REF: VPL:SEC:MAY:2018-19 Date: 30.05.2018

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

REF: REVISED OUTCOME OF BOARD MEETING

SUBJECT: Outcome of Board meeting held on 30.05.2018 and Submission of Audited Financial Results for year ended on 31st March, 2018 in Compliance with Regulation 33 and 30(2) of the SEBI (LODR) Regulations, 2015.

Dear Sir/Madam,

Pursuant to Regulation 30 read with Part A of Schedule III and Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, we are enclosing herewith Audited Financial Results (both Standalone & Consolidated) of the Company for the quarter/financial year ended 31st March, 2018 together with Auditors' Report and the statement of impact of audit qualifications as approved by Board of Directors in its meeting held on 30th May, 2018.

We further state that the report of Auditors is with qualified opinion with respect to the Audited Financial Results (both Standalone & Consolidated) of the Company for the quarter/ financial year ended 31st March, 2018.

Further, the Board of Directors has appointed Ms. Aarti Rawat (DIN:07156525) as an Independent director on the Board.

The meeting of Board of Directors commenced at 03.00 P.M. and concluded at 9:15 P.M.

Note: Due to some typographical error in the subject of the outcome earlier submitted, the revised outcome is hereby submitted.

Thanking you,

Your's faithfully,

For Vardhman Polytex Limited

Pankaj Agarwal

Pankaj Agarwal
(Company secretary)

VARDHMAN POLYTEX LTD. LUDHIANA CHANDIGARH ROAD

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 ASSETS AND LIABILITIES

(Rs in Lakhs)

S.No.	Particulars	STANDALONE		CONSOLIDATED	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
		Audited	Audited	Audited	Audited
I	**ASSETS**				
1	**Non-current assets**				
	a) Property, plant and equipment	22,357.42	23,837.55	33,339.32	35,441.26
	b) Investment Property	505.06	514.90	505.06	514.90
	c) Capital work-in-progress	311.39	537.58	311.39	666.61
	d) Other intangible assets	6.69	7.42	136.14	315.93
	e) Financial assets			-	-
	i) Investments	23.15	9,149.56	0.62	0.62
	ii) Loans	-	35.00	-	35.00
	iii) Other financial assets	-	2,331.02	-	95.02
	f) Trade receivable	279.23	-	279.23	-
	g) Deferred tax assets (net)	5,016.18	5,016.18	5,016.18	5,016.18
	h) Other non-current assets	929.06	1,097.40	953.08	1,124.26
	Total Non Current Assets	**29,428.18**	**42,526.61**	**40,541.02**	**43,209.78**
2	**Current assets**				
	a) Inventories	4,256.88	7,743.10	4,445.66	8,834.00
	b) Financial assets				
	i) Investments	-	5.78	-	5.78
	ii) Trade and other receivables	2,750.75	7,681.47	2,841.20	8,582.80
	iii) Cash and cash equivalents	39.72	261.58	107.28	344.52
	iv) Bank balances other than above	128.53	440.93	281.99	564.07
	v) Loans	16.58	32.33	16.86	35.53
	vi) Other financial assets	277.89	1,246.66	296.27	1,103.44
	c) Current tax assets	340.82	415.47	367.88	434.95
	d) Other current assets	2,297.38	2,210.82	2,393.60	2,417.09
	Total Current Assets	**10,108.55**	**20,038.14**	**10,750.74**	**22,322.18**
	TOTAL ASSETS	**39,536.73**	**62,564.75**	**51,291.76**	**65,531.96**
II	**EQUITY AND LIABILITIES**				
1	**EQUITY**				
	a) Equity share capital	2,232.54	2,232.54	2,232.54	2,232.54
	b) Other equity	(33,912.46)	8,510.47	(25,793.21)	(8,578.09)
	c) Preference Share Capital			1,220.75	1,220.75
	Total Equity	**(31,679.92)**	**10,743.01**	**(22,339.92)**	**(5,124.80)**
	LIABILITIES				
2	**Non-current liabilities**				
	a) Financial liabilities				
	i) Borrowings	13,223.84	16,421.92	23,943.47	27,284.02
	b) Long term provisions	48.97	43.38	418.44	357.83
	c) Other non-current liabilities	0.53	16.81	6.86	50.12
	Total Non Current Liabilities	**13,273.34**	**16,482.11**	**24,368.77**	**27,691.97**
3	**Current liabilities**				
	a) Financial liabilities				
	i) Borrowings	24,532.20	18,649.68	25,861.02	19,978.49
	ii) Trade payables	3,769.14	6,884.76	4,939.86	8,163.53
	iii) Other financial liabilities	28,558.87	9,420.19	17,156.02	14,202.99
	b) Other current liabilities	269.36	379.11	471.38	570.39
	c) Short term provisions	813.74	5.89	834.63	49.39
	Total Current Liabilities	**57,943.31**	**35,339.63**	**49,262.91**	**42,964.79**
	TOTAL EQUITY AND LIABILITIES	**39,536.73**	**62,564.75**	**51,291.76**	**65,531.96**

