



REF: VPL: SEC: FEB: 2016-17

Date: 13.02.2017

The Listing Department,
National Stock Exchange of India Ltd,
"Exchange Plaza"
Bandra- Kurla Complex,
Bandra(East),
Mumbai-400051
Scrip Code: VARDMNPOLY

The Listing Department,
Bombay Stock Exchange Limited
25th Floor,
P.J Towers
Dalal Street Fort,
Mumbai-400001
Scrip Code:514175

SUBJECT: OUTCOME OF BOARD MEETING DATED 13.02.2017

Dear Sir/Madam,

Pursuant to Regulation 30 and other applicable Regulations of SEBI(LODR) Regulations, 2015, this is for your information that the Board of Director in its meeting held on 13.02.2017 at registered office of the Company at Vardhman Park, Chandigarh Road, Ludhiana-141123 inter -alia approved the following matters:-

1. Un-Audited Financial results of the Company for the quarter/nine months ended 31st December, 2016.

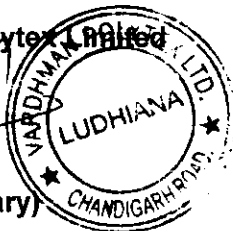
Kindly take the same in your records.

Thanking You,

Yours faithfully

For Vardhman Polytext Limited


Sushil Sharma
(Company Secretary)



VARDHMAN POLYTEX LTD.

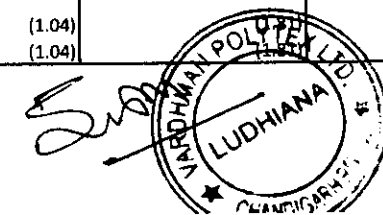
Regd. Office : Vardhman Park, Chandigarh Road, Ludhiana - 141 123

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

Unaudited Standalone Financial Results for the Quarter ended 31-12-2016

(Rs. in Lakh)

Sr. No.	Particulars	For the quarter ended			Year to date		For the year ended
		31/12/2016 (Unaudited)	30/09/2016 (Unaudited)	31/12/2015 (Unaudited)	31/12/2016 (Unaudited)	31/12/2015 (Unaudited)	31/03/2016 (Audited)
1	Income from operations						
	(a) Net Sales / income from operations (Net of excise duty)	20,509.60	21,010.09	21,376.33	61,112.82	63,471.57	86,514.78
	(b) Other operating income	436.36	231.95	323.79	953.45	975.98	1,293.32
	Total Income from operations (Net)	20,945.96	21,242.04	21,700.12	62,066.27	64,447.55	87,808.10
2	Expenses						
	a) Cost of materials consumed	14,521.09	13,989.97	13,222.92	41,467.94	41,713.12	56,188.33
	b) Purchase of stock in trade	1,493.11	1,326.13	1,366.20	4,088.20	2,161.31	3,806.95
	c) Changes in inventories of finished goods, work in progress and stock in trade	(810.84)	(741.55)	1,086.70	(2,513.03)	(198.11)	162.84
	d) Employee benefits expense	1,402.51	1,181.18	1,404.20	4,008.41	4,259.14	5,480.66
	e) Depreciation and amortisation expense	511.70	533.76	683.12	1,560.89	2,158.91	2,818.42
	f) Other expenses	3,023.31	3,731.81	3,930.35	10,589.24	12,349.94	16,455.90
	Total expenses	20,140.88	20,021.30	21,693.49	59,201.65	62,444.31	84,913.10
3	Profit/(Loss) from operations before other income, finance costs and exceptional items (1)-(2)	805.08	1,220.74	6.63	2,864.62	2,003.24	2,895.00
4	Other income	112.36	245.80	490.60	875.16	2,056.04	5,003.35
5	Profit/(Loss) from Ordinary activities before finance costs and exceptional items (3)+(4)	917.44	1,466.54	497.23	3,739.78	4,059.28	7,898.35
6	Finance Costs	1,217.90	1,431.12	1,529.07	3,970.91	4,960.38	6,996.71
7	Profit/(Loss) from Ordinary activities after finance costs but before exceptional items (5)-(6)	(300.46)	35.42	(1,031.85)	(231.13)	(901.10)	901.64
8	Exceptional Items	-	-	-	-	-	-
9	Profit/(Loss) from Ordinary activities before tax (7)-(8)	(300.46)	35.42	(1,031.84)	(231.13)	(901.10)	901.64
10	Tax Expense						
	Current tax	-	-	-	-	-	-
	Deferred tax charge/(credit)	-	-	(289.50)	-	(497.56)	-
11	Profit/(Loss) from Ordinary activities after tax (9)-(10)	(300.46)	35.42	(742.34)	(231.13)	(403.54)	901.64
12	Extraordinary income (net of tax expense Rs. Nil)	-	-	-	-	-	-
13	Net Profit/(Loss) for the period (11)-(12)	(300.46)	35.42	(742.34)	(231.13)	(403.54)	901.64
14	Paid up Equity Share Capital (Face Value of Rs. 10/- each)	2,232.54	2,232.54	2,232.54	2,232.54	2,232.54	2,232.54
15	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year						8,509.64
16.i	Earning per Share (Before Extraordinary Items) (of Rs. 10/- each) (not annualised):						
	(a) Basic	(1.35)	0.16	(3.33)	(1.04)	(1.81)	4.04
	(b) Diluted	(1.35)	0.16	(3.33)	(1.04)	(1.81)	4.04
16.ii	Earning per Share (After Extraordinary Items) (of Rs. 10/- each) (not annualised):						
	(a) Basic	(1.35)	0.16	(3.33)	(1.04)		4.04
	(b) Diluted	(1.35)	0.16	(3.33)	(1.04)		4.04



