



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: 30.05.2019

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

Sub: Audited Standalone and Consolidated Financial Results for the Quarter and Year ended on 31st March, 2019.

Dear Sir,

Further to our letter dated 21.05.2019, we may inform you that the audited Standalone and Consolidated Financial Results of the Company for the quarter and year ended on 31st March, 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 year ended on March 31, 2019.
- ii. Audited Statement of Assets and Liabilities as at 31st March, 2019.
- iii. Auditors' Report on the Standalone and Consolidated Financial Results.
- iv. Statement of Impact of Audit qualifications for the year ended on March 31, 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



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.vardhmanindustries.com



VARDHMAN INDUSTRIES LIMITED

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STATEMENT OF STANDALONE & CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE FOURTH QUARTER AND YEAR ENDED 31ST MARCH, 2019:

(Rs. in Lakhs)

| Sr. No. | PARTICULARS | STANDALONE | | | | | CONSOLIDATED | |
|---------|---|----------------|-------------------|----------------|----------------|----------------|----------------|----------------|
| | | Quarter ended | | | Year ended | Year ended | Year ended | Year ended |
| | | March 31, 2019 | December 31, 2018 | March 31, 2018 | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| | | AUDITED | UNAUDITED | AUDITED | AUDITED | AUDITED | AUDITED | AUDITED |
| 1. | Revenue from operations (Gross) | 1479.22 | 1902.36 | 1,071.03 | 7451.87 | 13,070.34 | 7451.87 | 13,070.34 |
| 2. | Other Income | 5.77 | 0.29 | 124.97 | 6.88 | 126.35 | 6.88 | 126.35 |
| 3. | Total Revenue | 1484.99 | 1902.65 | 1,196.00 | 7458.75 | 13,196.69 | 7458.75 | 13,196.69 |
| 4. | Expenses | | | | | | | |
| | a) Cost of material consumed | 1337.69 | 1740.29 | 1,520.73 | 6741.80 | 13,816.26 | 6741.80 | 13,816.26 |
| | b) Purchases of stock-in-trade | -- | -- | -- | -- | -- | -- | -- |
| | c) Changes in inventories of finished goods, work-in-progress and stock in trade | 46.11 | (31.99) | (76.99) | 22.83 | 239.43 | 22.83 | 239.43 |
| | d) Excise Duty | -- | -- | -- | -- | 489.45 | -- | 489.45 |
| | e) Employee benefits expense | 67.92 | 86.63 | 101.25 | 332.15 | 394.04 | 332.15 | 394.04 |
| | f) Finance Cost | 4.24 | 0.03 | 22.03 | 4.42 | 450.87 | 4.42 | 450.87 |
| | g) Depreciation and amortization expense | 147.70 | 147.71 | 145.03 | 590.82 | 592.00 | 590.82 | 592.00 |
| | h) Other expenditure | 62.69 | 79.65 | 382.38 | 316.16 | 869.01 | 316.16 | 869.01 |
| | Total Expenses | 1666.35 | 2022.32 | 2094.43 | 8008.18 | 16,851.06 | 8008.18 | 16,851.06 |
| 5. | Profit/(loss) before exceptional and extraordinary items and tax (3-4) | (181.36) | (119.67) | (898.43) | (549.43) | (3,654.37) | (549.43) | (3,654.37) |
| 6. | Exceptional items (expenses) | -- | -- | 56.18 | -- | 1,353.94 | -- | 1,353.94 |
| 7. | Profit/(loss) before extraordinary items and tax (5-6) | (181.36) | (119.67) | (954.61) | (549.43) | (5,008.31) | (549.43) | (5,008.31) |
| 8. | Extraordinary items | -- | -- | -- | -- | -- | -- | -- |
| 9. | Profit/(loss) before tax (7-8) | (181.36) | (119.67) | (954.61) | (549.43) | (5,008.31) | (549.43) | (5,008.31) |
| 10. | Tax Expenses | | | | | | | |
| | - Current tax/MAT adjustment | -- | -- | -- | -- | -- | -- | -- |
| | - Deferred tax (expenses) | 80.59 | (18.60) | 146.57 | -- | 146.06 | -- | 146.06 |
| 11. | Net Profit/(loss) for the period | (261.95) | (101.07) | (1,101.18) | (549.43) | (5,154.37) | (549.43) | (5,154.37) |
| 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 | -- | (17.30) | 4.49 | (19.32) | 4.49 | (19.32) |
| | b) Items that will be classified to profit or loss | | | | | | | |
| | - Gain (loss) on fair value of equity investments | (323.34) | 13.36 | (171.26) | (330.83) | (181.85) | (330.83) | (181.85) |
| | Total Other Comprehensive Income (Net of Tax) | (318.85) | 13.36 | (188.56) | (326.34) | (201.17) | (326.34) | (201.17) |
| 13. | Total Comprehensive Income | (580.80) | (87.71) | (1,289.74) | (875.77) | (5,355.54) | (875.77) | (5,355.54) |
| 14. | Share of Profit/ loss of Associates | (*) | (*) | (*) | (*) | (*) | (*) | (*) |
| 15. | Minority Interest | (*) | (*) | (*) | (*) | (*) | (*) | (*) |
| 16. | Net Profit/(Loss) after taxes, Minority Interest and share of profit/(loss) of Associates | (*) | (*) | (*) | (*) | (*) | (*) | (*) |
| 17. | PBDT | (33.66) | 28.04 | (809.58) | 41.39 | (4,416.31) | 41.39 | (4,416.31) |
| 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 | 789.52 |
| 19. | Reserves excluding Revaluation Reserves | (*) | (*) | (*) | (1336.38) | (460.58) | (1381.92) | (413.05) |
| 20. | Basic & Diluted Earnings Per Share (EPS) | | | | | | | |
| | - Before Extraordinary items (Rs.) | (3.32) | (1.28) | (13.95) | (6.96) | (65.28) | (6.96) | (65.28) |
| | - After Extraordinary items (Rs.) | (3.32) | (1.28) | (13.95) | (6.96) | (65.28) | (6.96) | (65.28) |

