



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

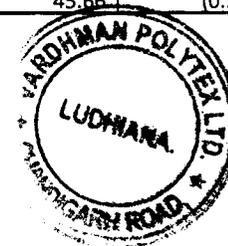
(Rs. In Lakh)

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</b>	<b>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</b>	<b>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</b>	<b>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</b>	<b>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</b>	<b>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.

(Ajish 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").

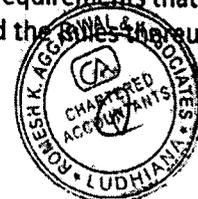
In our opinion and to the best of our information and according to the explanations given to us, except for the effects the matter described in the *Basis for Qualified Opinion*, the aforesaid standalone annual financial results:

- 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

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

Delhi

Chandigarh

Ludhiana

Phones: 2532920, 2534289.

**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").

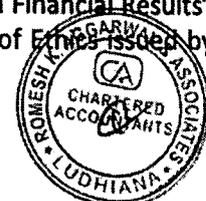
In our opinion and to the best of our information and according to the explanations given to us, except for the effects the matter described in the *Basis for Qualified Opinion* and based upon on the consideration of conversions done by the management of separate financial information of the foreign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



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 Holding 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 basis of 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 ability of the Group and its associates 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 Consolidated 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 Group and its associates to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Results, including the disclosures, and whether the the Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associates of which we are the independent auditors to express an opinion on the the Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Consolidated Financial Results of which we are the independent auditors. For the other entities included in the Consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Results of which we are the independent auditors 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.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities Exchange Board of India under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

#### **Other Matters**

The subsidiary Company is located outside India whose financial statement and other financial information have been prepared in accordance with the accounting principles generally accepted in their respective country. These financial results are unaudited and have been furnished to us by the management. The company's management has converted the above-mentioned financial statement and other financial information of such subsidiary company located outside India from accounting principles generally accepted in their respective country to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary company located outside India is based solely on the

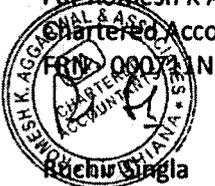


unaudited financial statements and the conversion adjustments prepared by the management of the Company and reviewed by us.

Our opinion on the consolidated financial results is not modified in respect of the above matter.

The consolidated 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

FIRM NO. 000211N

ROMESH K. AGGARWAL

Partner

Partner

Partner

M. No. 519347

Place - Ludhiana

Dated - June 29, 2021

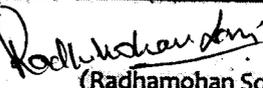
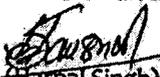
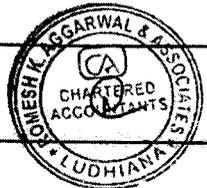
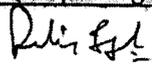
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**Statement on Impact of Audit Qualification (for audit report with modified opinion) submitted  
along with Annual Audited Financial Results  
(Standalone)**

(Rs in lacs)

Statement on Impact of Audit Qualification for the Financial Year ended March 31, 2021				
I.	S. No.	Particulars	Audited Figure (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	51,087.62	51,087.62
	2.	Total Expenditure	56,756.83	57,153.27
	3.	Net Profit / (Loss)	(5,669.21)	(6,065.65)
	4.	Earnings per share	(25.43)	(27.21)
	5.	Total Assets	30,551.41	30,551.41
	6.	Total Liabilities excluding net worth	65,366.29	65,762.73
	7.	Net Worth	(34,814.88)	(35,211.32)
	8.	Any other financial item(s) (as appropriate by the management)		
II.	a) Audit Qualification (each audit qualification separately):			
	<p>The company had credited profit of Rs 396.44 lacs due on payment of FCCB liability to the statement of profit &amp; loss during the period ending March 31, 2017. This profit should have been credited in the statement of profit &amp; 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.</p>			
	b) Type of Audit Qualification : Qualified Opinion			
	c) Frequency of qualification : Repetitive			
	d) For Audit Qualification(s) where the impact is qualified by the auditor, Management's Views:			
	<p>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 finalized.</p>			
	e) For Audit Qualification(s) where the impact is not quantified by the auditor:			
	i) Management's estimation on the impact of audit qualification:			
	ii) If management is unable to estimate the impact, reasons for the same:			
	iii) Auditors Comments on (i) or (ii) above :			