For Vardhman Polytex Ltd.
sd/-

(Adish Oswal)
Managing Director
Business & Corporate Affairs

VARDHMAN POLYTEX LTD. LUDHIANA. CHANDIGARH ROAD

Place : Ludhiana
Date : 30th May 2018

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, 2018

(Rs. In Lakh)

Sl. No	Particulars	Standalone Quarter ended			Standalone Year ended		Consolidated Year ended	
		31st March 2018 Audited	31st Dec 2017 Unaudited	31st March 2017 Audited	31st March 2018 Audited	31st March 2017 Audited	31st March 2018 Audited	31st March 2017 Audited
1	**Income from operations**	18,174.47	13,308.38	23,580.48	62,135.95	85,925.13	64,096.45	92,549.25
2	Other income	(4.63)	89.86	994.78	420.46	1,401.27	543.14	1,209.39
3	**Total Income (1+2)**	**18,169.84**	**13,398.24**	**24,575.26**	**62,556.41**	**87,326.40**	**64,639.59**	**93,758.64**
4	**Expenses**							
	A) Cost of material consumed	13,003.22	8,925.02	10,539.56	42,181.93	52,007.50	42,673.88	54,933.56
	B) Purchase of traded goods	1,194.50	945.57	4,678.73	4,310.64	8,766.93	4,255.51	6,566.35
	C) Changes in inventories of finished goods, stock in trade and work in progress	(339.41)	67.70	1,820.57	2,243.15	(692.45)	3,028.12	1,565.87
	D) Excise duty on sale of goods	-	-	-	0.08	1.08	0.08	1.08
	E) Employee benefit expense	1,180.18	1,096.28	1,473.63	4,794.58	5,485.73	6,385.65	7,258.34
	F) Finance costs	1,820.94	1,540.40	1,708.95	6,566.95	5,619.58	8,245.80	7,246.16
	G) Depreciation and amortisation expense	494.12	512.37	504.16	2,052.10	2,065.05	2,990.72	3,047.84
	H) Other Expenditure	3,560.44	2,281.51	3,681.11	12,918.78	14,139.25	14,022.22	16,483.38
	Total Expenses	**20,913.99**	**15,368.85**	**24,406.71**	**75,068.21**	**87,392.67**	**81,601.98**	**97,102.58**
5	**Profit from operations before tax and exceptional items (3-4)**	**(2,744.15)**	**(1,970.61)**	**168.55**	**(12,511.80)**	**(66.27)**	**(16,962.39)**	**(3,343.94)**
6	Exceptional items	17,648.61	-	-	29,876.50	-	203.13	-
7	**Profit before tax and after exceptional items (5-6)**	**(20,392.76)**	**(1,970.61)**	**168.55**	**(42,388.30)**	**(66.27)**	**(17,165.52)**	**(3,343.94)**
8	Tax expense	-	-	-	-	-	1.32	1.27
9	**Net Profit after tax (7-8)**	**(20,392.76)**	**(1,970.61)**	**168.55**	**(42,388.30)**	**(66.27)**	**(17,166.84)**	**(3,345.21)**
	Other comprehensive income/ (loss), net of tax	(101.03)	22.28	85.20	(34.19)	88.89	(38.62)	41.59
10	**Total Comprehensive Income for the period [Comprising Profit / (loss) for the period (after tax) and Other Comprehensive Income (after tax)]**	**(20,493.79)**	**(1,948.33)**	**253.75**	**(42,422.49)**	**22.62**	**(17,205.46)**	**(3,303.62)**
11	Paid-up equity share capital (Face value-Rs.10 per equity share)	2,232.54	2,232.54	2,232.54	2,232.54	2,232.54	2,232.54	2,232.54
	Reserves (excluding revaluation reserves)	(33,912.46)	(13,418.59)	8,510.47	(33,912.46)	8,510.47	(25,793.21)	(8,578.09)
	Earnings per share (of Rs.10 each) (for the period - not annualised)							
	- Basic (Rs.)	(91.48)	(8.84)	0.76	(190.16)	(0.30)	(77.01)	(15.01)
	- Diluted (Rs.)	(91.48)	(8.84)	0.76	(190.16)	(0.30)	(77.01)	(15.01)

