



# Vardhman

Delivering Excellence. Since 1965.

## VARDHMAN TEXTILES LIMITED

CHANDIGARH ROAD  
LUDHIANA-141010, PUNJAB  
T: +91-161-2228943-48  
F: +91-161-2601 048  
E: secretarial.lud@vardhman.com

Ref. VTXL:SCY:JUL:2020-21

Dated: 27.07.2020

The Deputy General Manager, Corporate Relationship Deptt, Bombay Stock Exchange Limited, 1 <sup>st</sup> Floor, New Trading Ring, Rotunda Building, P.J Towers, Dalal Street, Fort, <b>MUMBAI-400001.</b>	The National Stock Exchange of India Limited, Exchange Plaza, Bandra-Kurla Complex, Bandra (East), <b>MUMBAI-400 051</b>
Scrip Code: 502986	Scrip Code: VTL

**SUB: DISCLOSURE UNDER REGULATION 30 & 33 OF SEBI LISTING OBLIGATIONS**

Dear Sir,

Pursuant to Regulation 30 read with Part A of Schedule III and Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, we are enclosing herewith Un-Audited Financial Results of the Company for the quarter ended 30<sup>th</sup> June, 2020 together with Limited Review Report as approved by Board of Directors in its meeting held on 27<sup>th</sup> July, 2020.

The meeting of the Board of Directors commenced at 10:30 a.m. and concluded at 2:30 p.m.

Kindly note and display the notice on your notice board for the information of the members of your exchange and general public.

Thanking you,

Yours faithfully,  
For VARDHMAN TEXTILES LIMITED

  
(SANJAY GUPTA)  
Company Secretary



**YARNS | FABRICS | THREADS | GARMENTS | FIBRES | STEELS**

PAN NO.: AABCM4692E CIN: L17111PB1973PLC003345  
WWW.VARDHMAN.COM

**VARDHMAN TEXTILES LIMITED**

Registered Office : Chandigarh Road, Ludhiana-141010

Standalone Unaudited financial results for the quarter ended June 30, 2020

Corporate Identity Number (CIN): L17111PB1973PLC003345, PAN: AABCM4692E

Website:www.vardhman.com Email: secretarial.lud@vardhman.com

(Rs. In Crores)

S.No.	Particulars	Quarter Ended June 30, 2020	Quarter Ended March 31, 2020	Quarter Ended June 30, 2019	Year Ended March 31, 2020
		Unaudited	Unaudited (Refer Note No.7)	Unaudited	Audited
I.	Revenue from operations	771.17	1,491.17	1,558.32	6,325.15
II.	Other income	41.66	39.85	31.03	171.98
III.	<b>Total income from operations (I+II)</b>	<b>812.83</b>	<b>1,531.02</b>	<b>1,589.35</b>	<b>6,497.13</b>
IV.	<b>Expenses</b>				
	Cost of materials consumed	449.91	767.12	833.62	3,332.63
	Purchase of stock- in trade	13.15	7.55	18.71	52.05
	Change in inventories of finished goods,works -in progress and stock - in- trade	(36.67)	(15.85)	(24.13)	(50.30)
	Employee benefits expense	119.61	131.70	135.73	550.98
	Finance cost	33.08	34.65	36.36	132.54
	Depreciation and amortisation expense	85.58	84.81	72.45	319.21
	Power and fuel	99.56	165.98	178.39	710.28
	Other expenses	129.59	225.15	189.41	846.73
	<b>Total Expenses</b>	<b>893.81</b>	<b>1,401.11</b>	<b>1,440.54</b>	<b>5,894.12</b>
V.	<b>Profit/(Loss) before tax (III-IV)</b>	<b>(80.98)</b>	<b>129.91</b>	<b>148.81</b>	<b>603.01</b>
VI.	<b>Tax expense</b>				
	Current tax	-	30.28	31.41	129.66
	Deferred tax	(22.58)	(33.43)	13.88	(72.14)
VII.	<b>Profit/(Loss) after tax (V-VI)</b>	<b>(58.40)</b>	<b>133.06</b>	<b>103.52</b>	<b>545.49</b>
VIII.	<b>Other Comprehensive Income/(Expenditure)</b>		(3.35)	0.03	(3.26)
IX.	<b>Total Comprehensive income/(Expenditure) (VII+VIII)</b>	<b>(58.40)</b>	<b>129.71</b>	<b>103.55</b>	<b>542.23</b>
X.	<b>Earnings Per Share (in Rs.) (not annualized)</b>				
	(a) Basic	(10.15)	23.13	18.01	94.86
	(b) Diluted	(10.08)	22.97	17.85	94.16
XI.	Paid up Equity Share Capital (Face value per share Rs.10)	57.52	57.52	57.49	57.52



**VARDHMAN TEXTILES LIMITED**

Registered Office : Chandigarh Road, Ludhiana-141010

**Notes to standalone financial results:**

- 1 The Financial Results has been prepared in accordance with the Indian Accounting Standards ("Ind AS") 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and SEBI's circular no. CIR/CFD/FAC/62/2016 dated July 5, 2016 as amended from time to time.
- 2 The Company is primarily in the business of manufacturing and sales of textile products (i.e., Yarns and Fabrics). The Chief Operating Decision Maker (CODM), the Chairman & Managing Director, performs a detailed review of the operating results, take decisions about the allocation of resources based on the analysis of the various performance indicators of the Company as a whole. Therefore, there is only one operating segment namely, "Textiles".
- 3 (a) The Company has issued secured, rated listed Redeemable Non-convertible Debentures (NCDs) aggregating to Rs. 195.00 Crores for cash at par on private placement basis on June 1, 2020. The NCDs are listed at the Bombay Stock Exchange of India (BSE) and repayable at the end of 36 months from the date of allotment and have a coupon of 6.83% per annum payable on 1st June on annual basis.