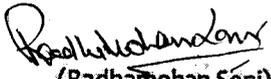
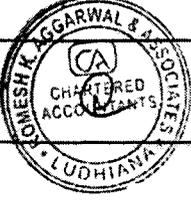
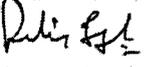
III.	Signatories:	
	• CEO/ Managing Director	  (Adish Oswal)
	• CFO	  (Radhamohan Soni)
	• Audit Committee Chairman	  (Harpal Singh)
	• Statutory Auditor	  (Ruchir Singla)
Place: Ludhiana		
Date: 29.06.2021		

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

(Rs in lacs)

<b>Statement on Impact of Audit Qualification for the Financial Year ended March 31, 2021</b>				
I.	S. No.	Particulars	Audited Figure (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	51,112.09	51,112.09
	2.	Total Expenditure	56,780.24	57,176.68
	3.	Net Profit / (Loss)	(5,669.67)	(6,066.11)
	4.	Earnings per share	(25.43)	(27.21)
	5.	Total Assets	30,549.20	30,549.20
	6.	Total Liabilities excluding net worth	65,397.98	65,794.42
	7.	Net Worth	(34,848.78)	(35,245.22)
	8.	Any other financial item(s) (as appropriate by the management)		
II.	f) <b>Audit Qualification (each audit qualification separately):</b>			
	<p>The group had credited profit of Rs 396.44 lacs due on payment of FCCB liability to the statement of profit &amp; loss during the period ending March 31,2017. This profit should have been credited in the statement of profit &amp; 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.</p>			
	g) Type of Audit Qualification : Qualified Opinion			
	h) Frequency of qualification : Repetitive			
	<p>i) For Audit Qualification(s) where the impact is qualified by the auditor, Management's Views:</p> <p>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 finalized.</p>			
	<p>j) For Audit Qualification(s) where the impact is not quantified by the auditor:</p> <p>iv) Management's estimation on the impact of audit qualification:</p> <p>v) If management is unable to estimate the impact, reasons for the same:</p> <p>vi) Auditors Comments on (i) or (ii) above</p>			



III.	Signatories:	
	• CEO/ Managing Director	  (Adish Oswal)
	• CFO	 (Radhamohan Soni)
	• Audit Committee Chairman	 (Harpal Singh)
	• Statutory Auditor	  (Ruchir Singla)
Place: Ludhiana		
Date: 29.06.2021		



**CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

**PREAMBLE:**

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, (hereinafter referred to as the 'Regulations') requires the listed Companies to frame a Code of Conduct for Prevention of Insider Trading.

**APPLICABILITY:**

This Code of Conduct for Prevention of Insider Trading is applicable on Designated Persons, all employees and other connected persons who have access to or could have access to unpublished price sensitive information about the Company. Such persons are required to comply with this Code and to make the necessary disclosures as per Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information as adopted by the Company.

**DEFINITIONS:**

1. **"Act"** means the Securities and Exchange Board of India (SEBI) Act, 1992 (15 of 1992), Rules framed thereunder and any amendments thereto;
2. **"Board of Directors" or "Board"**, means the collective body of the Directors of the Company;
3. **"Code"** means this Code of Conduct for Prevention of Insider Trading.
4. **"Company"**, "This Company" or "The Company", wherever occur in the policy shall mean "Vardhman Polytex Limited".
5. **"Compliance Officer"** Compliance Officer shall mean 'Company Secretary' of the Company and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board of Directors of the Company.
6. **"Connected Persons"** means any person who is or has during the six months prior to the concerned act been associated with the Company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a Director, Officer or an employee of the Company or holds any position including a professional or business relationship between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access. Generally, the following persons shall be deemed to be connected persons unless the contrary is established:



## VARDHMAN POLYTEX LIMITED

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- (a) an immediate relative of connected persons;
- (b) a Holding Company or Associate Company or Subsidiary Company of the Company; or
- (c) an intermediary as specified in Section 12 of the Act; or
- (d) an Investment Company, Trustee Company, Asset Management Company or an employee or Director thereof; or
- (e) an Official of a Stock Exchange or of Clearing House or Corporation; or
- (f) a member of Board of Trustees of a Mutual Fund or a member of the Board of Directors of the Asset Management Company of a Mutual Fund or is an employee thereof; or
- (g) a member of the Board of Directors or an employee, of a Public Financial Institution as defined in section 2 (72) of the Companies Act, 2013; or
- (h) an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
- (i) a Banker of the Company; or
- (j) a Concern, Firm, Trust, Hindu undivided family, Company or Association of Persons wherein a Director of the Company or his immediate relative or Banker of the Company, has more than ten per cent of the holding or interest;

**7. "Designated Persons" means:**

- a) All Directors;
- b) Key Managerial Personnel (KMP's) as per Companies Act, 2013
- c) All employees of General Manager cadre and above;
- d) Promoters and Promoter Group of the Company;
- e) Persons in contractual, fiduciary or advisory relationship with the Company i.e. consultants, retainers, auditors, law firms, analysts etc.
- f) Employees of material subsidiary of Listed Company based on their functional role or access to unpublished price sensitive information.
- g) Chief Executive Officer and employees upto two levels below Chief Executive Officer of such listed company, intermediary, fiduciary and its material subsidiaries irrespective of their functional role in the



company or ability to have access to unpublished price sensitive information

- h) EAs/ PAs/ Secretaries of Whole-time Director(s) and KMPs
  - i) Permanent invitees to the meetings of Board of Directors of the company and Management Review Meeting.
  - j) Any support staff of the company, intermediary or fiduciary including employees of the following departments at corporate office of the company who are deemed to be privy to UPSI:
    - ✓ Finance and Accounts Department
    - ✓ Secretarial Department
  - k) Other persons as designated by the Compliance Officer of the Company, from time to time based on their functional role in company and having due regard to the access that such role and function would provide to UPSI ; and
  - l) Immediate relatives of persons covered above.
8. **"Immediate Relative"** means spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities;
9. **"Material Financial Relationship"** shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift from a designated person during the immediately preceding twelve months, equivalent to at least 25% of the annual income of such designated person but shall exclude relationships in which the payment is based on arm's length transactions.
10. **"Insider"** means any person who is:
- i) a connected person; or
  - ii) in possession of or having access to unpublished price sensitive information;
11. **"Promoters/ Promoter Group"** means the Promoters/ Promoter Group as defined in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time.
12. **"Stock Exchange"** shall mean National Stock Exchange of India Limited, BSE Limited and any other stock exchange(s) on which the securities of the Company are listed for the time being.
13. **"Trading"** means and includes subscribing, buying, selling, dealing (including pledging), or agreeing to subscribe, buy, sell, deal in any securities of the Company and "trade" shall be construed accordingly ;



14. **"Unpublished Price Sensitive Information (UPSI)"** means any information, relating to the Company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: –

- (i) financial results;
- (ii) dividends;
- (iii) change in capital structure
- (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- (v) changes in Key Managerial Personnel;
- (vi) material events in accordance with the *SEBI (LODR) Regulations, 2015*; and
- (vii) Other matters as may be prescribed by SEBI/considered by the Compliance Officer to be price sensitive from time to time.

**INTERPRETATION:**

Words and expressions used and not defined in the Code but defined in the Regulations, Securities and Exchange Board of India Act, 1992, The Securities Contracts (Regulation) Act, 1956, The Depositories Act, 1996 or the Companies Act, 2013 and rules & regulations made thereunder shall have the meanings respectively assigned to them in those legislation.

The provisions of this Code shall be read along with the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time and if there is any inconsistency / contradiction between the two, the provisions of the Insider Trading Regulations shall prevail.

**DESCRIPTION OF THE CODE**

**PRESERVATION OF "UPSI" AND PROHIBITION TO DEAL/BUY/SELL/PLEDGE ETC SECURITIES OF THE COMPANY BY INSIDERS**

- A.** The insiders shall maintain the confidentiality of all UPSI and shall not pass on such information to any person directly or indirectly by way of making a recommendation for the Dealing, purchase or sale of securities.
- B.** The insiders, when in possession of any UPSI pertaining to the Company, shall not:
  - ✓ Deal/Buy/sell securities of the Company, either on their own behalf or on behalf of any other person.
  - ✓ Communicate, counsel or procure any unpublished price sensitive information to/ from any person.