VARDHMAN POLYTEX LTD. LUDHIANA CHANDIGARH ROAD

Notes:

1 The above results were reviewed by the Audit Committee and thereafter have been adopted by the Board at its meeting held on May 30th, 2018. A Limited review of the financial results for the quarter and year ended March 31, 2018 have been carried out by the Statutory Auditors.

2 Regarding the auditors qualification for the year ended March 31, 2017 with respect to repayment of FCCB liability, the repayment of the same has been delayed due to liquidity crisis and additional liability, if any on this account, will be booked as and when finalised. The qualification still stands.

3 Due to various factors beyond the control of management/external factors, the company has suffered operational losses to the tune of Rs 2744.17 lacs during the current quarter. Consequently, the company has defaulted on payment of its debt obligations to various lenders leading to its borrowing being classified as NPA by the banks. The company had requested bankers for restructuring and the lenders had obtained third party TEV report from Dun & Bradstreet regarding the financial & technical viability of the company. However, despite net worth having been fully eroded, the Management is of the view that the company is an operative company and necessary steps are in process to mitigate this. In view of the same, the financial statements have been prepared on a going concern basis.

4 Exceptional items for the quarter include following :
On account of invocation of Corporate Guarantee of the company towards it subsidiary M/s. FM Hammerle Textiles Limited, a provision of Rs. 17,685.13 lacs has been booked during this quarter. Thus for the year ending 31st March 2018, the total exceptional items amount to Rs 29,876.50 Lacs.

5 The consolidated financial results include results of the subsidiary, FM Hammerle Textiles Limited. As mentioned above, the subsidiary company is undergoing Corporate Insolvency resolution process (CIRP), wherein, the operations are being run by committe of creditors (COC) appointed and NCLT approved resolution professional. Since the resolution process is still not complete, the accounts of the subsidiary have been prepared and consolidated on going concern basis.

6 The figures for the quarter ended 31 March 2018 are the balancing figures between the audited figures for the full financial year and the unaudited figures for the nine months ended 31 December 2017.

7 The Company has adopted Indian Accounting Standards (INDAS) from April 1, 2017 (transition date being April 1, 2016) and accordingly, these financial results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and the other accounting principles generally accepted in India. Results for the year ended March 31, 2018, are in compliance with Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs. Consequently, results for the quarter ended March 31, 2017 and year ended March 31, 2017 have been restated to comply with Ind AS to make them comparable . The financial results and other information for the quarter and year ended March 31, 2017 have not been audited or reviewed by the Statutory Auditors. However, the management has exercised necessary due diligence to ensure that the unaudited financial results present a true and fair view of the company's affairs.

