



Vardhmān POLYTEX LIMITED

Corporate & Regd. Office : 341, K-1, Mundian Khurd, P.O. Sahabana,
Chandigarh Road, Ludhiana-141123 Punjab (INDIA)
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Website: www.oswalgroup.com
CIN: L17122PB1980PLC004242

REF: VPL: SCY: AUG: 2014-15

Dated: 12.08.2014

The Listing Department,
NATIONAL STOCK EXCHANGE OF INDIA LTD,
"Exchange Plaza"
Bandra – Kurla Complex,
Bandra (East),
Mumbai- 400 051
Scrip Code: VARDMNPOLY

The Listing Department,
BOMBAY STOCK EXCHANGE LIMITED
25th Floor,
P.J. Towers,
Dalal Street, Fort,
Mumbai- 400 001
Scrip Code: 514175

SUBJECT: Un-audited Financial Result for the Quarter ended 30.06.2014

Dear Sir/ Madam,

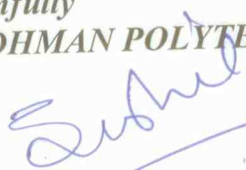
Pursuant to the Clause 41 of the Listing Agreement, we are enclosing herewith the Un-audited Financial Result for the quarter ended 30.06.2014 along with Limited Review report from the statutory auditors of the company. The same is considered and approved by the Board of Director's in their meeting held on dated 12.08.2014.

This is for your information & Record.

Thanking you,

Yours faithfully

For VARDHMAN POLYTEX LTD


SUSHIL SHARMA
COMPANY SECRETARY



Enclosed: As Above

VARDHMAN POLYTEX LTD.

Regd. Office : 341K-1, Mundian Khurd, P.O. Sahabana, Chandigarh Road, Ludhiana - 141 123

UNAUDITED FINANCIAL RESULTS FOR THE

QUARTER ENDED 30th JUNE, 2014

Part - I					(Rs. in lacs)
Sr. No.	Particulars	Quarter Ended			Year ended
		30th Jun	31st Mar	30th Jun	31st Mar
		2014	2014	2013	2014
		Unaudited	Unaudited	Unaudited	Audited
1	Income from Operations				
	(a) Net Sales / income from operations	22083.30	23398.81	20581.17	90619.37
	(Net of excise duty)				
	(b) Other operating income	535.36	539.78	338.74	1652.44
	Total Income from operations (Net)	22618.66	23938.59	20919.91	92271.81
2	Expenses				
	a) Cost of materials consumed	16944.16	16822.08	14143.65	63343.34
	b) Purchase of stock in trade	172.01	277.15		277.15
	c) Changes in inventories of finished goods, work in progress and stock in trade	(1609.28)	(815.96)	(1144.24)	(2333.75)
	d) Employee benefits expense	1382.59	1152.70	1315.88	5302.26
	e) Depreciation and amortisation expense	796.91	863.37	798.91	3265.85
	f) Other expenses	4070.14	4480.19	3963.19	16923.46
	Total expenses	21756.53	22779.53	19077.39	86778.31
3	Profit/(Loss) from Operations before other income, finance costs and exceptional items (1)-(2)	862.13	1159.07	1842.52	5493.50
4	Other Income	355.19	225.38	127.45	2016.12
5	Profit/(Loss) from Ordinary activities before finance costs and exceptional items (3)+(4)	1217.32	1384.45	1969.97	7509.62
6	Finance Costs	1975.55	1925.02	1853.2	7177.39
7	Profit/(Loss) from Ordinary activities after finance costs but before exceptional Items (5)-(6)	(758.23)	(540.57)	116.77	332.23
8	Exceptional Items				
9	Profit/(Loss) from Ordinary activities before tax (7)-(8)	(758.23)	(540.57)	116.77	332.23
10	Tax Expense	(320.01)	44.72	24.00	(145.28)
11	Profit/(Loss) from Ordinary activities after tax (9)-(10)	(438.22)	(585.29)	92.77	477.51
12	Extraordinary income (Net of tax expense Rs.Nil)				
13	Net Profit/(Loss) for the period (11-12)	(438.22)	(585.29)	92.77	477.51
14	Paid up Equity Share Capital	1985.24	1985.24	1787.74	1985.24
	(Face Value of Rs.10/- each)				
15	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year				9903.63
16.i	Earning per Share (Before Extraordinary Items)				
	(In Rs) (not annualised)				
	(a) Basic	(2.21)	(3.18)	0.52	2.59
	(b) Diluted	(1.97)	(2.80)	0.52	2.28
16.ii	Earning per Share (After Extraordinary Items)				
	(In Rs) (not annualised)				
	(a) Basic	(2.21)	(3.18)	0.52	2.59
	(b) Diluted	(1.97)	(2.80)	0.52	2.28