## VARDHMAN POLYTEX LIMITED

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### **NEED TO KNOW:**

Unpublished Price Sensitive Information is to be handled on a "need to know" basis i.e., UPSI should be disclosed only to those within the Company who need the information to discharge their official duties.

A Chinese wall exists between members of respective departments and of the rest of Company. This Chinese wall is designed to isolate activities of one department from other in order to restrict the dissemination of information obtained by the respective departments/ members on a "need-to-know" basis.

This Chinese wall is supported by the following procedures: Physical separation of each Department;

Limiting computer access to the Inter-department network; Restriction on access to data via pen drives, external hard drives etc;

### **LIMITED ACCESS TO CONFIDENTIAL INFORMATION:**

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password etc.

The Company has a process for how and when people are brought 'inside' on sensitive transactions. Insiders will be made aware of the duties and responsibilities attached to the receipt of Inside Information, and the liability that attaches to misuse or unwarranted use of such information

### **RESTRICTION TO DEAL/ BUY / SELL/ PLEDGE ETC SECURITIES:**

The Designated Persons shall not deal/ buy/sell/ pledge etc securities of the Company during Closure of the 'Trading Window', i.e. the period during which trading in the securities of the Company is prohibited. The Designated persons shall conduct all their dealings in the securities of the Company only when the trading window is opened and shall not deal in any transaction involving the purchase/ sale/ pledge etc of the Company's securities during the periods when the trading window is closed.

The closure of trading Window for the purposes of which a specific notice/ intimation is required to be given to Stock Exchange shall commence from the date on which intimation of the date of Board meeting for consideration of any Unpublished Price Sensitive Information is given to Stock Exchange. However, if the circumstances so warrants, the time for closing of trading window may be increased or decreased by the Compliance Officer.

The Trading Window shall be opened after 48 hours from the day on which the Price sensitive information is communicated to the Stock Exchange and becomes generally available.

In general, the trading window, for dealing by designated persons in the securities of the company, shall be closed from the first day of Quarters till the expiry of 48 hours from the data of declaration of Financial Results to the Stock Exchange and becomes



## VARDHMAN POLYTEX LIMITED

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generally available.

However, the trading window restriction shall not apply in respect of:

- ✓ Exemptions provided under Regulation 4 of the SEBI (PIT) Regulations.
- ✓ Transactions undertaken in accordance with the regulations made by SEBI such as acquisition by conversion of warrants or debentures, subscribing to Right Issue, Further Public Issue, Preferential allotment or tendering of shares in a Buy-back offer, Open Offer, Delisting offer or transactions undertaken through such other mechanism as may be specified by SEBI from time to time.

### **CONTRA TRADE:**

Designated Persons who deal, buy or sell any number of shares of the Company, shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction. However, the Compliance Officer(s) is empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these regulations. If a **contra trade** be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the SEBI for credit to the Investor Protection and Education Fund administered by the SEBI under the Act. The application for this approval should be made to the Compliance Officer(s) in format specified herein.

### **PRE-CLEARANCE OF TRADE:**

All Designated persons, who intend to deal in Company's securities (themselves or through immediate relatives) during the period other than trading window closure, are required to obtain the pre-clearance of the proposed acquisition/ purchase/ sale/ pledge etc. transactions as per the procedure described hereunder, if the said transaction in the securities of Company is of 10,000 shares in number or Rupees Five Lacs in market value, whichever is lower, in transaction(s) in a single day. In case of dealing by Compliance Officer(s), pre-clearance from Managing Director shall be required. An application stating, inter alia, the estimated number of securities that the Designated Person intends to deal in, the details as to the depository with which he has security account and the details as to the securities already held etc, for pre-clearance shall be made to the Compliance Officer of Company in the format specified herein. An undertaking shall also be executed in favour of the Company by such Designated Person incorporating, inter alia, the following clauses, as may be applicable:

- a) That the said Designated Person or his immediate relative does not have any access or has not received "Price Sensitive Information" upto the time of signing the undertaking.
- b) That in case the said Designated Person or his immediate relative has access to or receives "Price Sensitive Information" after signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance Officer(s) of the change in his position and that he/she would completely refrain from dealing in the securities of the Company till



## VARDHMAN POLYTEX LIMITED

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the time such information becomes public.