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 The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Previous Indian GAAP to Ind AS in accordance with Ind AS 101:

Total comprehensive income reconciliation.

(Rs in Lakhs)

Particulars	Standalone		Consolidated
	For the quarter ended	For Year ended	For Year ended
	March 31, 2017	March 31, 2017	March 31, 2017
Net Profit under previous GAAP	253.75	22.62	-3303.62
Employee future benefits – actuarial gains and losses (i)	-85.20	-88.89	-41.59
Net Profit as reported under Ind AS	168.55	-66.27	-3345.21
Other comprehensive income*	85.20	88.89	41.59
Total Income comprising Profit/(Loss) after Other Comprehensive income under Ind AS	253.75	22.62	-3303.62

Reconciliation of equity and comprehensive income as previously reported under Indian GAAP to Ind-AS

(Rs in Lakhs)

Particulars	Standalone as on	Consolidated as on
	March 31, 2017	March 31, 2017
Equity as reported under IGAAP	8510.47	-8517.79
a. Ind-AS Adjustments increase:	-	-
	8,510.47	(8,517.79)
b. Ind-AS Adjustments (decrease):		
Capital subsidy shifted to deferred income	-	(60.30)
Equity as reported under Ind-AS	8,510.47	(8,578.09)

10 Figures relating to previous period have been regrouped/rearranged, where necessary to make them comparable with those of the current period

VARDHMAN POLYTEX LTD. LUDHIANA. CHANDIGARH ROAD.

For Vardhman Polytex Ltd.
sd/-
(Adish Oswal)
Managing Director
Business & Corporate Affairs

Place : Ludhiana
Date : 30th May 2018

Annexure -1

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results
(Standalone)

	Statement on Impact of Audit Qualifications for the financial year ended March 31, 2018			
1	Sl. No		Audited Figures (as reported before adjusting the qualifications)	Adjusted Figures(audited figures after adjusting for qualifications)
	1	Turnover/Total Income	62,556.41	62,556.41
	2	Total Expenditure	75068.21	75,464.65
	3	Exceptional and Extraordinary Items (Net) Loss/Gain	(29,876.50)	(29,876.50)
	4	Net Profit/(Loss) (1-2-3) before tax	(42388.30)	(42,784.74)
	5	Earnings per share for discontinued and continued operations Basic (Rs.)	(190.16)	(191.94)
	6	Total Assets	39,536.73	39,536.72
	7	Total Liabilities	71216.65	71,613.09
	8	Net Worth	(31,679.92)	(32,076.36)
	9	Any other financial item(s) (as felt appropriate by the management)		
2	a) **Audit Qualification :** 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 31,2018. The same has not been addressed in the current quarter.			
	b)	Type of Audit Qualification	Qualified Opinion	
	c)	Frequency of qualification	Repetitive	
	d)	For the Audit Qualification (s) where the impact is quantified by the Auditor, Management 's Views: We state that the Company has credited the amount on basis of settlement of FCCB liability and repayment of the same has been delayed due to liquidity crisis. Additional liability, if any on this account, will be booked as and when finalised.		
	e)	For the Audit Qualification (s) where the impact is not quantified by the Auditor - Not Applicable		
	i)	Management's estimation on the impact of Audit Qualification - Not Applicable		
	ii)	If the management is unable to estimate the impact, reasons for the same - Not Applicable		
	iii)	Auditor's comments on (i) or (ii) above - Not Applicable		
3	Signatories			
	-	CEO/Managing Director -		
	-	CFO -		

ROMESH K AGGARWAL & ASSOCIATES CHARTERED ACCOUNTANTS LUDHIANA

VARDHMAN POLYTEX LTD. LUDHIANA CHANDIGARH ROAD

	-	CFO -
	-	Audit Committee Chairman
	-	Statutory Auditor
		Place – Ludhiana Date - 30.05.2018

