



VARDHMAN INDUSTRIES LIMITED

(Govt. of India Recognised Two Star Export House)
Administrative Office : G. T. Road, Sahnewal, Ludhiana - 141 120 (INDIA)
Phones : +91-161-2511412, 2511413, Fax : +91-161-2511414
E-mail : vardhman@vallabhgroup.com CIN : L74899DL1984PLC019492

VIL: BSE: 2019-20

Dated: 14.11.2019

BSE Limited
Corporate Relationship Department
Floor-25, P.J. Towers,
Dalal Street,
Mumbai- 400 001

Sub: Approval of Unaudited Financial Results (Standalone & Consolidated) of the Company for the Quarter and Half Year ended 30th September, 2019.

Dear Sir,

Further to our letter dated 05.11.2019, we may inform you that the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and half year ended on 30th September, 2019 have been considered and taken on record by the Resolution Professional appointed for the Company.

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the following:


- i. Statement of Standalone and Consolidated Financial Results for the quarter and half year ended on September 30, 2019.
- ii. Unaudited Statement of Assets and liabilities as on 30th September, 2019.
- iii. Auditors' Report on the Standalone and Consolidated Financial Results.
- iv. Cash Flow Statement for the half year ended 30.09.2019.
- v. Statement of Impact of Audit qualifications for the half year ended 30.09.2019.

You are requested to take the above on record and inform your members accordingly.

Thanking you,

Yours faithfully,

For VARDHMAN INDUSTRIES LIMITED


(REEMA)
Company Secretary and Compliance Officer



Encl.: as above

ISO 9001



DNV

Registered Firm

Registered Office : Flat No. 1309, 13th Floor, Vikram Tower, Rajendra Place, New Delhi-110008 (India)
Phones : +91-11-25743060, Fax : +91-11-25742403
www.vallabhgroup.com



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E-mail: cs.vil@vallabhgroup.com, Website: www.vardhmanindus.com, CIN: L74899DL1984PLC019492

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2019:

(Rs. In Lakhs)

Sr. No.	PARTICULARS	Quarter Ended			Half Year Ended		Year Ended
		30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1.	Revenue from operations (Gross)	1652.15	2107.17	2276.79	3759.32	4070.29	7451.87
2.	Other Income	2.27	0.35	0.40	2.62	0.82	6.88
3.	Total Revenue	1654.42	2107.52	2277.19	3761.94	4071.11	7458.75
4.	Expenses						
	a) Cost of material consumed	1590.7	2059.56	2102.38	3650.26	3663.82	6741.80
	b) Purchases of stock-in-trade	--	--	--	--	--	--
	c) Changes in inventories of finished goods, work-in-progress and stock in trade	(20.25)	(157.57)	(50.97)	(177.82)	8.71	22.83
	d) Excise Duty	--	--	--	--	--	--
	e) Employee benefits expense	85.46	76.41	90.90	161.87	177.60	332.15
	f) Finance Cost	0.06	0.01	(11.30)	0.07	0.15	4.42
	g) Depreciation and amortization expense	146.77	147.53	147.70	294.30	295.41	590.82
	h) Other expenditure	72.08	76.26	95.42	148.34	173.82	316.16
	Total Expenses	1874.82	2202.20	2374.13	4077.02	4319.51	8008.18
5.	Profit/(loss) before exceptional and extraordinary items and tax (3-4)	(220.40)	(94.68)	(96.94)	(315.08)	(248.40)	(549.43)
6.	Exceptional items (expenses)	--	--	--	--	--	--
7.	Profit/(loss) before extraordinary items and tax (5-6)	(220.40)	(94.68)	(96.94)	(315.08)	(248.40)	(549.43)
8.	Extraordinary items	--	--	--	--	--	--
9.	Profit/(loss) before tax (7-8)	(220.40)	(94.68)	(96.94)	(315.08)	(248.40)	(549.43)
10.	Tax Expenses						
	- Current tax/MAT adjustment	--	--	--	--	--	--
	- Deferred tax (expenses)	--	--	(55.54)	--	(61.99)	--
11.	Net Profit/(loss) for the period	(220.40)	(94.68)	(41.40)	(315.08)	(186.41)	(549.43)
12.	Other Comprehensive Income (OCI)						
	a) Items that will not be classified to profit or loss						
	- Remeasurement benefits (losses) on defined benefit obligation	--	--	--	--	--	4.49
	b) Items that will be classified to profit or loss						
	- Gain (loss) on fair value of equity investments	(45.61)	3.41	(2.10)	(42.20)	(20.85)	(330.83)
	Total Other Comprehensive Income (Net of Tax)	(45.61)	3.41	(2.10)	(42.20)	(20.85)	(326.34)
13.	Total Comprehensive Income	(266.01)	(91.27)	(43.50)	(357.28)	(207.26)	(875.77)
14.	PBDT	(73.63)	52.84	50.76	(20.78)	47.01	41.39
15.	Paid up equity share capital (Face value of Rs. 10/- per share)	789.52	789.52	789.52	789.52	789.52	789.52
16.	Reserves excluding Revaluation Reserves	(*)	(*)	(*)	(*)	(*)	(1336.38)
17.	Basic & Diluted Earnings Per Share (EPS)						
	- Before Extraordinary items (Rs.)	(2.79)	(1.20)	(0.52)	(3.99)	(2.36)	(6.96)
	- After Extraordinary items (Rs.)	(2.79)	(1.20)	(0.52)	(3.99)	(2.36)	(6.96)

