



Dated: 29.06.2021

The Listing Department, <b>National Stock Exchange of India Limited</b> "Exchange Plaza", C-1, Block-G, Bandra - Kurla Complex, Bandra (E), Mumbai - 400051  SCRIP CODE: VARDMNPOLY	The Listing Department, <b>BSE Limited</b> 25 <sup>th</sup> Floor, P.J. Towers, Dalal Street Fort, Mumbai- 400001  SCRIP CODE: 514175
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**SUBJECT: DISCLOSURE UNDER REGULATION 30 AND 33 OF SEBI LODR**

Dear Sir/ Madam,

In terms of the Regulation 30 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we would like to inform you that the Board in its meeting held today i.e Tuesday, 29<sup>th</sup> June, 2021 has, inter alia:

1. Approved the Audited Financial Results (both Standalone & Consolidated) of the Company for the Quarter and Financial Year ended 31<sup>st</sup> March, 2021.

Pursuant to Regulation 33 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed herewith, the said financial results together with Auditors' Report thereon and the Statements on Impact of Audit Qualifications for Standalone and Consolidated Audit Reports with modified opinion.

We further state that the Audit Report of Statutory Auditors is with qualified opinion with respect to the Audited Financial Results (both Standalone & Consolidated) of the Company for the quarter and financial year ended 31<sup>st</sup> March, 2021.

2. Re-appointed M/s Khanna Ashwani & Associates, Company Secretaries, as the Secretarial Auditor for the Financial Year 2021-22.
3. Re-appointed M/s Ramanath Iyer & Co., Cost Accountants as Cost Auditors for the Financial Year 2021-22.
4. Approved the amended 'Code of Conduct for Prevention of Insider Trading'. Amended Code of Conduct is enclosed herewith. The said code is also being disclosed on the website of the Company at [www.vpl.in](http://www.vpl.in)
5. Approved the changes in the KMPs authorised under Regulation 30(5) of the Listing Regulations with effect from 29<sup>th</sup> June, 2021. The contact details of

**Vardhman Polytex Ltd**  
An **Oswal Group** Company  
CIN: L17122PB1980PLC004242

**Corp. Office:** Vardhman Park,  
Chandigarh Road Ludhiana - 141123  
Punjab (India). Tel: +91-161-6629888

[www.vpl.in](http://www.vpl.in)  
info@vpl.in





these KMPs authorised under Regulation 30(5) of the Listing Regulations are given below:-

Name	Designation	Phone	Email
Mr. Adish Oswal	Chairman & Managing Director	0161-6629990	<a href="mailto:cmd@vpl.in">cmd@vpl.in</a>
Mr. RM Soni	Chief Financial Officer	0161-6629990	<a href="mailto:rm.soni@vpl.in">rm.soni@vpl.in</a>
Mr. Ajay K Ratra	Company Secretary	0161-6629990	<a href="mailto:ajay.ratra@vpl.in">ajay.ratra@vpl.in</a>

The aforesaid information is also being disclosed on the website of the Company at [www.vpl.in](http://www.vpl.in)

6. Board also took note of COVID-19 impact assessment for FY 2020-21 which was done as per guidance note issued by ICAI on COVID-19 outbreak. This impact assessment has been done taking into account multiple factors including impact on capital and financial resources, profitability, liquidity position, ability to service debts, major repair maintenance provision due to multiple shuts, additional debtors provision, supply chain, demand for products/services, slowdown in revenue, Covid vaccination drive by company, staff welfare for employee hospitalization support and employee incentive and retention bonus etc. The total of such impact was for Rs.6,30,47,358/- for which provision has been made in the financial statements for the year ended 31.03.2021.


The meeting of Board of Directors commenced at 3.30 pm and concluded at 5.45 pm.

This is for your information and record please.

Thanking you,

Yours truly,

**For Vardhman Polytex Limited**

  
Ajay K. Ratra  
Company Secretary

Encl: as above

VARDHMAN POLYTEX LTD.