Annexure -1

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results (Consolidated)

Statement on Impact of Audit Qualifications for the financial year ended March 31, 2018				
1	Sl. No		Audited Figures (as reported before adjusting the qualifications)	Adjusted Figures(audited figures after adjusting for qualifications)
	1	Turnover/Total Income	64639.59	64,639.59
	2	Total Expenditure	81,601.98	81,998.42
	3	Exceptional and Extraordinary Items (Net) Loss/Gain	(203.13)	(203.13)
	4	Net Profit/(Loss) (1-2-3) before tax	(17,165.52)	(17,561.96)
	5	Earnings per share for discontinued and continued operations Basic (Rs.)	(77.01)	(78.79)
	6	Total Assets	51,291.76	51,291.76
	7	Total Liabilities	73,631.68	74028.12
	8	Net Worth	(22,339.92)	(22,736.36)
	9	Any other financial item(s) (as felt appropriate by the management)		
2	a) **Audit Qualification :** 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, 2018. The same has not been addressed in the current quarter.			
	b)	Type of Audit Qualification	Qualified Opinion	
	c)	Frequency of qualification	Repetitive	
	d)	For the Audit Qualification (s) where the impact is quantified by the Auditor, Management 's Views: We state that the Company has credited the amount on basis of settlement of FCCB liability and repayment of the same has been delayed due to liquidity crisis. Additional liability, if any on this account, will be booked as and when finalised.		
	e)	For the Audit Qualification (s) where the impact is not quantified by the Auditor - Not Applicable		
	i)	Management's estimation on the impact of Audit Qualification - Not Applicable		
	ii)	If the management is unable to estimate the impact, reasons for the same - Not Applicable		
	iii)	Auditor's comments on (i) or (ii) above - Not Applicable		
3	Signatories			
	-	CEO/Managing Director -		

CFO

RAMESH K. AGGARWAL & ASSOCIATES CHARTERED ACCOUNTANTS

VARDHMAN POLYTEX LTD. LUDHIANA CHANDIGARH ROAD

	-	Audit Committee Chairman
	-	Statutory Auditor
		Place - Ludhiana Date - 30.05.2018

VARDHMAN POLYTEX LTD. LUDHIANA CHANDIGARH ROAD

RAMESH A. GARGAL & ASSOCIATES CHARTERED ACCOUNTANTS LUDHIANA

ROMESH K. AGGARWAL & ASSOCIATES

CHARTERED ACCOUNTANTS

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

Phones: 2532920, 2534289.

Independent Auditor's Report on Consolidated Financial Results of Vardhman Polytex Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To
The Board of Directors,
Vardhman Polytex Ltd.
Ludhiana

1. Introduction

We have audited the consolidated financial results of Vardhman Polytex Limited ("the Holding Company") and its subsidiaries (collectively referred to as "the Group") for the year ended 31st March, 2018, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred to as 'Regulations'). These consolidated financial results for the year ended 31st March, 2018 have been prepared on the basis of the audited annual consolidated Ind AS financial statements as at and for the year ended 31st March, 2018, and the relevant requirements of Regulations, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these consolidated financial results based on our audit of the annual consolidated Ind AS financial statements as at and for the year ended 31st March, 2018; and the relevant requirements of Regulations.

2. Scope of Review

We conducted our audit in accordance with the Standards on Auditing generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

3. Basis of Qualified opinion

The Holding 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 31,2018. The same has not been addressed in the current quarter.

4. Qualified Opinion

Based on our audit conducted as above, in our opinion and to the best of our information and according to the explanation given to us, except for the effects of our observations stated in para 3 above, and based on the reports of the other auditors on separate financial results of Subsidiaries and on the other financial information of the subsidiaries, the consolidated financial results :

ROMESH K. AGGARWAL & ASSOCIATES CHARTERED ACCOUNTANTS LUDHIANA

i) include the financial results for the year ended March 31,2018 for the following entities :

Name of the entity	Relationship
F.M. Hammerle Textiles Limited	Subsidiary Company
F.M. Hammerle Verwaltung Gmbh, Austria	Subsidiary Company incorporated outside India

ii) are prepared in accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular dated 5 July, 2016 in this regard; and

iii) give a true and fair view of the financial performance including other comprehensive income and other financial information for the quarter ended 31st March, 2018 and for the year ended 31st March, 2018.