*Not required.

[Signature]

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STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2019:

(Rs. in Lakhs)

Sr. No.	PARTICULARS	Quarter Ended			Half Year Ended		Year Ended
		30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1.	Revenue from operations (Gross)	1652.15	2107.17	2276.79	3759.32	4070.29	7451.87
2.	Other Income	2.27	0.35	0.40	2.62	0.82	6.88
3.	Total Revenue	1654.42	2107.52	2277.19	3761.94	4071.11	7458.75
4.	Expenses						
	a) Cost of material consumed	1590.7	2059.56	2102.38	3650.26	3663.82	6741.80
	b) Purchases of stock-in-trade	--	--	--	--	--	--
	c) Changes in inventories of finished goods, work-in-progress and stock in trade	(20.25)	(157.57)	(50.97)	(177.82)	8.71	22.83
	d) Excise Duty	--	--	--	--	--	--
	e) Employee benefits expense	85.46	76.41	90.90	161.87	177.60	332.15
	f) Finance Cost	0.06	0.01	(11.30)	0.07	0.15	4.42
	g) Depreciation and amortization expense	146.77	147.53	147.70	294.30	295.41	590.82
	h) Other expenditure	72.08	76.26	95.42	148.34	173.82	316.16
	Total Expenses	1874.82	2202.20	2374.13	4077.02	4319.51	8008.18
5.	Profit/(loss) before exceptional and extraordinary items and tax (3-4)	(220.4)	(94.68)	(96.94)	(315.08)	(248.40)	(549.43)
6.	Exceptional items (expenses)	--	--	--	--	--	--
7.	Profit/(loss) before extraordinary items and tax (5-6)	(220.4)	(94.68)	(96.94)	(315.08)	(248.40)	(549.43)
8.	Extraordinary items	--	--	--	--	--	--
9.	Profit/(loss) before tax (7-8)	(220.4)	(94.68)	(96.94)	(315.08)	(248.40)	(549.43)
10.	Tax Expenses						
	- Current tax/MAT adjustment	--	--	--	--	--	--
	- Deferred tax (expenses)	--	--	(55.54)	--	(61.99)	--
11.	Net Profit/(loss) for the period	(220.4)	(94.68)	(41.40)	(315.08)	(186.41)	(549.43)
12.	Other Comprehensive Income (OCI)						
	b) Items that will not be classified to profit or loss						
	- Remeasurement benefits (losses) on defined benefit obligation	--	--	--	--	--	4.49
	b) Items that will be classified to profit or loss						
	- Gain (loss) on fair value of equity investments	(45.61)	3.41	(2.10)	(42.20)	(20.85)	(330.83)
	Total Other Comprehensive Income (Net of Tax)	(45.61)	3.41	(2.10)	(42.20)	(20.85)	(326.34)
13.	Total Comprehensive Income	(266.01)	(91.27)	(43.50)	(357.28)	(207.26)	(875.77)
14.	Share of Profit/Loss of Associates	81.68	70.86	(92.04)	152.54	(68.73)	(93.07)
15.	Minority Interest	--	--	--	--	--	--
16.	Net Profit/(loss) after taxes, Minority Interest and share of profit/(loss) of Associates	(184.33)	(20.41)	(135.54)	(204.74)	(275.99)	(968.84)
17.	PBDT	(73.63)	52.84	50.76	(20.78)	47.01	41.39
18.	Paid up equity share capital (Face value of Rs. 10/- per share)	789.52	789.52	789.52	789.52	789.52	789.52
19.	Reserves excluding Revaluation Reserves	(*)	(*)	(*)	(*)	(*)	(1381.92)
20.	Basic & Diluted Earnings Per Share (EPS)						
	- Before Extraordinary items (Rs.)	(2.79)	(1.20)	(0.52)	(3.99)	(2.36)	(6.96)
	- After Extraordinary items (Rs.)	(2.79)	(1.20)	(0.52)	(3.99)	(2.36)	(6.96)