(*) Not required.



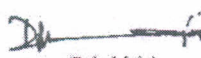
VARDHMAN INDUSTRIES LIMITED

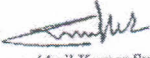
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Notes:

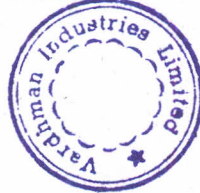
1. A Corporate Insolvency Resolution Process ("CIRP") had been initiated against the company vide order of the National Company Law Tribunal, New Delhi Bench ("NCLT") dated November 16, 2017, under the provision of the Insolvency & Bankruptcy Code 2016 ("Code"). Pursuant to the Order, the powers of the 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 May 30, 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 matter is now subjudice at Hon'ble NCLAT on an application filed by Resolution Applicant.
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 for the year ended March 31, 2019 have been prepared with unaudited financials of M/s. JSW Vallabh Tinplate Private Limited.
6. The figures of last quarter are the balancing figures between audited figures in respect of full financial year and the published year to date figures upto the third quarter of respective financial year.
7. The previous quarters/ financial year figures have been regrouped/rearranged wherever necessary to make them comparable with those of the current period.
8. 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 year which has not been recorded in the books.
9. The account of the Company was classified as NPA by the banks prior to the CIRP initiation date. The claim filed by the State Bank of India with the Resolution Professional includes interest accrued of Rs. 14.79 Crore which has not been charged to the account of Company as the account has been classified as NPA. The Company has not provided for the said interest accrued but not charged by Bank, Hence the same has not been included in the Borrowings.

Place: Ludhiana
Dated: 30.05.2019


(Rahul Jain)
Managing Director


(Anil Kumar Surya)
Chief Financial Officer


(Reema)
Company Secretary





VARDHMAN INDUSTRIES LIMITED

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CIN: L74899DL1984PLC019492

AUDITED STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Lakhs)