5. **Emphasis of Matter**

We draw attention to the following matters:

i) Note No. 3 of the Audited Ind AS Financial Statements regarding preparation of accounts by the Holding Company on **'Going Concern'** basis as the Management is of the view that the company is an operative company and necessary steps are in process to devise a revival plan.

ii) The Holding company is in shortage of one independent director which is inconsistent with the requirements of the Companies Act 2013.

The independent auditor of **F.M. Hammerle Textiles Limited** in their audit report on the financial statements for the year ended March 31,2018 have drawn Emphasis of Matter paragraphs incorporated by us as under :

i) The company as on the date of the balance sheet has accumulated losses of Rs.23318.94 lacs which has eroded 100% of its share capital and the company's current liabilities has exceeded its current assets as at the balance sheet date. Under sick industrial companies (special provisions) act (SISA) of 1985, the company had been classified as "sick company " under section 15 of said act and accordingly a reference had been filed with board of industrial and financial reconstruction (BIFR). w.e.f. from 1st December ,2016, ministry of finance vide notifications no's, S.O. 3568(E) and 3569(E) , has dissolved BIFR due to applicability of insolvency and bankruptcy code. These conditions raise doubt about the company's ability to continue as a going concern. The management of the company is working on reviving the company by exploring possibilities of finding different resolutions plans for its revival. In view of this the accompanying financial statements do not include any adjustments that might result from the outcome of these uncertainties to the recoverability and classifications of assets carrying amounts or the amounts and classification of liabilities that might be necessary should the company be unable to continue as a going concern.

ii) The company is in shortage of one independent directors more fully explained in the said note which is inconsistent with the requirements of the act.

iii) There is an uncertainty related to the outcome of the matter pending with Hon'ble high court of state of Punjab and Haryana at Chandigarh which is pending adjudication in relation to filling petition u/s 397,398 of the erstwhile companies act, 1956. The amount of compensation is not determinable at this stage.

Our conclusion is not modified in respect of the above matters.

5. Other Matters

We did not audit the financial statements of two subsidiaries namely, F.M. Hammerle Textiles Limited and F.M. Hammerle Verwaltung Gmbh, Austria, whose financial statements reflect Total Assets of Rs.11,777.57 lacs as at March 31, 2018, Total Revenue Rs. 2,138.31 lacs and Total Loss Rs. 4,456.33 lacs for the period ended March 31, 2018, as considered in the consolidated financial results. The financial statements of M/s F.M. Hammerle Textiles Limited have been audited by other Auditors whose report has been furnished to us by the management. Also financial results of M/s F.M. Hammerle Verwaltung Gmbh, Austria are

CHARTERED ACCOUNTANTS

unaudited and have been furnished to us by the management. Our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the report of the other Auditors and the unaudited financial statements, as the case maybe. The Holding Company's management has converted the financial statements of the subsidiary located outside India from accounting principles generally accepted in their country to IND AS. We have audited these conversion adjustments made by the Holding Company's management.

6. The comparative financial information of the Company for the corresponding year ended 31st March, 2017 included in these financial results, are based on the previously issued financial results prepared in accordance with the recognition and measurement principles specified under section 133 of the Companies Act, 2013, read with relevant rules issued there under and other accounting principles generally accepted in India and audited by the predecessor auditor whose report for the year ended 31st March, 2017 dated 29th May, 2017 expressed a modified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

For Romesh K Aggarwal & Associates
Chartered Accountants
FRN - 000711N

Ruchir Singla
Partner
M. No. 519347

Place - Ludhiana
Dated - May 30, 2018

ROMESH K. AGGARWAL & ASSOCIATES

CHARTERED ACCOUNTANTS

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

Phones: 2532920, 2534289.