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

CIN: L17122PB1980PLC 004242, PHONES: 0161-2685301-04, 6629888, FAX : 6629988, E-Mail- info@vpl.in, Web: www.vpl.in

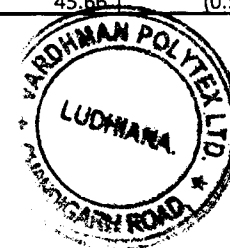
STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER & YEAR ENDED 31ST MARCH, 2021

(Rs. In Lakh)

Sl. No	Particulars	Standalone					Consolidated				
		Quarter ended		Year ended			Quarter ended		Year ended		
		31st Mar 2021 Audited	31st Dec 2020 Unaudited	31st Mar 2020 Audited	31st Mar 2021 Audited	31st March 2020 Audited	31st Mar 2021 Audited	31st Dec 2020 Unaudited	31st Mar 2020 Audited	31st March 2021 Audited	31st March 2020 Audited
1	Revenue from operations	19,390.82	15,107.03	13,554.76	50,827.91	56,066.23	19,397.25	15,112.03	13,558.90	50,852.39	56,086.50
2	Other income	63.52	65.63	84.04	259.71	318.35	63.51	65.63	84.04	259.70	318.35
3	<b>Total Income (1+2)</b>	<b>19,454.34</b>	<b>15,172.66</b>	<b>13,638.80</b>	<b>51,087.62</b>	<b>56,384.58</b>	<b>19,460.76</b>	<b>15,177.66</b>	<b>13,642.94</b>	<b>51,112.09</b>	<b>56,404.85</b>
4	<b>Expenses</b>										
	A) Cost of material consumed	12,846.68	11,679.13	10,029.47	36,676.55	42,421.66	12,846.68	11,679.13	10,029.47	36,676.54	42,421.66
	B) Purchase of traded goods	-	1.45	40.61	69.56	370.80	0.01	1.45	40.61	69.56	370.80
	C) Changes in inventories of finished goods, stock in trade and work in progress	398.85	(53.21)	(234.48)	423.81	234.66	398.84	(53.21)	(234.47)	423.82	234.66
	D) Employee benefit expense	1,239.48	1,135.31	1,050.43	3,869.91	4,515.06	1,240.74	1,136.97	1,051.53	3,875.67	4,519.96
	E) Finance costs	1,604.90	1,106.17	1,457.49	5,900.79	5,969.99	1,604.90	1,106.17	1,457.48	5,900.78	5,969.98
	F) Depreciation and amortisation expense	355.35	364.70	363.28	1,453.66	1,563.89	358.27	349.67	358.76	1,465.23	1,570.56
	G) Power & Fuel Cost	1,526.60	1,587.25	1,378.40	5,029.98	5,456.94	1,526.60	1,587.25	1,378.40	5,029.98	5,456.94
	H) Other Expenditure	1,600.96	783.53	837.20	3,332.57	3,107.74	1,603.41	783.56	837.29	3,338.66	3,111.14
	<b>Total Expenses</b>	<b>19,572.82</b>	<b>16,604.33</b>	<b>14,922.40</b>	<b>56,756.83</b>	<b>63,640.74</b>	<b>19,579.45</b>	<b>16,590.99</b>	<b>14,919.07</b>	<b>56,780.24</b>	<b>63,655.70</b>
5	<b>Profit from operations before tax and exceptional items (3-4)</b>	<b>(118.48)</b>	<b>(1,431.67)</b>	<b>(1,283.60)</b>	<b>(5,669.21)</b>	<b>(7,256.16)</b>	<b>(118.69)</b>	<b>(1,413.33)</b>	<b>(1,276.13)</b>	<b>(5,668.15)</b>	<b>(7,250.85)</b>
6	Exceptional items : Income / (Loss)	-	-	17,435.13	-	17,435.13	-	-	17,435.13	-	17,435.13
7	<b>Profit/(Loss) before tax and after exceptional items (5-6)</b>	<b>(118.48)</b>	<b>(1,431.67)</b>	<b>16,151.53</b>	<b>(5,669.21)</b>	<b>10,178.97</b>	<b>(118.69)</b>	<b>(1,413.33)</b>	<b>16,159.00</b>	<b>(5,668.15)</b>	<b>10,184.28</b>
8	Tax expenses	-	-	-	-	-	0.38	0.39	0.35	1.52	1.38
9	<b>Net Profit/(Loss) after tax (7-8)</b>	<b>(118.48)</b>	<b>(1,431.67)</b>	<b>16,151.53</b>	<b>(5,669.21)</b>	<b>10,178.97</b>	<b>(119.07)</b>	<b>(1,413.72)</b>	<b>16,158.65</b>	<b>(5,669.67)</b>	<b>10,182.90</b>
	Other comprehensive income/ (loss), net of taxes	(8.53)	(17.52)	(22.80)	(61.09)	(70.08)	(8.53)	(17.52)	(22.80)	(61.09)	(70.08)
10	<b>Total Comprehensive Income/(Loss) for the period [Comprising Profit / (loss) for the period (after tax) and Other Comprehensive Income/(Loss) (after tax)]</b>	<b>(127.01)</b>	<b>(1,449.19)</b>	<b>16,128.73</b>	<b>(5,730.30)</b>	<b>10,108.89</b>	<b>(127.60)</b>	<b>(1,431.24)</b>	<b>16,135.85</b>	<b>(5,730.76)</b>	<b>10,112.82</b>
11	Paid-up equity share capital (Face value-Rs.10 per equity share)	2,229.10	2,229.10	2,229.10	2,229.10	2,229.10	2,229.10	2,229.10	2,229.10	2,229.10	2,229.10
	Reserves (excluding revaluation reserves)	(37,043.98)		(31,292.95)	(37,043.98)	(31,292.95)	(37,077.88)		(31,321.26)	(37,077.88)	(31,321.26)
	Earnings per share (of Rs.10 each) (for the period - not annualised)										
	- Basic (Rs.)	(0.53)	(6.42)	72.46	(25.43)	45.66	(0.53)	(6.34)	72.49	(25.43)	45.68
	- Diluted (Rs.)	(0.53)	(6.42)	72.46	(25.43)	45.66	(0.53)	(6.34)	72.49	(25.43)	45.68