Notes:

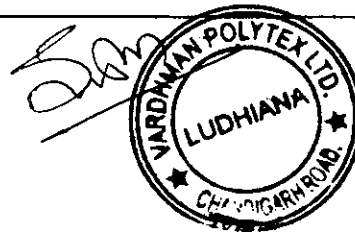
- 1 The financial results of the Company for the quarter ended December 31, 2016 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 13th February 2017 and the limited review of the same has been carried out by Statutory Auditors of the Company.
- 2 FCCB had fallen due for repayment on Feb'13, the same has been settled with the bondholders at discount, payment of which is to be made in installments, spread up to F. Y. ended 31 March, 2016. As per settled term, proportionate bonds will be cancelled against each installments made. The Company had credited profit of Rs. 396.44 lakh due on payment of FCCB liability to the statement of profit and loss for the quarter ended 30th June 2016. As on 31st December 2016, the FCCB liability is still outstanding. As per tentative terms the FCCB liability is now to be paid by 30th June 2017.
- 3 The Auditor's Qualification on the accounts for the year ended 31st March 2016 with respect of creating provision for write-off of investments & loans and advances in subsidiary company namely FM Hammerle Textiles Ltd (Formerly Known as Oswal F M Hammerle Textiles Ltd) and in another subsidiary company namely F.M. Hammerle Verwaltung GmbH, Austria has not been addressed. In view of continuous losses suffered by the subsidiary company namely FM Hammerle Textiles Ltd which has eroded 100% of the share capital. In previous year, a reference had been filed with Board for Industrial and Financial Reconstruction (BIFR). With effect from 1 December, 2016, Ministry of Finance vide notification nos. S.O. 3568(E) and 3569(E), has dissolved the Board for Industrial and Financial Reconstruction (BIFR) due to applicability of Insolvency and Bankruptcy code, 2016. Accordingly, after the dissolution of BIFR, the company is working on different resolution plans for its revival.
- 4 The company has recognised gain of Rs. 26.10 lakh as at December 31, 2016 (Previous quarter-Rs. 48.33 lakh) arising on account of exchange differences on foreign currency monetary items as required by "Accounting Standard-11-Effects of Change in Foreign Currency Rates". In the previous years, this impact was only taken as on 31st March of each year.
- 5 Due to sale of entire inventory of "Vardhman Park" during the previous year ended 31st March, 2016, there is no income from real estate segment during the current quarter and nine months ended December 31, 2016. Hence, Segment reporting is not being provided.
- 6 The Company has reassessed the estimated useful life of plant and machinery as certified by independent chartered engineer. In earlier years, the company was taking useful life of 20 years and now it has been revised to 30 years. In such cases, the company has not opted for the rates as given in the Schedule II of the Companies Act, 2013. Consequently, the depreciation charge for the current quarter and nine months ended December 31, 2016 is lower by Rs. 182.77 lakh and Rs. 510.08 lakh respectively (Previous quarter-Rs. 169.62 lakh).
- 7 Figures for previous periods have been recast/regrouped wherever necessary.

Place : Ludhiana

Date : 13-02-2017

For Vardhman Polytex Ltd.

(Adish Oswal)
Executive Director
DIN-00009710



Limited Review Report for the quarter and nine months period ended December 31, 2016

Review Report To
The Board of Directors
Vardhman Polytex Limited

1. We have reviewed the accompanying statement of unaudited financial results of Vardhman Polytex Limited ('the Company') for the quarter and nine months period ended December 31, 2016 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"), which has been initialed by us for identification purposes. This accompanying statement of unaudited financial results has been prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", specified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and other recognised accounting practices and policies in India.
2. The Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. (a) *The Company had credited profit of Rs. 396.44 lacs due on payment of FCCB liability to the statement of profit and loss for the quarter ended 30th June 2016. This profit should have been credited in the statement of profit and loss on payment of FCCB liability which is still outstanding as explained in foot note number 2 of the unaudited financial results. Due to this, loss for the nine months ended December 31, 2016 is understated by the same amount.*

(b) *No provision has been made on the investment & loans and advances made in case of following subsidiaries as explained in foot note number 3 of the unaudited financial results :-*
 - i) *In case of F.M. Hammerle Textiles Limited (Formerly known as Oswal FM Hammerle Textiles Ltd.), investment & loans and advances made of Rs. 9,126.41 lacs and Rs. 2,337.11 lacs respectively, whose net worth has been completely eroded having a loss of Rs.15,452.51 lacs against share capital of Rs.12,386.75 lacs as on March 31,2016;*
 - ii) *In case of F.M. Hammerle Verwaltung GmbH, Austria, investment & loans and advances made of Rs. 22.54 lacs and Rs. 257.26 lacs respectively, whose net worth has been completely eroded having a loss of Rs. 287.67 lacs against share capital of Rs. 22.54 lacs as on March 31, 2016.*



This is at variance with Accounting Standard AS-13 'Accounting for Investments' specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014). This has resulted in loss for the quarter and nine months period ended December 31, 2016 being understated and investments, loans and advances and reserves and surplus being overstated by the same amount.

5. Based on our review conducted as per para 3 above and *except for our qualification as per para 4 above*, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in all material respects in accordance with applicable Accounting Standards prescribed under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies in India has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed or that it contains any material misstatement.

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



Sunil Wahal
Partner

Membership No: 087294

Place: New Delhi
Dated: February 13, 2017