(*) Not required.

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Notes:

1. A Corporate Insolvency Resolution Process ("CIRP") had been initiated against the company vide order of the National Company Law Tribunal, New Delhi Bench ("NCLT") dated November 16, 2017, under the provision of the Insolvency & Bankruptcy Code 2016 ("Code"). Pursuant to the Order, the powers of the Board of Directors stands suspended and such powers are exercisable by Mr. Ashok Gulla, who has been appointed as Resolution Professional ("RP") by NCLT. Accordingly Mr. Ashok Gulla took control of management and operations of the company. As the powers of the Board of Directors had been suspended, the above results have not been adopted by Board of Directors however, the same have been signed by Mr. Rahul Jain, Managing Director of Company, Mr. Anil Kumar Surya, Chief Financial Officer and Mrs. Reema, Company Secretary, confirming accuracy and completeness of the results. These Financial statements have thereafter been taken on record by the RP on November 14, 2019 for filing with the stock exchange.
2. Vardhman Industries Limited which is under Corporate Insolvency Resolution Process invited Expression of Interest for the Submission of Resolution Plan as per the provision of Insolvency and Bankruptcy Code, 2016. In response to the Expression of Interest, JSW Steels Limited ("Resolution Applicant") had submitted its Resolution Plan which has been unanimously approved by Committee of Creditors. The Resolution Plan approved by Committee of Creditors has been submitted to Hon'ble National Company Law Board Tribunal – Delhi. The Hon'ble NCLT had pronounced its order on December 19, 2018, approving the Resolution Plan and subsequently a clarification order on the application of JSW Steel Limited was pronounced on April 16, 2018 by Hon'ble NCLT. The Resolution Applicant has filed an application with Hon'ble NCLAT seeking certain reliefs/clarifications and the order has now been reserved by the Hon'ble NCLAT.
3. The financial results of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) as specified in the companies (Indian Accounting Standard) Rules, 2015 as amended in terms of regulation 33 of the SEBI (listing obligation and disclosure requirement) Regulation, 2015 and SEBI circular dated July 05, 2016. The company has adopted Ind AS for the financial year commencing from April 01, 2017.
4. The Company is in the business of manufacturing steel products and has only one reportable operating segment as per IND AS 108 "Operating Segments".
5. The consolidated financial results have been prepared with unaudited financials of M/s. JSW Vallabh Tinplate Private Limited.
6. The previous quarters/ financial year figures have been regrouped/rearranged wherever necessary to make them comparable with those of the current period.
7. Vardhman Industries Limited is under corporate Insolvency Resolution Process vide Hon'ble NCLT order dated November 16, 2017 (CIRP initiation date), hence no interest expenses has been booked for the period from CIRP Initiation date to reporting date. IDBI Bank charged interest on working capital amounting to Rs.533.98 lakhs & interest on term loan amounting to Rs.23.54 lakhs during the previous year 2018-19 which has not been recorded in the books. Under CIRP the amount payable to financial creditor is based on the claim received from the creditors as on commencement of CIRP, hence, no interest has been recorded in books of account.