- c) That he/she has not contravened the code of conduct for prevention of insider trading as notified by the company from time to time.
- d) That he/she has made a full and true disclosure in the matter.

The Compliance Officer(s) will scrutinize the application within 2 working days of submission and communicate the approval/ refusal (alongwith reasons therefore) to the applicant. In the absence of the Compliance Officer(s), the preclearance application will be decided upon by the Managing Director.

In case any transaction has been refused, the Designated Person shall be free to re-apply for pre-clearance of the transaction, which was refused, to Chairman of Audit Committee of the Company. The decision of Chairman of Audit Committee in this regard shall be final.

The pre-clearance approval shall be valid only for seven trading days from the date of communication and shall lapse thereafter. If the transaction is not consummated within seven trading days from the approval date, the Designated Person will be required to follow the process of pre clearance again. However the Compliance Officer(s) shall have the right to revoke the clearance granted, before the relevant transaction has been consummated, if considered necessary.

The requirements of pre- clearance of a proposed transaction shall not apply in the following cases:

- 1) In the event of participation of a public event i.e. a rights or a bonus issue.
- 2) In the case of any acquisition of shares through transmission or inheritance, or like mode.
- 3) By way of any court settlement or award thereof.

### **TRADING PLAN:**

The Designated Persons, who are perpetually in possession of unpublished price sensitive information, shall have an option to formulate their trading plan and present the same to Compliance Officer(s) for approval. Upon approval of Trading Plan, the Compliance Officer(s) shall notify the same to Stock Exchanges where securities of the Company are listed.

The Compliance Officer(s) shall review the trading plan to assess whether the plan would have any potential for violation of these regulations and may seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.

The Trading plan shall comply with following requirements:

- a) Trading/Dealing in securities will commence after six months of public disclosure of trading plan.



## VARDHMAN POLYTEX LIMITED

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- b) No Trading/Dealing between twenty (20) trading days prior to last day of any financial period for which results are required to be announced and till second(2) trading day after disclosure of financial results.
- c) Trading plan should be for a period of atleast 12 months and there should not be any time overlapping in two trading plans.
- d) Trading plan shall set out either the value of trades to be effected or number of securities to be traded alongwith the nature of trade and the intervals at or the dates on which such trades shall be effected.
- e) The Trading Plan shall not entail trading in securities for market abuse.
- f) The trading plan once approved shall be irrevocable & the insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan.

However, the implementation of the trading plan shall not be commenced if any unpublished price sensitive information in possession of the insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation and in such event the Compliance Officer shall confirm that the commencement ought to be deferred until such unpublished price sensitive information becomes generally available information.

### **INTERNAL CONTROL SYSTEM:**

There shall be adequate and effective system of internal controls to ensure compliance with the requirements given in this Code and SEBI Regulations to prevent Insider Trading.

The internal controls shall include:-

- ✓ Identifying persons who have access to, or are expected to have access to UPSI, as Designated Persons;
- ✓ Identifying UPSI and maintaining its confidentiality as required under applicable laws;
- ✓ Putting in place adequate restrictions on communication, or procurement of UPSI;
- ✓ Maintaining a list of all persons with whom UPSI is shared and making them aware of their confidentiality and other obligations under the Code;
- ✓ Periodic review the measures and internal controls implemented to evaluate their effectiveness.



## VARDHMAN POLYTEX LIMITED

### **DISCLOSURES:**

Designated Persons shall make the following disclosures of shares and other securities held in the Company by them and their dependant family members, to the Compliance Officer:

<b>Disclosure</b>	<b>Disclosure Regarding</b>	<b>Time period within which disclosure is to be made</b>
Disclosure by Promoter, Member of Promoter group, KMP and Director of the Company	Number of Securities held by them as on date of appointment or becoming a promoter along with their immediate relatives	Within seven (7) days of such appointment or becoming a promoter in format prescribed by SEBI from time to time.
Initial Disclosure by Designated persons of the Company	Number of Securities held by them and their immediate relative.	Within seven (7) days of becoming Designated Person.
Annual intimation by Designated persons	List of Immediate Relative and Persons with whom material financial relation is shared	Within 30 days from closure of Financial Year.
Continual Disclosure* by Promoter, Member of Promoter Group, Director and Designated person if the number of securities acquired or disposed off, if the value of securities traded individually or cumulatively during a calendar quarter exceeds Rs. 10 lakhs.	Number of Securities/ voting rights acquired/ disposed off by them.	Within 2 trading days of dealing/ acquisition/ sale/ transfer etc. of securities in format prescribed by SEBI from time to time.

### **NOTE:**

\* For the purpose of continual disclosure as specified above, the disclosure of the incremental transactions after any disclosure under this sub-regulation shall be made when the transactions effected after the prior disclosure cross the threshold specified of Rs. 10,00,000/- during a calendar quarter.

Company shall notify these disclosures within two (2) trading days of receipt of such disclosure or becoming aware of such information to Stock Exchanges where the shares of the Company are listed.

### **GENERAL:**

In case it is observed by the Company/Compliance Officer(s) that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 2015, the stock exchanges (where concerned securities are traded) shall be promptly informed by the Company.



## VARDHMAN POLYTEX LIMITED

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Designated Persons are advised to pursue this Code and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, carefully and acquaint themselves with all the provisions contained therein. The Compliance Officer shall assist the Designated Persons in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct for Prevention of Insider Trading.

The Compliance Officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of "Price Sensitive Information", pre-clearing of trades by designating employees or their immediate relatives and the implementation of the Code of Conduct for Prevention of Insider Trading under the overall supervision of the Board of the listed company.

The Compliance officer shall maintain records of all the declarations or information in the appropriate form given by the designated persons for a minimum period of five years.

The compliance officer shall report to the board of directors and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the board of directors at such frequency as may be stipulated by the board of directors but not less than once in a year.

### **CONTRAVENTION:**

Any contravention of the code by Designated Persons shall attract strictest disciplinary action including but not restricted to recovery of profits made, wage freeze, suspension and/ or termination of employment.

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*\*Amended and approved in the board meeting dated 29.06.2021*



VARDHMAN POLYTEX LIMITED

**Annexure**

**Application by Designated Persons for Pre-clearance of Trade**

**From:**

Name	
Address	
DIN (in case of Director)	
PAN	
Designation	
Employee code (if applicable)	

**Date:** \_\_\_\_\_

**The Compliance Officer**

VARDHMAN POLYTEX LIMITED  
Vardhman Park, Chandigarh Road,  
Ludhiana-141123

Dear Sir/ Madam,

I or My Immediate Relative Mr./Ms. \_\_\_\_\_ having PAN \_\_\_\_\_ intend to trade in the Securities of Company for which purpose I/ on behalf of my Immediate Relative request to pre clear the trade.

Details of proposed trade, for pre-clearance, are as follows:

<b>Sr. No.</b>	<b>Details of Proposed Trade</b>	<b>Information provided by applicant/ declarant</b>
1	Number and Value (in Rs.) of Securities proposed to be traded	
2	Demat account details (in case of demat mode)  In case of Physical mode	DP I.D.: Client I.D.:  Folio No.:
3	Nature of Trade	Buy / Sale/Pledge / De-Pledge others (If others, please specify)
4	Type of Security	
5	Market Price (as on date of application)	
6	Mode of transaction (Open Market / Off Market)	



## VARDHMAN POLYTEX LIMITED

7	Depository for this Trade	NSDL /CDSL
8	The trade is proposed to be carried out by	Myself/ My Immediate Relative
9	Proposed date(s) of trading	
10	Purpose	
11	My/My Immediate Relative's current holding	

I/ My Immediate Relative am/is aware that I/ My Immediate Relative have / has to execute the order in respect of the Securities of the Company within 7 trading days after the approval or lesser period as mentioned in the Code, whichever is earlier.