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Notes:

- 1 The above standalone and consolidated financial results for the quarter ended Mar,2021 were reviewed by the Audit Committee and thereafter have been adopted by the Board at its meeting held on June 29th, 2021. The company has prepared the financial results in accordance with Indian Accounting Standards (IND AS) as prescribed under section 133 of the companies Act, 2013 read with relevant rules issued thereunder and SEBI's circulars, and the management has exercised necessary due diligence to ensure that the financial results present a true and fair view of the company's affairs. These results have been Audited by the Statutory Auditors of the Company.
- 2 Regarding the auditors qualification w.r.t. 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. The qualification still stands as on 31.03.2021.
- 3 Due to various factors beyond the control of management/external factors, the company has incurred losses to the tune of Rs 118.48 lakh during the current quarter. The company had defaulted on payment of its debt obligations to various lenders leading to its borrowing being classified as NPA by the banks. The company has requested bankers for resolution of its accounts by way of One time settlement (OTS). Further two of the lenders namely Punjab National Bank & Jammu and Kashmir Bank and some operational creditors have filed applications under Insolvency and Bankruptcy Code 2016 with NCLT for initiating Corporate Insolvency Resolution Process (CIRP). The petitions have not been admitted so far.
- 4 However, despite net worth having been fully eroded, the Management is of the view that the company is an operative company . In view of the same, the financial statements have been prepared on a "going concern basis".
- 5 The consolidated financial results include results of F.M. Hammerle Verwaltung GmbH, Austria.
- 6 The company has entered into arrangement with few vendors from whom company is purchasing raw material and in turn processing the same to the finished output, which is sold back to them.
- 7 On account of COVID-19 pandemic, the Government of India had imposed a complete nation-wide lockdown on March 24, 2020 leading to temporarily shut down of company's manufacturing facilities and operations. Later on, the government of India has progressively relaxed lockdown conditions and has allowed the industry to resume its operations in a phased manner. During the quarter, the company has resumed its manufacturing operations and is in the process of scaling them up. The results for the quarter are, therefore, not comparable with those for the previous quarters.

