

## VARDHMAN POLYTEX LTD.

Regd. Office : 'Vardhman Park, Chandigarh Road, Ludhiana - 141123'

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

Sl. No	Particulars	(Rs. In Lakh)	
		For the quarter ended	
		30th June 2017 (Unaudited)	30th June 2016 (Unaudited)
1	<b>Income from Operations</b>	19,339.52	19,878.27
2	<b>Other income</b>	121.36	500.54
3	<b>Total Income (1+2)</b>	<b>19,460.88</b>	<b>20,378.81</b>
4	<b>Expenses</b>		
	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
	<b>Total expenses</b>	<b>22,994.52</b>	<b>20,346.13</b>
5	<b>Profit/(Loss) from operations before exceptional items and tax(3-4)</b>	<b>(3,533.65)</b>	<b>32.68</b>
6	Exceptional items	11,644.14	-
7	<b>Profit/(Loss) before tax and after exceptional items (5-6)</b>	<b>(15,177.79)</b>	<b>32.68</b>
8	Tax expense	-	-
9	<b>Net Profit/(Loss) for the period (7-8)</b>	<b>(15,177.79)</b>	<b>32.68</b>
	Other comprehensive income/ (loss), net of tax	22.28	1.23
10	<b>Total Comprehensive Income for the period [Comprising Profit / (loss) for the period (after tax) and Other Comprehensive Income (after tax)]</b>	<b>(15,155.51)</b>	<b>33.91</b>
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:**

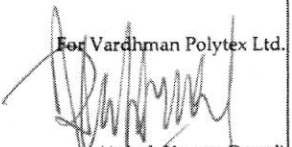
- 1 The above results were reviewed by the Audit Committee and thereafter have been adopted by the Board at its meeting held on September 13, 2017. A limited review of the financial results for the quarter ended June 30,2017 have been carried out by the Statutory Auditors.
- 2 Regarding the auditors 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 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.

Place : Ludhiana  
Date : 13th September 2017

For Vardhman Polytex Ltd.  
  
(Ashok Kumar Oswal)  
Chairman & Managing Director