I/ My Immediate Relative am /is aware that, if the pre-cleared proposed trade is not executed within aforementioned days of the pre-clearance, then I/ My Immediate Relative would have to pre-clear the transaction again.

I undertake that, in case, I/My Immediate Relative do/ does execute trade within 7 Trading Days or lesser period as mentioned in the Code, whichever is earlier, I shall report to the Compliance Officer within two trading days thereafter, in the following format.

<b>TYPE OF SECURITY</b>	<b>NATURE OF TRADE (BUY/SALE/ OTHERS)</b>	<b>NUMBER OF SECURITIES / VALUE APPROVED FOR TRADE</b>	<b>DATE OF APPROVAL</b>	<b>NUMBER OF SECURITIES TRADED</b>

Declaration/Undertaking is being attached herewith.

Thanking you,

(Signature)



**DECLARATION/UNDERTAKING BY THE APPLICANT FOR PRE-CLEARANCE**

I / My Immediate Relative hereby solemnly state as under:

- (a) I/ My Immediate Relative do not possess or have any access to any "Unpublished Price Sensitive Information" till the time of signing this undertaking.
- (b) In case I / My Immediate Relative get access to or receive "Unpublished Price Sensitive Information" after the signing of this undertaking but before the execution of the transaction I / My Immediate Relative shall inform the Compliance Officer /Chairman of the change in my position and that I / My Immediate Relative would completely refrain from trading in the Securities of the Company till the time such information is made generally available.
- (c) I/ My Immediate Relative have not contravened any of the provisions of the Code.
- (d) I / My Immediate Relative have made a full and true disclosure in the matter.

I / My Immediate Relative am/ is aware that, I / My Immediate Relative shall be liable to face penal consequences as set forth in the Code including disciplinary action under the Code of the Company, in case the above declarations are found to be misleading or incorrect at any time.

I/ My Immediate Relative agree to comply with the provisions of the Code and the Insider Trading Regulations and provide any information relating to the trade as may be required by the Compliance Officer/ Chairman.

This is for your information and record please.

Thanking you,

(Signature with date)



**VARDHMAN POLYTEX LIMITED**

**ANNUAL DISCLOSURE BY DESIGNATED PERSONS**  
**As on 31<sup>st</sup> March of every Year**  
**(Within 30 days)**

**From:**

Name	
Address	
DIN (in case of Director)	
PAN	
Designation	
Employee code (If applicable)	

Date: \_\_\_\_\_

**The Compliance Officer,**  
VARDHMAN POLYTEX LIMITED  
Vardhman Park, Chandigarh Road,  
Ludhiana-141123

Dear Sir/ Madam,

In terms of the requirement of the Code of Conduct for Prevention of Insider Trading in Securities ("the Code") following details are given hereunder:

<b>Name of Designated Person and Immediate Relatives with Phone no. used</b>	<b>Relation with Designated Person</b>	<b>PAN</b>	<b>Folio NO./ DP ID Client ID</b>	<b>No. of Securities held</b>		
				<b>As on 01/04/____</b>	<b>Sale/ Prurchase etc. during the year</b>	<b>As on 31/03/____</b>



VARDHMAN POLYTEX LIMITED

**Detail of person(s) with whom "Material Financial Relationship" is being shared:**

Name of such person with Phone no. used by them	Relationship	PAN	Folio NO./ DP ID Client ID	No. of Securities held		
				As on 01/04/____	Sale/ Prurchase etc. during the year	As on 31/03/____

- ✓ I hereby confirm that, there is no person other than those mentioned above who is either dependent financially on me or consults me in taking decisions relating to trading in Securities of the company or for whom I take decisions relating to trading in Securities of the company.
- ✓ I hereby confirm that, there is no person other than those mentioned above with whom I am sharing a material financial relationship.
- ✓ I hereby undertake to inform the changes in the list of Immediate Relative(s) and those with whom I am sharing a material financial relationship from time to time.
- ✓ I hereby declare that the above details are true, correct and complete in all respects.

This is for your information and record please.

Thanking you,

(Signature)

**NOTE THAT:**

In the event of your immediate relative(s) do not hold any Securities of the Company, please mention NIL against the number of Securities held.