Sd/-



Part - II

Sr. No.	Particulars	Quarter Ended			Year ended
		30th Jun	31st Mar	30th Jun	31st Mar
		2014	2014	2013	2014
		Unaudited	Unaudited	Unaudited	Audited
A	PARTICULARS OF SHAREHOLDING				
1	Public Shareholding				
	-Number of shares	8910755	8910505	8910505	8910505
	-Percentage of Shareholding	44.96%	44.96%	49.94%	44.96%
2	Promoter and Promoter Group Shareholding				
	a) Pledged/ Encumbered				
	- Number of Shares	10907202	8932202	5884877	8932202
	- % of Shares (as a % of the total shareholding of promoter and promoter group	100.00%	81.89%	65.88%	81.89%
	- % of Shares (as a % of the total share capital of Company	55.04%	45.07%	32.98%	45.07%
	b) Non-Encumbered				
	- Number of Shares	0	1975250	3047575	1975250
	- % of Shares (as a % of the total shareholding of promoter and promoter group	0.00%	18.11%	34.12%	18.11%
	- % of Shares (as a % of the total share capital of Company	0.00%	9.97%	17.08%	9.97%
B	INVESTOR COMPLAINTS	For the quarter ended June'14			
	Pending at the beginning of the quarter	-			
	Received during the quarter	-			
	Disposed of during the quarter	-			
	Remaining unresolved at the end of the quarter	-			

Notes:

- The financial results of the Company for the quarter ended 30th June, 2014 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 12th August, 2014 and the limited review of the same has been carried out by Statutory Auditors of the Company.
- Notional gain of Rs.110.61 lacs arising on account of foreign exchange differences on foreign currency monetary items including (FCCB) as required by "Accounting Standard - 11 - Effects of Change in Foreign Currency Rates", has not been accounted for during the current quarter due to wide fluctuation in Indian Rupees vis a vis foreign currencies. The same would be recognised in the annual financial results.
- The Company has rescheduled the repayment of 2% FCCB in Feb' 13. As per new terms of payment the amount repayable has been discounted and divided into instalment payable upto F Y 2016. As and when the payment will be made the amount so paid will entitle the Company to cancel the original proportionate amount and the attributable discount on the cancelled bonds will be transferred to income. In the current quarter so much of the discount as is applicable on the cancelled bond has been transferred to income.
- The Auditor's Qualification on the accounts for the year ended 31st March 2014 with respect of creating provision for write-off of investments in subsidiary companies namely Oswal Industrial Enterprise (P) Ltd. and Oswal F M Hammerle Textiles Ltd (OFMH) has not been addressed, as both the companies have started reviving.
- The figure for the quarter ended 31 March 2014 is the difference between the audited figures for the financial years ended 31 March, 2014 and year to date published unaudited financial results upto third quarter ended 31 Dec, 2013.
- During the quarter, the company has provided for depreciation in accordance with Schedule II of the Companies Act, 2013 and as a consequence, depreciation amounting to Rs.500.52 lacs (net of deferred tax) has been adjusted against accumulated profits in respect on those assets where useful life has already been exhausted. However in some of the assets the Company has reassessed the estimated useful life of some of its fixed assets through an independent Chartered Engineers (as provided in the said schedule). In such cases the Company has not opted for the rates as given by Schedule II of the Companies Act 2013.
- The project of the company 'Vardhman Park' is in the development stage, hence no revenue has been recognised under the segment "Real Estate" upto current quarter. The disclosure requirement of Accounting Standard (AS - 17) on "Segment reporting" shall be made when the revenue under Real Estate business will start.
- Figures for previous periods have been recast/regrouped wherever necessary.

For Vardhman Polytex Ltd.
sd/-

Place: Ludhiana
Date: 12.08.2014

(Ashok Kumar Oswal)
Chairman &
Managing Director

Sd/-



LIMITED REVIEW REPORT

To

The Board of Directors
Vardhman Polytex Limited,
Ludhiana

1. We have reviewed the accompanying statement of unaudited financial results of **Vardhman Polytex Limited** (the 'Company') for the quarter ended 30th June, 2014 (the "statement") being submitted by the Company pursuant to the requirements of clause 41 of the Listing Agreement with Stock Exchanges except for the disclosures regarding 'Public Shareholding' and "Promoter and Promoter Group Shareholding" which have been traced from the disclosures made by the management and have not been reviewed by us. The statement of quarterly financial results has been prepared from interim financial statements which are the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.
2. 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 financial statements are 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.
3. (a) *The Company has not provided for foreign exchange differences on foreign currency monetary items as required by Accounting Standard AS-11 "Effect of Changes in Foreign Exchange Rates" amounting to Rs. 110.61 Lacs for the quarter ended 30th June, 2014 owing to the reasons as explained in foot note no.2 of the Statement of unaudited financial results. Due to this, loss for the quarter ended 30th June, 2014 is overstated by the same amount.*

(b) *The Company had made an investment of Rs. 4996.00 in one of the wholly owned subsidiary company Oswal Industrial Enterprises Private Limited. On this investment, provision for diminution in value of Rs. 495.00 lacs has already been created in the earlier years. On the balance amount of Rs. 4501.00 lacs no further provision has been made although the net worth is substantially eroded due to the subsidiary company having accumulated losses of Rs.4055.27 lacs against share capital of Rs.5005.00 lacs as on March 31, 2014 and also the investment in one of the subsidiary company Oswal FM Hammerle Textiles Ltd. of Rs 9,126.41 lacs whose net worth are substantially eroded and having a loss of Rs. 11,338.59 lacs against share capital of Rs. 12,248.75 lacs as on March 31, 2014. This is at variance with Accounting Standard AS-13 'Accounting for Investments' notified under the provisions of the Companies Act, 1956, [specified under the Companies Act, 1956 which are deemed to be applicable as per section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014]*
4. Subject to clause 3 based on our review conducted as above, nothing further has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard AS - 25



'Interim Financial Reporting' [specified under the Companies Act, 1956 which are deemed to be applicable as per section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014] and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place : New Delhi
Date : August 12, 2014

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



(Sunil Wahal)
Partner
Membership No. 087294