Further, the Company has made assessment of its liquidity position, recoverability and carrying value for the current year of its assets comprising property, plant and equipment, investments, inventories and trade receivables. The Company has considered internal and external sources of information for making said assessment. On the basis of said assessment, the Company has made a provision for Rs. 630.47 Lakh related to covid impairment expense. Given the uncertainties associated with nature, condition and duration of COVID-19, the Company will closely monitor any material changes arising out of the future economic conditions and its impact on the business of the Company.

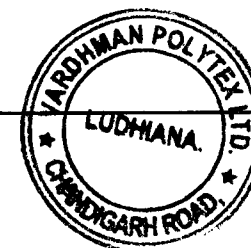
- 8 The business of company falls within a single primary segment Viz, Textile and hence, the disclosure requirement of IND-AS 108 'Operating segment' is not applicable.
- 9 Figures relating to previous period have been regrouped/rearranged, where necessary to make them comparable with those of the current period.
- 10 The Code on Social Security 2020 has been notified in the Official Gazette on 29th September 2020. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact if any of the change will be assessed and accounted In the period in which said Code becomes effective and the rules framed thereunder are published.

Place : Ludhiana  
Date : 29th June, 2021

For Vardhman Polytex Ltd.



(Adish Oswal)  
Chairman and Managing Director  
(DIN 00009710)



## STATEMENT OF ASSETS AND LIABILITIES FOR THE YEAR ENDED March 31,2021

(Rs in Lakhs)

S.No.	Particulars	STANDALONE		CONSOLIDATED	
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
		Audited	Audited	Audited	Audited
<b>I</b>	<b>ASSETS</b>				
	<b>1 Non-current assets</b>				
	a) Property, plant and equipment	17,766.53	19,053.85	17,785.21	19,084.10
	b) Investment Property	475.54	485.38	475.54	485.38
	c) Capital work-in-progress	-	0.11	-	0.11
	d) Other intangible assets	4.50	5.23	4.49	5.22
	e) Financial assets				
	i) Investments	23.15	23.15	0.62	0.62
	ii) Other financial assets	7.34	1.55	7.34	1.55
	f) Trade receivable	1,067.00	812.20	1,067.00	812.20
	g) Deferred tax assets (net)	5,016.18	5,016.18	5,016.18	5,016.18
	h) Other non-current assets	912.86	734.96	912.86	734.96
	<b>Total Non Current Assets</b>	<b>25,273.10</b>	<b>26,132.61</b>	<b>25,269.24</b>	<b>26,140.32</b>
	<b>2 Current assets</b>				
	a) Inventories	1,891.72	2,076.67	1,891.72	2,076.67
	b) Financial assets				
	i) Trade and other receivables	829.58	569.67	829.58	569.67
	ii) Cash and cash equivalents	7.80	7.99	7.80	7.99
	iii) Bank balances other than above	1.25	6.25	1.25	6.25
	iv) Loans	10.10	10.03	10.10	10.03
	v) Other financial assets	35.49	45.69	37.14	46.82
	c) Current tax assets	303.53	279.10	303.53	279.10
	d) Other current assets	2,198.84	2,125.73	2,198.84	2,125.72
	<b>Total Current Assets</b>	<b>5,278.31</b>	<b>5,121.13</b>	<b>5,279.96</b>	<b>5,122.25</b>
	<b>TOTAL ASSETS</b>	<b>30,551.41</b>	<b>31,253.74</b>	<b>30,549.20</b>	<b>31,262.57</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>				
	<b>1 EQUITY</b>				
	a) Equity share capital	2,229.10	2,229.10	2,229.10	2,229.10
	b) Other equity	(37,043.98)	(31,292.95)	(37,077.88)	(31,321.26)
	<b>Total Equity</b>	<b>(34,814.88)</b>	<b>(29,063.85)</b>	<b>(34,848.78)</b>	<b>(29,092.16)</b>
	<b>LIABILITIES</b>				
	<b>2 Non-current liabilities</b>				
	a) Financial liabilities				
	i) Borrowings	141.94	182.09	141.94	182.09
	b) Long term provisions	219.92	205.34	219.92	205.34
	c) Other non-current liabilities	0.53	0.53	0.53	0.53
	<b>Total Non Current Liabilities</b>	<b>362.39</b>	<b>387.96</b>	<b>362.39</b>	<b>387.96</b>
	<b>3 Current liabilities</b>				
	a) Financial liabilities				
	i) Borrowings	52,087.05	48,731.53	52,087.05	48,731.70
	ii) Trade payables				
	a) Due to Micro & Small Enterprises				
	b) Due to Others	7,493.97	6,201.93	7,520.59	6,227.09
	iii) Other financial liabilities	4,133.18	4,361.63	4,138.25	4,373.45
	b) Other current liabilities	251.71	203.35	251.71	203.35
	c) Short term provisions	1,037.99	431.19	1,037.99	431.18
	<b>Total Current Liabilities</b>	<b>65,003.90</b>	<b>59,929.63</b>	<b>65,035.59</b>	<b>59,966.77</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>30,551.41</b>	<b>31,253.74</b>	<b>30,549.20</b>	<b>31,262.57</b>