Immediate Relative means spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities;

Material financial relationship shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift from a designated person during the immediately preceding twelve months, equivalent to at least 25% of the annual income of such designated person but shall exclude relationships in which the payment is based on arm's length transactions.



VARDHMAN POLYTEX LIMITED

**APPLICATION BY DESIGNATED PERSONS (INCLUDING THEIR IMMEDIATE RELATIVE) FOR RELAXATION TO ENTER INTO CONTRA TRADE**

**From:**

Name	
Address	
DIN (in case of Director)	
PAN	
Designation	
Employee code (if applicable)	

Date: \_\_\_\_\_

**The Compliance Officer,**  
VARDHMAN POLYTEX LIMITED  
Vardhman Park, Chandigarh Road,  
Ludhiana-141123

Dear Sir/ Madam,

In terms of the code please find below mentioned details for the approval of proposed transaction as contra trade within 6 months of last transaction:

**(A) Details of last transaction by me/ my immediate relative:**

Name	PAN	Folio No./ DP ID and Client ID	Date of Last transaction	Number of securities include	Type of transaction (Sale/ Purchase/ Pledge/ other)

**(B) Details of proposed contra trade by me/ my immediate relative:**

Type of securities involved	No. of securities involved	Type of proposed transaction	Reason for contra trade



## VARDHMAN POLYTEX LIMITED

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I/ My Immediate Relative have read and understood the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Code of Conduct for Prevention of Insider Trading in Securities of the company ("the Code") and I / My Immediate Relative note that in terms of the Code, I/ My Immediate Relative cannot enter into a contra trade within six months following the prior transaction.

However, on account of the exigent circumstances mentioned hereunder, I/ My Immediate Relative earnestly request the Compliance Officer to accord me/ My Immediate Relative the approval for the above mentioned proposed contra trade.

I/ My Immediate Relative am/ is aware that, I / My Immediate Relative have to execute the order in respect of Securities of the Company within period as mentioned in the approval letter.

This is for your approval please.

Thanking you,

(Signature)



**VARDHMAN POLYTEX LIMITED**

**Initial Disclosure by Designated persons including their immediate relative about their holding within 7 days of becoming Designated Person**

**From:**

Name	
Address	
DIN (in case of Director)	
PAN	
Designation	
Employee code (if applicability)	

Date: \_\_\_\_\_

**The Compliance Officer,**  
VARDHMAN POLYTEX LIMITED  
Vardhman Park, Chandigarh Road,  
Ludhiana-141123

Dear Sir/ Madam,

In terms of the requirement of the Code for periodic disclosure, please find the below mentioned details:

**(A) Details of My Holding as on \_\_\_\_\_:**

Type of Securities	Folio No./ DP ID Client ID	No. of Securities held		
		In demat mode	In physical mode	Total

<b>Name of Previous Employer</b>	
<b>Name of Educational Institution from where graduated</b>	



VARDHMAN POLYTEX LIMITED

(B) Details of Securities held by My Immediate Relative as on \_\_\_\_\_:

Name of immediate relative and mobile no. used by them	PAN	Relationship	Folio No./ DP ID Client ID	Type of Securities	No. of Securities held		
					In demat mode	In physical mode	Total

**Detail of person(s) with whom "Material Financial Relationship" is being shared:**

Name of such person and mobile no. used by them	PAN	Relationship	Folio No./ DP ID Client ID	Type of Security	No. of Securities held		
					In demat mode	In physical mode	Total

- ✓ I hereby confirm that, there is no person other than those mentioned above who is either dependent financially on me or consults me in taking decisions relating to trading in Securities of the company or for whom I take decisions relating to trading in Securities of the company.
- ✓ I hereby confirm that, there is no person other than those mentioned above with whom I am sharing a material financial relationship.



## VARDHMAN POLYTEX LIMITED

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- ✓ I hereby undertake to inform the changes in the list of Immediate Relative(s) and those with whom I am sharing a material financial relationship from time to time.
- ✓ I hereby declare that the above details are true, correct and complete in all respects.

This is for your information and record please.

Thanking you,

(Signature)