Place: Ludhiana
Dated: 14.11.2019

(Rahul Jain)
Managing Director

(Anil Kumar Surya)
Chief Financial Officer

(Reema)
Company Secretary





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UNAUDITED STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Lakhs)

PARTICULARS	STANDALONE		CONSOLIDATED	
	Half Year Ended 30.09.2019	Year Ended 31.03.2019	Half Year Ended 30.09.2019	Year Ended 31.03.2019
A Assets				
1. Non-current assets				
(a) Property, plant and equipments	5768.99	6062.87	5768.99	6062.87
(b) Capital work in progress	--	--	--	--
Non-current assets	5768.99	6062.87	5768.99	6062.87
Non-current financial assets				
(a) Non-current investment	1547.00	1589.20	1654.00	1543.66
(b) Loans, non current	32.17	32.09	32.17	32.09
(c) other non-current assets	104.71	104.78	104.71	104.78
Non-current financial assets	1683.88	1726.07	1790.88	1680.53
Total non-current assets	7452.87	7788.94	7559.87	7743.40
2. Current assets				
Inventories	1086.80	951.13	1086.80	951.13
Current financial assets				
(a) Trade receivables, current	185.42	62.75	185.42	62.75
(b) Cash and cash equivalents	247.01	328.01	247.01	328.01
(c) Bank balance other than cash and cash equivalents	0.82	0.79	0.82	0.79
(d) Loans, current	3363.96	3449.99	3363.96	3449.99
(e) Other				
(f) Current tax assets	21.23	20.95	21.23	20.95
Total current financial assets	3818.44	3862.49	3818.44	3862.49
Other current assets	467.49	582.22	467.49	582.22
Total Assets	12825.6	13184.78	12932.60	13139.24
B Equity and liabilities				
1. Equity				
(a) Equity share capital	794.76	794.76	794.76	794.76
(b) other equity	(1693.67)	(1336.38)	(1586.67)	(1381.92)
2. Liabilities				
Non Current Liabilities				
Non-current financial liabilities				
(a) Borrowings, non current	1917.88	1917.88	1917.88	1917.88
(b) Other non-current financial liabilities	80.75	80.75	80.75	80.75
Total non-current financial liabilities	1998.63	1998.63	1998.63	1998.63
(a) Provisions, non current	50.59	51.46	50.59	51.46
(b) Deferred tax liabilities (net)	1166.05	1166.05	1166.05	1166.05
(c) other non-current liabilities	--	--	--	--
Total non-current liabilities	1216.64	1217.51	1216.64	1217.51
Current liabilities				
Current financial liabilities				
(a) Borrowings, current	9970.24	9970.24	9970.24	9970.24
(b) Trade payables, current	220.76	200.95	220.76	200.95
(c) Other current financial liabilities	250.07	222.98	250.07	222.98
Total current financial liabilities	10441.07	10394.17	10441.07	10394.17
Other current liabilities	66.83	110.44	66.83	110.44
Provisions, current	1.34	5.65	1.34	5.65
Total current liabilities	68.17	116.09	68.17	116.09
Total equity and liabilities	12825.6	13184.78	12932.60	13139.24

Place:Ludhiana
Dated:14.11.2019

(Rahul Jain)
Managing Director

(Anil Kumar Surya)
Chief Financial Officer

(Reema)
Company Secretary





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CASH FLOW STATEMENT

PARTICULARS	For The Half Year Ended 30.09.2019	For The Year Ended 31.03.2019
	Unaudited	Audited
(A) Cash Flow from Operating Activities		
Net profit before Tax	(315.09)	(549.43)
Adjustment for:		
Depreciation	294.30	590.82
Stock written off	-	-
Amortisation of financial asset and liabilities	-	4.49
Rebate & Discount		
Amounts written back		
Sundry debtors written off		
Insurance Claim		
Exceptional Items		
Remeasurement of defined benefit plan	(3.28)	4.49
Finance Cost	0.07	0.31
Rent	-	(1.20)
Operating Profit before Working Capital Changes	(24.00)	49.49
Adjustment for		
Trade and Other Receivables	(122.67)	96.70
Inventories	(135.67)	(97.50)
Short term loans and advances	221.71	(197.61)
Short term provisions	(1.90)	1.02
Trade and Other Payables	3.28	77.82
Cash Generated from operations	(59.25)	(70.08)
Direct Taxes	(21.23)	(0.23)
Net Cash from Operating Activities	(80.48)	(70.31)
(B) Cash Flow from Investing Activities		
Payments for capital goods	(0.43)	-
Purchase of Investments	-	-
Rent	-	1.20
Net cash Flow in Investing Activities	(0.43)	1.20
(C) Cash Flow from Financing Activities		