Independent Auditor's Report on Quarterly Standalone Financial Results and Year to Date Standalone Financial Results of Vardhman Polytex Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To
The Board of Directors,
Vardhman Polytex Ltd.
Ludhiana

1. Introduction

We have audited the accompanying standalone financial results of Vardhman Polytex Limited ("the Company") for the quarter ended 31st March, 2018 and for the year ended 31st March, 2018, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred to as 'Regulations'). The quarterly financial results are the derived figures between the audited figures in respect of the year ended 31st March, 2018 and the published year-to-date figures up to 31st December, 2017, being the date of the end of the third quarter of the current financial year, which were subject to limited review. The financial results for the quarter ended 31st March, 2018 and the year ended 31st March, 2018 have been prepared on the basis of the financial results for the nine-month period ended 31st December, 2017, the audited annual Ind AS financial statements as at and for the year ended 31st March, 2018, and the relevant requirements of Regulations, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these financial results based on our review of the financial results for the nine-month period ended 31st December, 2017 which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34, Interim Financial Reporting, specified under Section 133 of the Companies Act 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual Ind AS financial statements as at and for the year ended 31st March, 2018; and the relevant requirements of Regulations.

2. Scope of Review

We conducted our audit in accordance with the Standards on Auditing generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

3. Basis of 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 31,2018. The same has not been addressed in the current quarter.

CHARTERED ACCOUNTANTS LUDHIANA

4. Qualified Opinion

Based on our audit conducted as above, in our opinion and to the best of our information and according to the explanation given to us, except for the effects of our observations stated in para 3 above, these quarterly as well as year to date results:

i) are prepared in accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular dated 5 July, 2016 in this regard; and

ii) give a true and fair view of the financial performance including other comprehensive income and other financial information for the quarter ended 31st March, 2018 and for the year ended 31st March, 2018.

5. **Emphasis of Matter**

We draw attention to the following matters:

i) Note No. 3 of the Audited Ind AS Financial Statements regarding preparation of accounts by the Company on **'Going Concern'** basis as the Management is of the view that the company is an operative company and necessary steps are in process to devise a suitable revival plan.

ii) As stated in Note No. 4 to the Audited Ind AS financial results, lenders of the subsidiary, M/s. F.M. Hammerle Textiles Limited, have invoked the corporate guarantee given by the company. In view of the same a provision of Rs. 17,685.13 lacs has been booked during this quarter.

iii) The company is in shortage of one independent director which is inconsistent with the requirements of the Companies Act 2013.

Our conclusion is not modified in respect of the above matters.

5. Other Matters

We draw attention to the following matters:

i) Refer Note No. 7 to the Audited Ind AS financial results which states that the company has adopted Ind AS for the financial year commencing from April 1st, 2017 and accordingly the statement has been prepared in the compliance with Ind AS.

6. The comparative financial information of the Company for the corresponding quarter and year ended 31st March, 2017 included in these financial results, are based on the previously issued financial results prepared in accordance with the recognition and measurement principles specified under section 133 of the Companies Act, 2013, read with relevant rules issued there under and other accounting principles generally accepted in India and audited by the predecessor auditor whose report (dated 29th May, 2017) for the year ended 31st March, 2017 expressed a modified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

7. Further, read with paragraph 1 above, we report that the figures for the quarter ended 31st March, 2018 represent the derived figures between the audited figures in respect of the financial year ended 31st March, 2018 and the published year-to-date figures up to 31st December, 2017, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under Regulations.

CHARTERED ACCOUNTANTS

For Romesh K Aggarwal & Associates
Chartered Accountants
FRN - 000711N

Ruchir Singla
Partner
M. No. 519347

Place - Ludhiana
Dated - May 30, 2018