Place : Ludhiana  
Date : 29th June, 2021

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For Vardhman Polytex Ltd.

(Adish Oswal)

Chairman and Managing Director

DIN 00000710

CHANDIGARH ROAD,

LUDHIANA

VARDHMAN POLYTEX LTD.

VARDHMAN POLYTEX LTD.

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

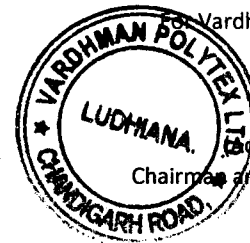
CIN: L17122PB1980PLC 004242, PHONES: 0161-2685301-04, 6629888, FAX : 6629988, E-Mail- info@vpl.in, Web: www.vpl.in

**Cash flow statement for the Year ended Mar 31,2021**

(Rs in Lakhs)

Particulars	STANDALONE		CONSOLIDATED	
	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020
	Audited	Audited	Audited	Audited
<b>Net Cash generated from Operating Activities</b>				
Net profit before tax	(5,669.21)	10,178.97	(5,669.67)	10,182.90
Operating Profit before Working Capital changes	1,663.36	162.24	1,674.47	172.84
<b>A) Net cash (used in)/ generated from Operating Activities</b>	2,403.22	1,345.04	2,403.41	1,344.59
<b>B) Net Cash (used)/from Investing Activities</b>	(122.47)	36.59	(122.48)	36.59
<b>C) Net Cash (used)/from Financing Activities</b>	(2,285.94)	(1,394.53)	(2,286.12)	(1,394.35)
<b>Net Increase/(Decrease) in cash &amp; cash equivalents (A+B+C)</b>	(5.19)	(12.90)	(5.19)	(13.17)
<b>Add:Cash and cash equivalents as at 1st April (Opening Balance)</b>	14.24	27.14	14.24	27.42
<b>Cash and cash equivalents as at 31st Mar'21 &amp; 31st March'20(Closing Balance)</b>	9.05	14.24	9.05	14.24

Place : Ludhiana  
Date : 29th June, 2021



Vardhman Polytex Ltd.

(Sush Oswal)

Chairman and Managing Director  
DIN 00009710

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# ROMESH K. AGGARWAL & ASSOCIATES

CHARTERED ACCOUNTANTS

Head Office - G.T. ROAD, MILLER GANJ, LUDHIANA-141003

Delhi

Chandigarh

Ludhiana

Phones: 2532920, 2534289.

**Independent Auditor's Review Report On the Quarterly and Year to Date Audited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

To  
The Board of Directors,  
Vardhman Polytex Ltd.

