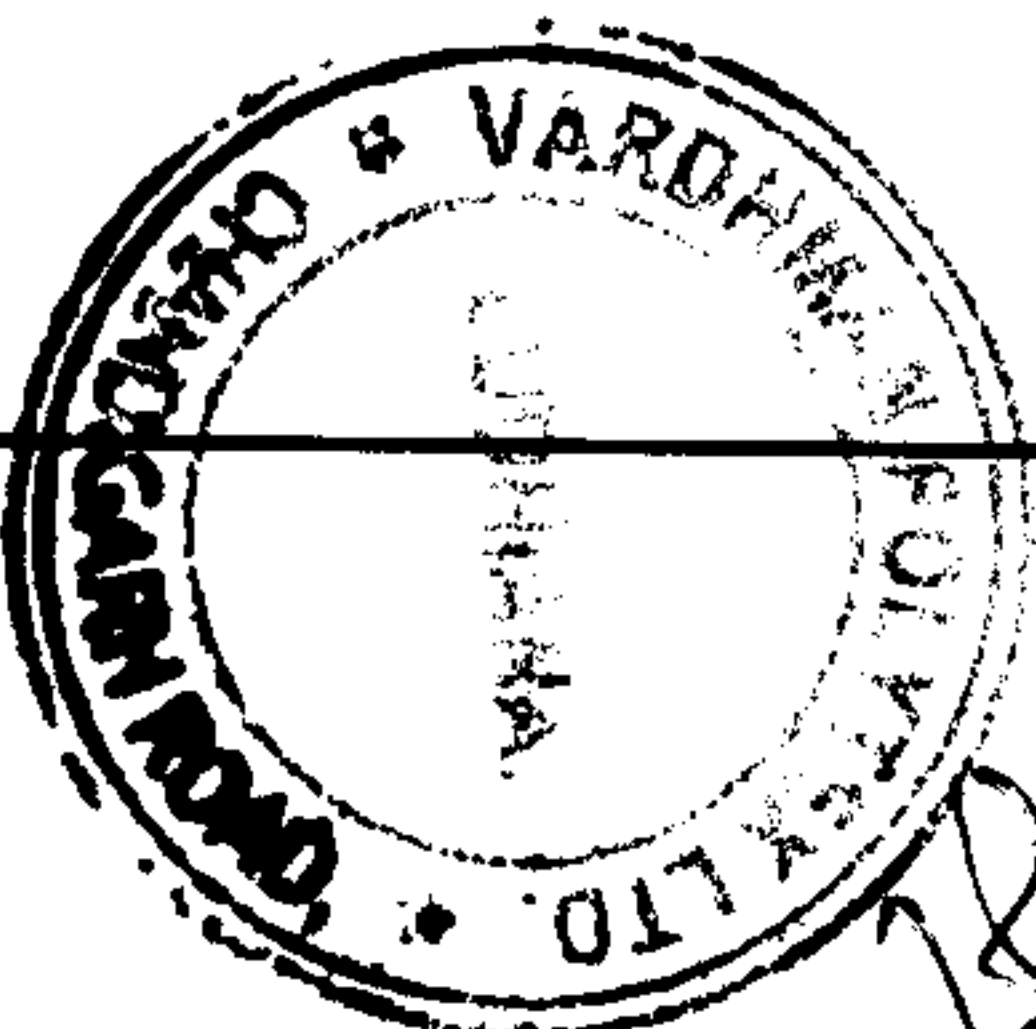
Part - I Sr. No.	Particulars	Quarter Ended			Year to date		Year ended 31st Mar 2012
		30th Sep 2012	30th June 2012	30th Sep 2011	30th Sep 2012	30th Sep 2011	
1	Income from Operations	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	(a) Net Sales / Income from operations (Net of excise duty)	18999.83	17115.85	18648.34	36115.68	36307.36	73476.07
	(b) Other operating income	244.63	203.09	485.17	447.72	1123.41	1451.23
	Total Income from operations (Net)	19244.46	17318.94	19133.51	36563.40	37430.77	74927.30
2	Expenses						
	a) Cost of materials consumed	12743.28	12035.69	12509.5	24778.97	31161.12	54061.77
	b) Purchase of stock in trade	31.35			31.35		1321.83
	c) Changes in Inventories of finished goods, work in progress and stock in trade	-578.73	-1484.36	3427.30	(2063.09)	1493.19	3072.16
	d) Employee benefits expense	1118.97	969.31	950.30	2088.28	1790.22	3826.25
	e) Depreciation and amortisation expense	936.93	903.36	687.69	1840.29	1368.84	2959.69
	f) Power Expenses	2097.82	2308.83	1555.22	4406.65	2981.52	6788.92
	g) Other expenses	2173.28	1404.64	1672.65	3577.92	3141.71	8728.62
	h) Total expenses	18522.90	16137.47	20802.66	34860.37	41936.60	80756.24
3	Profit/(Loss) from Operations before other Income, finance costs and exceptional items (1)-(2)	721.56	1181.47	(1669.15)	1903.03	(4505.83)	(5831.94)
4	Other Income	457.80	23.71	483.33	481.51	1310.83	2141.71
5	Profit/(Loss) from Ordinary activities before finance costs and exceptional items (3)+(4)	1179.36	1205.18	(1185.82)	2384.54	(3195.00)	(3690.23)
6	Finance Costs	1576.32	1989.85	1728.31	3566.17	3199.20	6771.95
7	Profit/(Loss) from Ordinary activities after finance costs but before exceptional items (5)-(6)	(396.96)	(784.67)	(2914.13)	(1181.63)	(6394.20)	(10462.18)
8	Exceptional items - Loss on Valuation of Inventory					540.00	
9	Profit/(Loss) from Ordinary activities before tax (7)-(8)	(396.96)	(784.67)	(2914.13)	(1181.63)	(6934.20)	(10462.18)
10	Tax Expense	(244.77)	7.97	(652.00)	(236.80)	(1002.00)	(2320.97)
11	Profit/(Loss) from Ordinary activities after tax (9)-(10)	(152.19)	(792.64)	(2262.13)	(944.83)	(5932.20)	(8141.21)
12	Extraordinary income (net of tax expense Rs.....)						
13	Net Profit/(Loss) for the period (11-12)	(152.19)	(792.64)	(2262.13)	(944.83)	(5932.20)	(8141.21)
14	Paid up Equity Share Capital	1627.75	1627.75	1627.75	1627.75	1627.75	1627.75
15	(Face Value of the share shall be indicated) Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year						7752.33
16.i	Earning per Share (Before Extraordinary Items) (In Rs) (not annualised)						
	(a) Basic	(0.94)	(4.88)	(13.93)	(5.82)	(36.52)	(50.12)
	(b) Diluted	(0.94)	(4.88)	(13.93)	(5.82)	(36.52)	(50.12)
16.ii	Earning per Share (after Extraordinary Items) (In Rs) (not annualised)						
	(a) Basic	(0.94)	(4.88)	(13.93)	(5.82)	(36.52)	(50.12)
	(b) Diluted	(0.94)	(4.88)	(13.93)	(5.82)	(36.52)	(50.12)



Sr. No.	Particulars	Quarter Ended				Year to date		Year ended 31st Mar 2012
		30th Sep 2012	30th June 2012	30th Sep 2011	30th Sep 2012	30th Sep 2011		
A	PARTICULARS OF SHAREHOLDING	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
1	Public Shareholding							
	-Number of shares	8910655	8910655	8945655	8910655	8945655	8910655	
	-Percentage of Shareholding	54.86%	54.86%	55.07%	54.86%	55.07%	54.86%	
2	Promoter and Promoter Group Shareholding							
	a) Pledged/ Encumbered							
	- Number of Shares	151154	151154	151154	151154	151154	151154	
	- % of Shares (as a % of the total shareholding of promoter and promoter group)	2.06%	2.06%	2.06%	2.06%	2.06%	2.06%	
	- % of Shares (as a % of the total share capital of Company)	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%	
	b) Non-Encumbered							
	- Number of Shares	7181148	7181148	7146148	7181148	7146148	7181148	
	- % of Shares (as a % of the total shareholding of promoter and promoter group)	97.94%	97.94%	97.94%	97.94%	97.94%	97.94%	
	- % of Shares (as a % of the total share capital of Company)	44.21%	44.21%	44.00%	44.21%	44.00%	44.21%	
B	INVESTOR COMPLAINTS							
	Pending at the beginning of the year	-						
	Received during the year	1						
	Disposed of during the year	1						
	Remaining unresolved at the end of the year	-						

Notes:

- The financial Results of the Company for the quarter ended 30th September'2012 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 10th November'2012 and the limited review of the same has been carried out by Statutory Auditor of the Company.
- Since the current market price of the equity share is below the conversion price under FCCB, shares arising out of conversion are anti dilutive in nature
- Due to unprecedented devaluation in local currency during the period, notional loss of Rs. 166.60 lacs arising on account of foreign exchange differences on foreign currency monetary items (FCCB) has not been accounted for during the period as required by Accounting Standard - 11 "Effects of Changes in foreign exchange rates". The same would be recognised at the end of the accounting year.
- The Company is in process of seeking approval from its lenders for overall Restructuring of its debts through CDR mechanism with the cut off date as on 31st Dec' 2011, accordingly the Canara Bank has referred the case to CDR cell on 30th April 2012 being the lead bank & admitted on 1st June 2012. Accordingly, The Canara Bank has submitted the final package for approval to the CDR Empowered Group, which will get approved after receipt of requisite mandates from the lenders. Presently interest cost has been provided at prevailing contracted rates.
- The Auditor's Qualification on the accounts for the year ended 31st March 2012 with respect of creating provision for write-off of investments in subsidiary company namely M/s Oswal Industrial Enterprise (P) Ltd. has not been addressed, as the subsidiary company has started reviving by generating positive earnings.
- The company is in textile segment which is the only reportable segment and accordingly the disclosure requirements as prescribed in the Accounting Standards (AS -17) on Segment Reporting and notified under the Companies (Accounting Standards), Rules 2006 are not required.
- Figures for previous periods have been recast/regrouped wherever necessary.



UNAUDITED STATEMENT OF ASSETS & LIABILITIES AS AT 30th SEP'2012

(Rs. in Lacs)

Sr. No.	Particulars	Half Year ended	Year ended	
		30th Sep	31st March	
		2012	2012	
		Unaudited	Audited	
A	EQUITY AND LIABILITIES			
1	SHAREHOLDER'S FUNDS			
	a) Share Capital	1,627.75	1,627.75	
	b) Reserve & Surplus	6,683.52	7,752.36	
	c) Money received against share warrants			
	Sub total - Shareholders' funds	8,311.27	9,380.11	
2	Non - Current Liabilities			
	(a) Long Term Borrowings	18,572.27	20,032.41	
	(b) Deferred tax liabilities (net)			
	(c) Other long term liabilities	40.50	28.31	
	(d) Long term provisions	40.43	150.73	
	Sub total Non Current Liabilities	18,653.20	20,211.45	
3	Current Liabilities			
	(a) Short term borrowings	18,877.47	18,617.24	
	(b) Trade payables	3,310.69	2,859.62	
	(c) Other current liabilities	14,233.50	13,371.88	
	(d) Short term provisions	650.42	607.16	
	Sub total Current Liabilities	37,072.08	35,455.90	
	TOTAL EQUITY AND LIABILITIES	64,036.55	65,047.46	
B	ASSETS			
1	Non Current Assets			
	(a) Fixed Assets	32,663.13	33,942.58	
	(b) Non Current Investments	13,650.48	13,650.48	
	(c) Deferred tax assets (net)	1,527.65	1,290.85	
	(d) Long term loans and advances	317.78	314.37	
	(e) Other non current assets	3.85		
	Sub Total Non Current Assets	48,162.89	49,198.28	
2	Current Assets			
	(a) Current Investments	91.99	91.99	
	(b) Inventories	4,847.30	3,101.51	
	(c) Trade receivables	3,473.13	4,614.69	
	(d) Cash and Bank balances	236.72	483.50	
	(e) Short term loans and advances	6,926.48	7,557.49	
	(f) Other Current Assets	298.04		
	Sub Total Current Assets	15,873.66	15,849.18	
	TOTAL ASSETS	64,036.55	65,047.46	
				For Vardhman Polytex Ltd.
				sd/-
	Place: Ludhiana			(Ashok Oswal)
	Date: 10.11.2012			Chairman & Managing Director



LIMITED REVIEW REPORT

To
The Board of Directors
Vardhman Polytex Limited
Ludhiana.

1. We have reviewed the accompanying statement of unaudited financial results of Vardhman Polytex Limited ('the Company') for the quarter ended September 30, 2012 being submitted by the company pursuant to the requirement of Clause 41 of the Listing Agreement with Stock Exchanges except for the disclosures regarding "Public Shareholding" and "Promoter and Promoter Group Shareholding" which have been traced from the disclosures made by the management and have not been reviewed by us. The statement of quarterly financial results has been prepared from interim financial statements which are the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (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 interim 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. Without qualifying, we state that :
The Company has made investment in the equity shares of its subsidiary company Oswal F.M. Hammerle Textiles Limited of Rs.9126.41 Lacs whose net worth is partly eroded. We understand from the management that the investment is long term strategic in nature and the erosion in net worth is due to slump in textile sector; this being a temporary phenomenon, the net worth will review in the near future.
4. (a) The Company has not provided for foreign exchange differences on foreign currency monetary items as required by Accounting Standard AS-11 "Effect of Changes in Foreign Exchange Rates" amounting to Rs. 166.60 Lacs for the quarter ended September 30, 2012 owing to the reasons as explained in foot note no.3 of the Statement of unaudited financial results. Due to this, loss for the quarter ended September 30, 2012 is understated by the same amount.