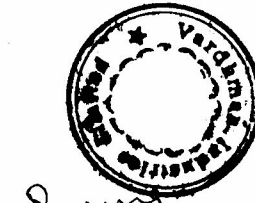
Financial Expenses	(0.07)	(0.31)
Other Long Term Liability	-	0.75
Movement in Long-term borrowings	-	-
Movement in Working Capital Borrowings	0.00	0.00
Net Cash flow in Financing Activities	(0.07)	0.44
Net Change in Cash & Cash Equivalents (A+B+C)	(80.98)	(68.66)
Cash & Cash Equivalents at the beginning of the year	328.80	397.47
Cash & Cash Equivalents at the end of the year	247.83	328.80

Notes:

1. Previous year's figures have been regrouped/rearranged wherever considered necessary, to make them comparable with current year's figures.
2. Figures in brackets represent payments.

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[Signature]



Reent



K R AGGARWAL & ASSOCIATES

Chartered Accountants

549/10, Sutlej Tower

Near Fountain Chowk, Civil Lines

Ludhiana-141001 Punjab, India

Mobile: +91 9780019361, +917009333760

E-Mail: kraggarwalassociates@gmail.com

INDEPENDENT AUDITORS' REVIEW REPORT

To

The Resolution Professional of

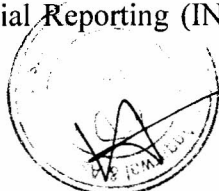
Vardhman Industries Limited,

We, the Statutory Auditors, of the Company have reviewed the accompanying statement of Standalone unaudited financial results of M/s VARDHMAN INDUSTRIES LIMITED for the period ended 30th September, 2019 and the year to date result for the period 01 April 2019 to 30 September 2019 being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including relevant circulars issued by SEBI from time to time.

A Corporate Insolvency Resolution Process ("CIRP") had been initiated against the company vide order of the National Company Law Tribunal, New Delhi Bench ("NCLT") dated November 16, 2017, under the provision of the Insolvency & Bankruptcy Code 2016 ("Code"). Pursuant to the Order, the powers of the Board of Directors stands suspended and such powers are exercisable by Mr. Ashok Gulla, who has been appointed as Resolution Professional ("RP") by NCLT. Accordingly Mr. Ashok Gulla took control of management and operations of the company. As the powers of the Board of Directors had been suspended, the above results have not been adopted by Board of Directors however, the same have been signed by Mr. Rahul Jain, Managing Director of Company, Mr. Anil Kumar Surya, Chief Financial Officer and Mrs. Reema, Company Secretary, confirming accuracy and completeness of the results. These Financial statements have thereafter been taken on record by the RP on 14th November, 2019 for filing with the stock exchange.

Vardhman Industries Limited which is under Corporate Insolvency Resolution Process invited Expression of Interest for the Submission of Resolution Plan as per the provision of Insolvency and Bankruptcy Code, 2016. In response to the Expression of Interest, JSW Steels Limited ("Resolution Applicant") had submitted its Resolution Plan which has been unanimously approved by Committee of Creditors. The Resolution Plan approved by Committee of Creditors has been submitted to Hon'ble National Company Law Board Tribunal – Delhi. The Hon'ble NCLT had pronounced its order on December 19, 2018, approving the Resolution Plan and subsequently a clarification order on the application of JSW Steel Limited was pronounced on April 16, 2018 by Hon'ble NCLT. The matter is now subjudice at Hon'ble NCLAT on an application filed by Resolution Applicant.

This Statement, which is the responsibility of the company's management, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards 34, Interim Financial Reporting (IND AS 34) prescribed under section 133 of the





K R AGGARWAL & ASSOCIATES

Chartered Accountants

549/10, Sutlej Tower

Near Fountain Chowk, Civil Lines

Ludhiana-141001 Punjab, India

Mobile: +91 9780019361, +917009333760

E-Mail: kraggarwalassociates@gmail.com

Companies Act, 2013 ("the Act"), SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016 (hereinafter referred to as 'the SEBI Circular') and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statements based on our review.

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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.

Based on our review conducted as above, except for the matters described in Basis for Qualification Section nothing has come to our attention that causes us to believe that the accompanying statement of Un-audited financial result, prepared in accordance with the applicable Accounting Standards (Ind AS) and other recognized accounting practices and policies, 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 July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

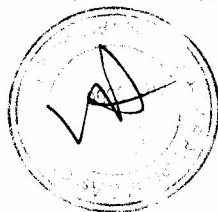
Basis for qualified conclusion

Significant amount is receivable from related parties under the head loans and capital advances which have been standing in books of account since long whose recoverability is also doubtful as one of the parties has also went in CIRP process, provision for such doubtful receivables is need to be provided in the books of account.

Emphasis of Matter

We draw attention to the following:

- a) Note No. 1 regarding Corporate Insolvency Resolution Process (CIRP) initiated under Insolvency and Bankruptcy Code, 2016 ('the Code'); and





K R AGGARWAL & ASSOCIATES

Chartered Accountants

549/10, Sutlej Tower

Near Fountain Chowk, Civil Lines

Ludhiana-141001 Punjab, India

Mobile: +91 9780019361, +917009333760

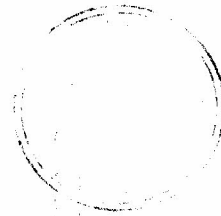
E-Mail: kraggarwalassociates@gmail.com

- b) As per "Indian Accounting Standard 36" which talks about impairment of asset, if the carrying amount of the asset is more than recoverable amount then asset need to be impaired. The company is undergoing Corporate Insolvency Resolution Process and treated as a going concern. The resolution Plan for the company has been approved by the Hon'ble NCLT and now pending at Hon'ble NCLAT and we are unable to comment on the impairment of asset pending the Corporate Insolvency Resolution Process.
- c) In the view of CIRP in respect of the company, which is in progress, the financial statements have been prepared on going concern basis.
- d) Trade receivables, trade payables, loans & advances and other recoverable at September 30, 2019 are subject to confirmation and reconciliation.
- e) In the absence of any information on interest on outstanding dues to the bank in respect to sub-standard accounts, bank balances are subject to confirmation from bank statement.

For K R AGGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS

PLACE: LUDHIANA

DATED: 14.11.2019



(CA VIVEK ANEJA)

Partner

Membership No. 544757

UDIN: 19544757AAAAAK8849



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Chartered Accountants

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Near Fountain Chowk, Civil Lines

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INDEPENDENT AUDITORS' REVIEW REPORT

To

The Resolution Professional of

Vardhman Industries Limited,

We the statutory auditors, of the company have reviewed the accompanying statement of consolidated financial results of M/s Vardhman industries limited ('the company'), and its associates (herein together referred to as 'the group') for the period ended 30th September, 2019 and the consolidated year to date results for the period from 01 April to 30 September 2019 ('the statement'), being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including relevant circulars issued by SEBI from time to time.

A Corporate Insolvency Resolution Process ("CIRP") had been initiated against the company vide order of the National Company Law Tribunal, New Delhi Bench ("NCLT") dated November 16, 2017, under the provision of the Insolvency & Bankruptcy Code 2016 ("Code"). Pursuant to the Order, the powers of the Board of Directors stands suspended and such powers are exercisable by Mr. Ashok Gulla, who has been appointed as Resolution Professional ("RP") by NCLT. Accordingly Mr. Ashok Gulla took control of management and operations of the company. As the powers of the Board of Directors had been suspended, the above results have not been adopted by Board of Directors however, the same have been signed by Mr. Rahul Jain, Managing Director of Company, Mr. Anil Kumar Surya, Chief Financial Officer and Mrs. Reema, Company Secretary, confirming accuracy and completeness of the results. These Financial statements have thereafter been taken on record by the RP on 14th November, 2019 for filing with the stock exchange.

Vardhman Industries Limited which is under Corporate Insolvency Resolution Process invited Expression of Interest for the Submission of Resolution Plan as per the provision of Insolvency and Bankruptcy Code, 2016. In response to the Expression of Interest, JSW Steels Limited ("Resolution Applicant") had submitted its Resolution Plan which has been unanimously approved by Committee of Creditors. The Resolution Plan approved by Committee of Creditors has been submitted to Hon'ble National Company Law Board Tribunal – Delhi. The Hon'ble NCLT had pronounced its order on December 19, 2018, approving the Resolution Plan and subsequently a clarification order on the application of JSW Steel Limited was pronounced on April 16, 2018 by Hon'ble NCLT. The matter is now subjudice at Hon'ble NCLAT on an application filed by Resolution Applicant.

The consolidated financial results in the Statement include the results of the Company and its associate. This Statement, which is the responsibility of the holding Company's Management





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Mobile: +91 9780019361, +917009333760

E-Mail: kraggarwalassociates@gmail.com

and has been compiled from the related standalone financial statements which has been prepared in accordance with the Indian Accounting Standards (IndAS 34) prescribed under section 133 of the Companies Act, 2013 ("the Act"), SEBI circular CIR/CFD/FAC/62/2016 dated 5 July 2016 (hereinafter referred to as 'the SEBI Circular') and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statements based on our review.

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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.

Based on our review conducted as above, except for the matters described in Basis for Qualification Section nothing has come to our attention that causes us to believe that the accompanying statement of Un-audited financial result, prepared in accordance with the applicable Accounting Standards (Ind AS) and other recognized accounting practices and policies, 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 July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Basis for qualified conclusion

- (i) **Significant amount is receivable from related parties under the head loans and capital advances which have been standing in books of account since long whose recoverability is also doubtful as one of the parties has also went in CIRP process, provision for such doubtful receivables is need to be provided in the books of account.**
- (ii) **The consolidated IND AS financial results, statements also include the share of net Loss of Rs. 1.52 Crore for the half year ended September 30, 2019, as considered in the consolidated Ind AS financial statements, in respect of 1 associate, whose unaudited financial statements, other financial**



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information have been furnished to us by the Management.

Emphasis of Matter

We draw attention to the following:

- a) Note No. 1 regarding Corporate Insolvency Resolution Process (CIRP) initiated under Insolvency and Bankruptcy Code, 2016 ('the Code'); and
- b) As per "Indian Accounting Standard 36" which talks about impairment of asset, if the carrying amount of the asset is more than recoverable amount then asset need to be impaired. The company is undergoing Corporate Insolvency Resolution Process and treated as going concern. The resolution Plan for the company has been approved by the Hon'ble NCLT and now pending at Hon'ble NCLAT and we are unable to comment on the impairment of asset pending the Corporate Insolvency Resolution Process.
- c) In the view of CIRP in respect of the company, which is in progress, the financial statements have been prepared on going concern basis.
- d) Trade receivables, trade payables, loans & advances and other recoverable at September 30, 2019 are subject to confirmation and reconciliation.
- e) In the absence of any information on interest on outstanding dues to the bank in respect to sub-standard accounts, bank balances are subject to confirmation from bank statement.

For K R AGGARWAL & ASSOCIATES

PLACE: LUDHIANA

DATED: 14.11.19

CHARTERED ACCOUNTANTS



Membership No. 544757

UDIN: 19544757AAAAAL9225



VARDHMAN INDUSTRIES LIMITED

(Govt. of India Recognised Two Star Export House)

Administrative Office : G. T. Road, Sahnewal, Ludhiana - 141 120 (INDIA)

Phones : +91-161-2511412, 2511413, Fax : +91-161-2511414

E-mail : vardhman@vallabhgroup.com CIN : L74899DL1984PLC019492

VIL: BSE: 2019-20

Dated: 14.11.2019

BSE Limited
Corporate Relationship Department
Floor-25, P.J. Towers,
Dalal Street,
Mumbai- 400 001

Sub: Declaration Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir,

I, Reema, Company Secretary of M/s. Vardhman Industries Limited, on behalf of the Company, hereby declare that the Company is submitting the unaudited standalone and consolidated financial results for the quarter and half year ended September 30, 2019 along with Auditor's Limited Review Report.

I hereby state that in relation to qualifications of the audit report, the impact thereof has not been quantified. The Company has already filed its claim with the Resolution Professional of the related entity which has went into the CIRP.

This declaration has been given, along with unaudited financial results in terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2016.

Thanking you,

Yours faithfully,
For VARDHMAN INDUSTRIES LIMITED


(REEMA)
COMPANY SECRETARY



ISO 9001



DNV

Registered Firm

Registered Office : Flat No. 1309, 13th Floor, Vikram Tower, Rajendra Place, New Delhi-110008 (India)

Phones : +91-11-25743060, Fax : +91-11-25742403

www.vallabhgroup.com