**Report on the audit of the Standalone Financial Results**

**Qualified Opinion**

We have audited the accompanying statement of quarterly and year to date standalone financial results of Vardhman Polytex Limited ("the Company") for the quarter and year ended March 31, 2021 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligation and disclosure requirements) Regulations, 2015 as amended ("the Listing Regulations").

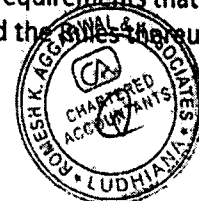
In our opinion and to the best of our information and according to the explanations given to us, except for the effects the matter described in the *Basis for Qualified Opinion*, the aforesaid standalone annual financial results:

- i. are presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the quarter ended March 31, 2021 and for the year ended March 31, 2021.

**Basis for Qualified Opinion**

The company had credited profit of Rs 396.44 lacs due on payment of FCCB liability to the statement of profit & loss during the period ending March 31, 2017. This profit should have been credited in the statement of profit & loss on payment of FCCB liability which is still outstanding to the tune of 554,160 USD as on March 31, 2021. The same has not been addressed in the current period under audit. This matter was also qualified in all the previous limited review/audit reports submitted by us.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the *Companies Act, 2013*, as amended.



and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion.

#### **Management's Responsibilities for the Standalone Financial Results**

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern





accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company of which we are the independent auditors to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of the Company of which we are the independent auditors. For Trident Limited Employee Welfare Trust included in the Statement, which has been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Other Matters**

The standalone annual financial results include the results for the quarter ended 31 March 2021 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For Romesh K Aggarwal & Associates  
Chartered Accountants



M. No. 519347

Place - Ludhiana

Dated - June 29, 2021

UDIN - 21519347AAAAAQ8379



# ROMESH K. AGGARWAL & ASSOCIATES

CHARTERED ACCOUNTANTS

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

To  
The Board of Directors,  
Vardhman Polytex Ltd.

**Report on the audit of the Consolidated Financial Results**

**Qualified Opinion**

We have audited the accompanying statement of quarterly and year to date consolidated financial results of Vardhman Polytex Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), for the quarter and year ended March 31, 2021 ("the Statement"), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligation and disclosure requirements) Regulations, 2015 as amended ("the Listing Regulations").

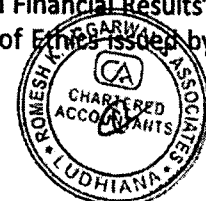
In our opinion and to the best of our information and according to the explanations given to us, except for the effects the matter described in the *Basis for Qualified Opinion* and based upon on the consideration of conversions done by the management of separate financial information of the foreign subsidiary, the aforesaid consolidated annual financial results:

- i. include results of F.M. Hammerle Verwaltung GmbH, Austria.
  - ii. are presented in accordance with the requirements of the Listing Regulations in this regard;
- and
- ii. give a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Group for the quarter ended March 31, 2021 and for the year ended March 31, 2021.

**Basis for Qualified Opinion**

The group had credited profit of Rs 396.44 lacs due on payment of FCCB liability to the statement of profit & loss during the period ending March 31, 2017. This profit should have been credited in the statement of profit & loss on payment of FCCB liability which is still outstanding to the tune of 554,160 USD as on March 31, 2021. The same has not been addressed in the current period under audit. This matter was also qualified in all the previous limited review/audit reports submitted by us.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group in accordance with the Code of Ethics issued by



the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and matter referred in "Other Matters" paragraph is sufficient and appropriate to provide a basis for our qualified opinion.

#### **Board of Director's Responsibilities for the Consolidated Financial Results**

The Consolidated Financial Results, which is the responsibility of the Holding Company's Management and approved by the Board of Directors of the Holding Company, has been prepared on the basis of the Consolidated Financial Statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Consolidated Financial Results that give a true and fair view of the net profit and other comprehensive income of the Group and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Results by the Directors of the Holding Company, as aforesaid.

In preparing Consolidated Financial Results, the Board of Directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group and of its Subsidiaries.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Consolidated Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures