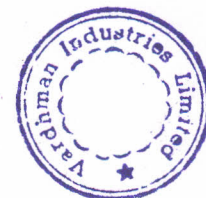
| PARTICULARS | STANDALONE | | CONSOLIDATED | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | Year Ended 31.03.2019 | Year Ended 31.03.2018 | Year Ended 31.03.2019 | Year Ended 31.03.2018 |
| A Assets | | | | |
| 1. Non-current assets | | | | |
| (a) Property, plant and equipments | 6062.87 | 6,653.69 | 6062.87 | 6,653.69 |
| (b) Capital work in progress | -- | -- | -- | -- |
| Non-current assets | 6062.87 | 6,653.69 | 6062.87 | 6,653.69 |
| Non-current financial assets | | | | |
| (a) Other Intangible assets | -- | -- | -- | -- |
| (b) Non-current investment | 1621.29 | 1920.03 | 1575.75 | 1,967.56 |
| (c) Loans, non current | -- | -- | -- | -- |
| (d) other non-current assets | 104.78 | 136.89 | 104.78 | 136.89 |
| Non-current financial assets | 1726.07 | 2,056.92 | 1680.53 | 2,104.45 |
| Total non-current assets | 7788.94 | 8,710.61 | 7743.40 | 8,758.14 |
| 2. Current assets | | | | |
| Inventories | 951.13 | 853.63 | 951.13 | 853.63 |
| Current financial assets | | | | |
| (a) Trade receivables, current | 62.75 | 159.45 | 62.75 | 159.45 |
| (b) Cash and cash equivalents | 328.01 | 397.47 | 328.01 | 397.47 |
| (c) Bank balance other than cash and cash equivalents | 0.79 | -- | 0.79 | -- |
| (d) Loans | 3449.99 | 3,561.69 | 3449.99 | 3,561.67 |
| (e) Current tax assets | 20.95 | 20.72 | 20.95 | 20.72 |
| Total current financial assets | 3862.49 | 4,139.33 | 3862.49 | 4,139.31 |
| Other current assets | 582.22 | 272.95 | 582.22 | 272.93 |
| Total assets | 13184.78 | 13,976.52 | 13139.24 | 14,024.01 |
| B Equity and liabilities | | | | |
| 1. Equity | | | | |
| (a) Equity share capital | 794.76 | 794.76 | 794.76 | 794.76 |
| (b) other equity | (1336.38) | (460.58) | (1381.92) | (413.05) |
| 2. Liabilities | | | | |
| Non Current Liabilities | | | | |
| Non-current financial liabilities | | | | |
| (a) Borrowings, non current | 1917.88 | 1,917.88 | 1917.88 | 1,917.88 |
| (b) Other non-current financial liabilities | 80.75 | 80.00 | 80.75 | 80.00 |
| Total non-current financial liabilities | 1998.63 | 1,997.88 | 1998.63 | 1,997.88 |
| (a) Provisions, non current | 51.46 | 45.08 | 51.46 | 45.08 |
| (b) Deferred tax liabilities (net) | 1166.05 | 1,166.02 | 1166.05 | 1,166.02 |
| (c) other non-current liabilities | -- | -- | -- | -- |
| Total non-current liabilities | 1217.51 | 1,211.10 | 1217.51 | 1,211.10 |
| Current liabilities | | | | |
| Current financial liabilities | | | | |
| (a) Borrowings, current | 9970.24 | 9,970.27 | 9970.24 | 9,970.24 |
| (b) Trade payables, current | 200.95 | 317.10 | 200.95 | 317.10 |
| (c) Other current financial liabilities | 222.98 | 85.94 | 222.98 | 85.94 |
| Total current financial liabilities | 10394.17 | 10,373.31 | 10394.17 | 10,373.28 |
| Other current liabilities | 110.44 | 49.03 | 110.44 | 49.03 |
| Provisions, current | 5.65 | 11.02 | 5.65 | 11.01 |
| Total current liabilities | 116.09 | 60.05 | 116.09 | 60.04 |
| Total equity and liabilities | 13184.78 | 13,976.52 | 13139.24 | 14,024.01 |

Place: Ludhiana
Dated: 30.05.2019

(Rahul Jain)
Managing Director

(Anil Kumar Surya)
Chief Financial Officer

(Reema)
Company Secretary





K R AGGARWAL & ASSOCIATES
Chartered Accountants

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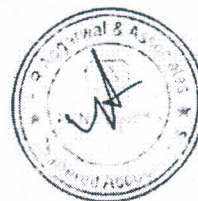
Auditor's Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

INDEPENDENT AUDITORS' REPORT

To
The Members of
Vardhman Industries Limited,

We, the Statutory Auditors, of the Company have audited and reviewed the accompanying statement of Standalone audited financial results of M/s VARDHMAN INDUSTRIES LIMITED for the financial year ended 31st March, 2019 being submitted by the company pursuant to the requirements 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. We report that the figures for the quarter ended March 31, 2019 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2019 and the published year-to-date figures up to December 31, 2018, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review, as required under the Regulation and the Circular.

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 May 30, 2019 for filing with the stock exchange.





K R AGGARWAL & ASSOCIATES
Chartered Accountants

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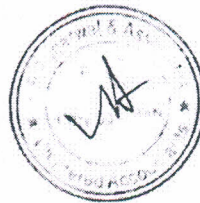
Vardhman Industries Limited which is under Corporate Insolvency Resolution Process invited Expression of Interest for the Submission of Resolution Plan as per the provision of Insolvency and Bankruptcy Code, 2016. In response to the Expression of Interest, JSW Steels Limited ("Resolution Applicant") 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 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 and has been signed by the Chairman cum Managing Director of the company and taken on record by the Resolution Professional, has been compiled from the related standalone financial statements which has been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statements based on our audit of such standalone Ind AS financial statements.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of the Chartered Accountants of India, Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the statement that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the statement.





K R AGGARWAL & ASSOCIATES
Chartered Accountants

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Basis for qualified opinion

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, no provision for such doubtful receivables has been made by the company.

Qualified opinion

- a) In our opinion and to best of our information and according to the explanations given to us, the statement:
- b) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
- c) gives a true and fair view except for the matters described in Basis for qualified opinion as given herein above, in conformity with the aforesaid Indian Accounting Standards and other principles generally accepted in India of the total comprehensive income and other information of the company for the year ended March 31, 2019.

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 a going concern. The Resolution Plan for the Company has been approved by the Hon'ble NCLT and is now pending at the Hon'ble NCLAT and we are unable to comment on the impairment of asset pending the Corporate Insolvency Resolution Process.

- c) In view of the CIRP in respect of the company, which is in progress, the Financial Statements have been prepared on going concern basis.





K R AGGARWAL & ASSOCIATES
Chartered Accountants

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- d) Trade receivables, loans & advances and other recoverable at March 31, 2019 are subject to confirmation and reconciliation. Loans and advances include balances from the group entities.
- 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.
- f) No interest expense has been booked during the period ended March 31, 2019. However, IDBI Bank charged interest on working capital Rs.533.98 lakhs & interest on term loan Rs.23.54 lakhs which is not considered.

For K R AGGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS

PLACE: LUDHIANA
DATED: 30.05.2019



(VIVEK ANEJA)
Membership No. 544757



K R AGGARWAL & ASSOCIATES

Chartered Accountants

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Auditor's Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

INDEPENDENT AUDITORS' REPORT

To
The Members of
Vardhman Industries Limited

We have audited the accompanying statement of consolidated audited financial results of M/s Vardhman industries limited ('the parent'), and its associates (herein together referred to as 'the group') for the year ended March 31, 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, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. We report that the figures for the quarter ended March 31, 2019 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2019 and the published year-to-date figures up to December 31, 2018, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review, as required under the Regulation and the Circular.

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K R AGGARWAL & ASSOCIATES

Chartered Accountants

B-XV, 980 (2nd Floor), G.T. Road, Miller Ganj,
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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 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 Holding Company and its associate. This Statement, which is the responsibility of the Company's Management and has been signed by the Chairman cum Managing Director of the company and taken on record by the Resolution Professional, has been compiled from the related standalone financial statements which has been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statements based on our audit of such consolidated Ind AS financial statements.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of the Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the statement that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Management, as well as evaluating the overall presentation of the statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the statement.





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Basis for qualified opinion

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, no provision for such doubtful receivables has been made by the company.

Qualified opinion

- a) In our Opinion and to best of our information and according to the explanations given to us, and based on the separate financial statements and the other financial information of the associate company.
- b) includes the result of the following associate:
JSW Vallabh Tinplate Private Limited
- c) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as modified by Circular No CIR/CFD/FAC/62/2016 dated July 5,2016; and
- d) gives a true and fair view except for the matters described in Basis for qualified opinion as given herein above, in conformity with the aforesaid Indian Accounting Standards and other principles generally accepted in India of the total comprehensive income and other information of the company for the year ended March 31, 2019.

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.





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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 is now pending at the Hon'ble NCLAT and we are unable to comment on the impairment of asset pending the Corporate Insolvency Resolution Process.

- c) In view of the CIRP in respect of the company, which is in progress, the Financial Statements have been prepared on going concern basis.
- d) Trade receivables, loans & advances and other recoverable at March 31, 2019 are subject to confirmation and reconciliation. Loans and advances include balances from the group entities.
- 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.
- f) No interest expense has been booked during the period ended March 31, 2019. However, IDBI Bank charged interest on working capital Rs.533.98 lakhs & interest on term loan Rs.23.54 lakhs which is not considered.
- g) The consolidated IND AS financial results, statements also include the Group's share of net Loss of Rs. 93.07 lacs for the year ended March 31, 2019, as considered in the consolidated Ind AS financial statements, in respect of 1 associate, whose unaudited financial statements, other financial information have been furnished to us by the Management.

For K R AGGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS

PLACE: LUDHIANA
DATED: 30.05.2019



(VIVEK ANEJA)
Partner
Membership No. 544757



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: 30.05.2019

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 audited standalone and consolidated financial results for the quarter and year ended on March 31, 2019 along with Audit 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 audited 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)
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