# Vardhmān POLYTEX LIMITED

**Corporate & Regd. Office :** 341, K-1, Mundian Khurd, P.O. Sahabana,
Chandigarh Road, Ludhiana-141123 Punjab (INDIA)
Phone : 91-161-2685301-305, Fax : 91-161-5052439
E-mail : info@oswalgroup.com


***REF: VPL: SCY: NOV: 2012-13*** ***Dated: 10.11.2012***

| | |
|---|---|
| ***The Listing Department,***<br>***NATIONAL STOCK EXCHANGE OF INDIA LTD,***<br>***"Exchange Plaza"***<br>***Bandra – Kurla Complex,***<br>***Bandra (East),***<br>***Mumbai- 400 051***<br>***Scrip Code: VARDMNPOLY*** | ***The Listing Department,***<br>***BOMBAY STOCK EXCHANGE LIMITED***<br>***25th Floor,***<br>***P.J. Towers,***<br>***Dalal Street, Fort,***<br>***Mumbai- 400 001***<br>***Scrip Code: 514175*** |

***SUBJECT: Un-audited Financial Result for the Quarter/Half Year ended 30.09.2012.***

Dear Sir/ Madam,

Pursuant to the Clause 41 of the Listing Agreement, we are enclosing herewith the Un-audited Financial Result for the Quarter/Half Year ended 30.09.2012 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 10.11.2012

This is for your information & Record.

Thanking you,

***Yours faithfully***
***For VARDHMAN POLYTEX LTD***

***SUSHIL SHARMA***
***COMPANY SECRETARY***

VARDHMAN POLYTEX LTD. LUDHIANA. CHANDIGARH ROAD.

*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 PERIOD ENDED 30TH SEP'2012**

| Part - I | | | | | | | |
|---|---|---|---|---|---|---|---|
| Sr. No. | Particulars | Quarter Ended | | | Year to date | | Year ended |
| | | 30th Sep 2012 | 30th June 2012 | 30th Sep 2011 | 30th Sep 2012 | 30th Sep 2011 | 31st Mar 2012 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 | **Income from Operations** | | | | | | |
| | (a) Net Sales / income from operations | 18999.83 | 17115.85 | 18648.34 | 36115.68 | 36307.36 | 73476.07 |
| | (Net of excise duty) | | | | | | |
| | (b) Other operating income | 244.63 | 203.09 | 485.17 | 447.72 | 1123.41 | 1451.23 |
| | | | | | | | |
| | **Total Income from operations (Net)** | 19244.46 | 17318.94 | 19133.51 | 36563.40 | 37430.77 | 74927.30 |
| 2 | **Expenses** | | | | | | |
| | a) Cost of materials consumed | 12743.28 | 12035.69 | 12509.5 | 24778.97 | 31161.12 | 54061.77 |
| | b) Purchase of stock in trade | 31.35 | | | 31.35 | | 1321.83 |
| | c) Changes in inventories of finished goods, | -578.73 | -1484.36 | 3427.30 | (2063.09) | 1493.19 | 3072.16 |
| | work in progress and stock in trade | | | | | | |
| | d) Employee benefits expense | 1118.97 | 969.31 | 950.30 | 2088.28 | 1790.22 | 3826.25 |
| | e) Depreciation and amortisation expense | 936.93 | 903.36 | 687.69 | 1840.29 | 1368.84 | 2959.69 |
| | f) Power Expenses | 2097.82 | 2308.83 | 1555.22 | 4406.65 | 2981.52 | 6788.92 |
| | g) Other expenses | 2173.28 | 1404.64 | 1672.65 | 3577.92 | 3141.71 | 8728.62 |
| | **f) Total expenses** | **18522.90** | **16137.47** | **20802.66** | **34660.37** | **41936.60** | **80759.24** |
| | | | | | | | |
| 3 | **Profit/(Loss) from Operations before other income, finance costs and exceptional items (1)-(2)** | **721.56** | **1181.47** | **(1669.15)** | **1903.03** | **(4505.83)** | **(5831.94)** |
| 4 | Other Income | 457.80 | 23.71 | 483.33 | 481.51 | 1310.83 | 2141.71 |
| 5 | **Profit/(Loss) from Ordinary activities before finance costs and exceptional items (3)+(4)** | **1179.36** | **1205.18** | **(1185.82)** | **2384.54** | **(3195.00)** | **(3690.23)** |
| 6 | Finance Costs | 1576.32 | 1989.85 | 1728.31 | 3566.17 | 3199.20 | 6771.95 |
| 7 | **Profit/(Loss) from Ordinary activities after finance costs but before exceptional items (5)-(6)** | **(396.96)** | **(784.67)** | **(2914.13)** | **(1181.63)** | **(6394.20)** | **(10462.18)** |
| 8 | Exceptional Items - Loss on Valuation of Inventory | | | | | 540.00 | |
| 9 | **Profit/(Loss) from Ordinary activities before tax (7)-(8)** | **(396.96)** | **(784.67)** | **(2914.13)** | **(1181.63)** | **(6934.20)** | **(10462.18)** |
| 10 | Tax Expense | (244.77) | 7.97 | (652.00) | (236.80) | (1002.00) | (2320.97) |
| 11 | **Profit/(Loss) from Ordinary activities after tax (9)-(10)** | **(152.19)** | **(792.64)** | **(2262.13)** | **(944.83)** | **(5932.20)** | **(8141.21)** |
| 12 | Extraordinary income (net of tax expense Rs.....) | | | | | | |
| 13 | **Net Profit/(Loss) for the period (11-12)** | **(152.19)** | **(792.64)** | **(2262.13)** | **(944.83)** | **(5932.20)** | **(8141.21)** |
| 14 | Paid up Equity Share Capital | 1627.75 | 1627.75 | 1627.75 | 1627.75 | 1627.75 | 1627.75 |
| | (Face Value of the share shall be indicated) | | | | | | |
| 15 | Reserves excluding Revaluation Reserves as | | | | | | 7752.33 |
| | per balance sheet of previous accounting year | | | | | | |
| 16.i | **Earning per Share (Before Extraordinary Items)** | | | | | | |
| | **(In Rs) ( not annualised)** | | | | | | |
| | **(a) Basic** | (0.94) | (4.88) | (13.93) | (5.82) | (36.52) | (50.12) |
| | **(b) Diluted** | (0.94) | (4.88) | (13.93) | (5.82) | (36.52) | (50.12) |
| 16.ii | **Earning per Share (after Extraordinary Items)** | | | | | | |
| | **(In Rs) ( not annualised)** | | | | | | |
| | **(a) Basic** | (0.94) | (4.88) | (13.93) | (5.82) | (36.52) | (50.12) |
| | **(b) Diluted** | (0.94) | (4.88) | (13.93) | (5.82) | (36.52) | (50.12) |

VARDHMAN POLYTEX LTD. LUDHIANA

**Part - II**

| Sr. No. | Particulars | Quarter Ended | | | Year to date | | Year ended |
|---|---|---|---|---|---|---|---|
| | | 30th Sep 2012 Unaudited | 30th June 2012 Unaudited | 30th Sep 2011 Unaudited | 30th Sep 2012 Unaudited | 30th Sep 2011 Unaudited | 31st Mar 2012 Audited |
| A | **PARTICULARS OF SHAREHOLDING** | | | | | | |
| 1 | Public Shareholding | | | | | | |
| | -Number of shares | 8910655 | 8910655 | 8945655 | 8910655 | 8945655 | 8910655 |
| | -Percentage of Shareholding | 54.86% | 54.86% | 55.07% | 54.86% | 55.07% | 54.86% |
| | | | | | | | |
| 2 | Promoter and Promoter Group Shareholding | | | | | | |
| | a) Pledged/ Encumbered | | | | | | |
| | - Number of Shares | 151154 | 151154 | 151154 | 151154 | 151154 | 151154 |
| | - % of Shares (as a % of the total shareholding of promoter and promoter group | 2.06% | 2.06% | 2.06% | 2.06% | 2.06% | 2.06% |
| | - % of Shares (as a % of the total share capital of Company | 0.93% | 0.93% | 0.93% | 0.93% | 0.93% | 0.93% |
| | b) Non-Encumbered | | | | | | |
| | - Number of Shares | 7181148 | 7181148 | 7146148 | 7181148 | 7146148 | 7181148 |
| | - % of Shares (as a % of the total shareholding of promoter and promoter group | 97.94% | 97.94% | 97.94% | 97.94% | 97.94% | 97.94% |
| | - % of Shares (as a % of the total share capital of Company | 44.21% | 44.21% | 44.00% | 44.21% | 44.00% | 44.21% |
| | | | | | | | |
| | | | | | | | |
| B | **INVESTOR COMPLAINTS** | | | | | | |
| | | | | | | | |
| | Pending at the begining of the year | - | | | | | |
| | Received during the year | 1 | | | | | |
| | Disposed of during the year | 1 | | | | | |
| | Remaining unresolved at the end of the year | - | | | | | |

**Notes:**

1. The financial Results of the Company for the quarter ended 30th September'2012 have been reviwed by the Audit Committee and approved by the Board of Directors at its meeting held on 10th November'2012 and the limited review of the same has been carried out by Statuory Auditor of the Company.
2. Since the current market price of the equity share is below the conversion price under FCCB, shares arising out of conversion are anti dilutive in nature
3. Due to unprecedented devaluation in local currency during the period, notional loss of Rs. 166.60 lacs arising on account of foreign exchange differences on foreign currency monetary items (FCCB) has not been accounted for during the period as required by Accounting Standard - 11 "Effects of Changes in foreign exchange rates". The same would be recognised at the end of the accounting year.
4. The Company is in process of seeking approval from its lenders for overall Restrucuring of its debts through CDR mechanism with the cut off date as on 31st Dec' 2011, accordingly the Canara Bank has referred the case to CDR cell on 30th April 2012 being the lead bank & admitted on 1st June 2012 . Accordingly, The Canara Bank has submitted the final package for approval to the CDR Empowered Group, which will get approved after receipt of requisite mandates from the lenders. Presently interest cost has been provided at prevailing contracted rates.
5. The Auditor's Qualification on the accounts for the year ended 31st March 2012 with respect of creating provision for write-off of investments in subsidary company namely M/s Oswal Industrial Enterprise (P) Ltd. has not been addressed, as the subsidary company has started reviving by generating positive earnings.
6. The company is in textile segment which is the only reportable segment and accordingly the disclosure requirements as prescribed in the Accouting Standards (AS -17) on Segment Reporting and notified under the Companies (Accounting Standards), Rules 2006 are not required.
7. Figures for previous periods have been recast/regrouped wherever necessary.

VARDHMAN POLYTEX LTD. LUDHIANA. CHANDIGARH ROAD

## UNAUDITED STATEMENT OF ASSETS & LIABILITIES AS AT 30th SEP'2012

(Rs. in Lacs)

| Sr. No. | Particulars | Half Year ended 30th Sep 2012 Unaudited | Year ended 31st March 2012 Audited |
|---|---|---|---|
| A | **EQUITY AND LIABILITIES** | | |
| 1 | **SHAREHOLDER'S FUNDS** | | |
| | a) Share Capital | 1,627.75 | 1,627.75 |
| | b) Reserve & Surplus | 6,683.52 | 7,752.36 |
| | c) Money received against share warrants | | |
| | **Sub total - Shareholders' funds** | 8,311.27 | 9,380.11 |
| 2 | **Non - Current Liabilities** | | |
| | (a) Long Term Borrowings | 18,572.27 | 20,032.41 |
| | (b) Deferred tax liabilities (net) | | |
| | (c) Other long term liabilities | 40.50 | 28.31 |
| | (d) Long term provisions | 40.43 | 150.73 |
| | **Sub total Non Current Liabilities** | 18,653.20 | 20,211.45 |
| 3 | **Current Liabilities** | | |
| | (a) Short term borrowings | 18,877.47 | 18,617.24 |
| | (b) Trade payables | 3,310.69 | 2,859.62 |
| | (c) Other current liabilities | 14,233.50 | 13,371.88 |
| | (d) Short term provisions | 650.42 | 607.16 |
| | **Sub total Current Liabilities** | 37,072.08 | 35,455.90 |
| | **TOTAL EQUITY AND LIABILITIES** | **64,036.55** | **65,047.46** |
| B | **ASSETS** | | |
| 1 | **Non Current Assets** | | |
| | (a) Fixed Assets | 32,663.13 | 33,942.58 |
| | (b) Non Current Investments | 13,650.48 | 13,650.48 |
| | (c) Deferred tax assets (net) | 1,527.65 | 1,290.85 |
| | (d) Long term loans and advances | 317.78 | 314.37 |
| | (e) Other non current assets | 3.85 | |
| | **Sub Total Non Current Assets** | 48,162.89 | 49,198.28 |
| 2 | **Current Assets** | | |
| | (a) Current Investments | 91.99 | 91.99 |
| | (b) Inventories | 4,847.30 | 3,101.51 |
| | (c) Trade receivables | 3,473.13 | 4,614.69 |
| | (d) Cash and Bank balances | 236.72 | 483.50 |
| | (e) Short term loans and advances | 6,926.48 | 7,557.49 |
| | (f) Other Current Assets | 298.04 | |
| | **Sub Total Current Assets** | 15,873.66 | 15,849.18 |
| | **TOTAL ASSETS** | **64,036.55** | **65,047.46** |

**Place: Ludhiana**
**Date: 10.11.2012**

VARDHMAN POLYTEX LTD. LUDHIANA. CHANDIGARH ROAD.

**For Vardhman Polytex Ltd.**

**sd/-**

**(Ashok Oswal)**
**Chairman & Managing Director**

# S S KOTHARI MEHTA & CO

CHARTERED ACCOUNTANTS

146-149 Tribhuvan Complex
Ishwar Nagar
Mathura Road
New Delhi-110065
Phones : +91-11-4670 8888
Fax : +91-11-6662 8889
E-mail : delhi@sskmin.com


## 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 September 30, 2012 being submitted by the company pursuant to the requirement 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 interim 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 provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. Without qualifying, we state that :
The Company has made investment in the equity shares of its subsidiary company Oswal F.M. Hammerle Textiles Limited of Rs.9126.41 Lacs whose net worth is partly eroded. We understand from the management that the investment is long term strategic in nature and the erosion in net worth is due to slump in textile sector; this being a temporary phenomenon, the net worth will review in the near future.

4. *(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. 166.60 Lacs for the quarter ended September 30, 2012 owing to the reasons as explained in foot note no.3 of the Statement of unaudited financial results. Due to this, loss for the quarter ended September 30, 2012 is understated by the same amount.*

*(b) No provision has been made for investment made in one of the subsidiary companies Oswal Industrial Enterprises Private Limited of Rs.4501 Lacs whose net worth is substantially eroded, the subsidiary company having accumulated losses of Rs.4874.26 Lacs against share capital of Rs.5005.00 Lacs as on March 31, 2012. This is at variance with Accounting Standard AS-13 'Accounting for Investments' notified under the Companies (Accounting Standards) Rules, 2006 resulting in loss for the quarter being understated by the same amount.*

5. *Subject to 4 above*, 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" notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended) and other recognised 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.

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

S.S. KOTHARI MEHTA & CO. NEW DELHI CHARTERED ACCOUNTANTS

Arun K. Tulsian
Partner
Membership No. 089907

Place: New Delhi
Dated: November 10, 2012

VARDHMAN POLYTEX LTD. LUDHIANA. CHANDIGARH ROAD