(b) No provision has been made for investment made in one of the subsidiary companies Oswal Industrial Enterprises Private Limited of Rs.4501 Lacs whose net worth is substantially eroded, the subsidiary company having accumulated losses of Rs.4874.26 Lacs against share capital of Rs.5005.00 Lacs as on March 31, 2012. This is at variance with Accounting Standard AS-13 'Accounting for Investments' notified under the Companies (Accounting Standards) Rules, 2006 resulting in loss for the quarter being understated by the same amount.
5. Subject to 4 above, based on our review conducted as above, nothing further has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard AS - 25 "Interim Financial Reporting" notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended) and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

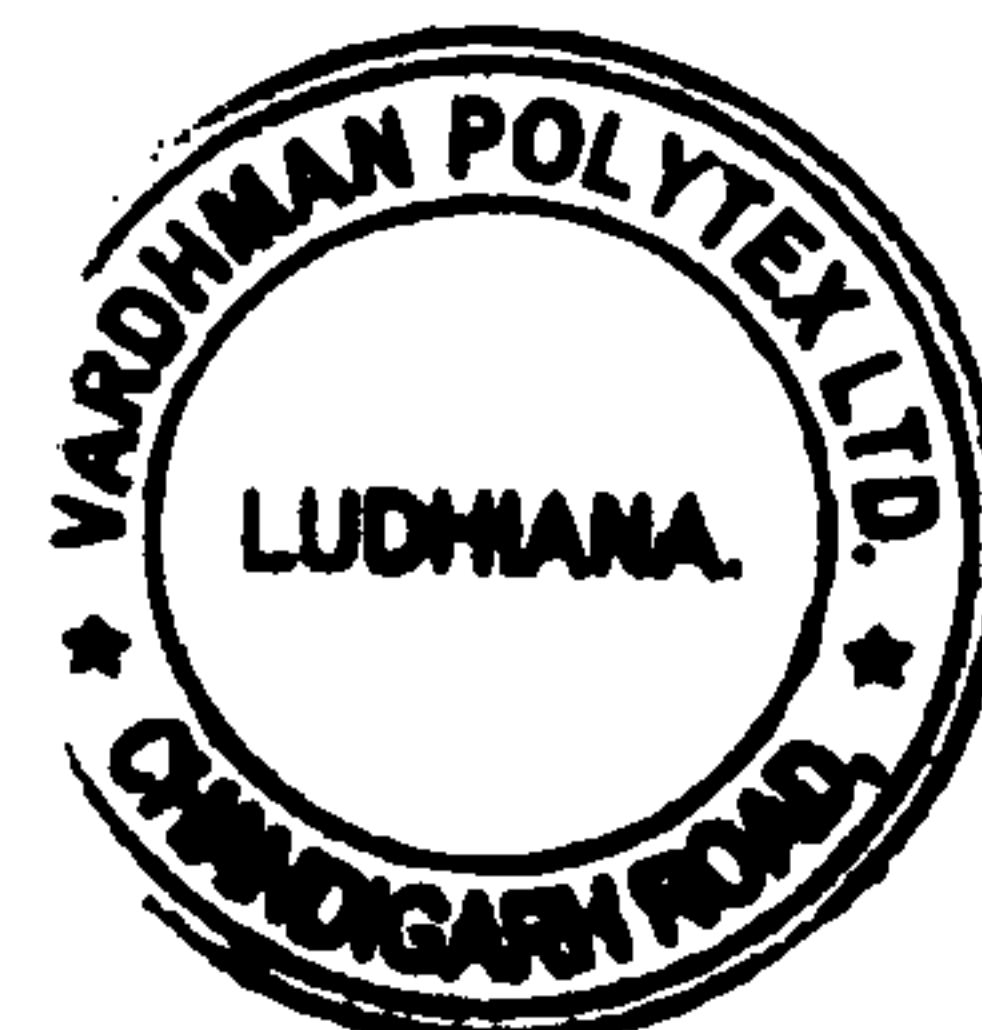
Place: New Delhi

Dated: November 10, 2012



For S. S. Kothari Mehta & Co.
Chartered Accountants
Firm Regn. No. 000756N

Ram K. Tulsiani
Partner
Membership No. 089907



Sudhio