CRISIL has assigned a rating of AA+ with Stable outlook to the said NCDs of the Company on May 28, 2020. The NCDs shall be secured by way of a first pari passu charge over the immovable and movable fixed assets of the Company and it should have asset cover of more than 1.25 times of outstanding amount of NCDs.

- (b) The Company had also issued secured, rated listed Redeemable Non-convertible Debentures (NCDs) aggregating to Rs. 499.80 crores for cash at par on private placement basis on September 8, 2017. The NCDs are listed at the Bombay Stock Exchange of India (BSE) and comprise of three series repayable in third, fourth and fifth years and have an overall yield of 7.69% per annum.

CRISIL has assigned a rating of AA+ with Stable outlook to the said NCDs of the Company on December 11, 2019. These NCDs are secured by way of a first pari passu charge over the immovable and movable fixed assets of the Company and it should have fixed asset cover of more than 1.05 times of outstanding amount of NCDs.

- 4 Financial Results has been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on July 27, 2020. The limited review as required under Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, has been completed by the Statutory Auditors.
- 5 The company had adopted the option permitted under section 115BAA of the Income-Tax Act, 1961 with effect from quarter ended December 31, 2019. Therefore income tax expense for the Q1 of 2019-20 is not comparable to all periods presented in above results.
- 6 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. Since then 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 partially. Since the lockdown was in force for a significant period of the quarter, the Company's operations and financial results for the quarter ended 30 June 2020 have been adversely impacted. 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 for the current year and the recoverability and carrying value of its assets comprising property, plant and equipment, right of use assets, 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 expects to recover the carrying amount of these assets and no material adjustments is required in the financial results. 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.

- 7 The figures for the quarter ended March 31, 2020 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto 31st December, 2019.
- 8 The Board of Directors, in its meeting held on May 27, 2020 had approved a Scheme of Amalgamation (the "Scheme") under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the 2013 Act, as per pooling of interest method, amongst the Company (Transferee Company) and its subsidiaries VMT Spinning Company Limited and Vardhman Nisshinbo Garments Company Limited (Transferor companies). The Appointed date for the scheme will be April 1, 2020. The Scheme is subject to necessary approval from members & creditors of all the companies involved in the merger and other statutory approvals.

Place : Ludhiana  
Date : July 27, 2020



For Vardhman Textiles Limited

S.P. Oswal  
Chairman & Managing Director

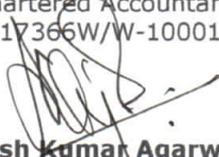


## INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM STANDALONE FINANCIAL RESULTS

### TO THE BOARD OF DIRECTORS OF VARDHMAN TEXTILES LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **VARDHMAN TEXTILES LIMITED** ("the Company"), for the quarter ended June 30, 2020 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to Note 6 of the statement, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. Our conclusion on the Statement is not modified in respect of this matter.

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

  
**Rajesh Kumar Agarwal**  
(Partner)  
(Membership No. 105546)  
(UDIN: 20105546AAAACB8487)

Place: New Delhi  
Date: July 27, 2020

Vardhman Textiles Limited  
Registered Office : Chandigarh Road, Ludhiana-141010  
Consolidated Unaudited Financial Results for the quarter ended June 30, 2020  
Corporate Identity Number (CIN): L17111PB1973PLC003345, PAN: AABCM4692E  
Website:www.vardhman.com Email: secretarial.lud@vardhman.com

(Rs. In crores)

S.No	Particulars	Quarter Ended June 30, 2020	Quarter Ended March 31, 2020	Quarter Ended June 30, 2019	Year Ended March 31, 2020
		Unaudited	Unaudited (Refer note no.7)	Unaudited	Audited
I.	Revenue from operations	817.47	1,595.76	1,650.36	6,735.00
II.	Other income	43.16	41.43	32.72	174.47
III.	<b>Total income (I+II)</b>	<b>860.63</b>	<b>1,637.19</b>	<b>1,683.08</b>	<b>6,909.47</b>
IV.	<b>Expenses</b>				
	Cost of materials consumed	490.77	830.45	896.56	3,604.19
	Purchase of stocks- in trade	0.50	6.74	2.05	9.01
	Change in inventories of finished goods, Works -in progress and stock -in-trade	(46.44)	(16.15)	(37.56)	(58.25)
	Employee benefits expenses	129.12	143.43	146.28	595.93
	Finance cost	33.73	34.79	37.25	135.27
	Depreciation and amortisation expense	88.96	88.16	76.02	333.22
	Power and fuel	108.27	176.30	189.88	754.87
	Other expenses	136.96	229.86	202.57	891.90
	<b>Total Expenses</b>	<b>941.87</b>	<b>1,493.58</b>	<b>1,513.05</b>	<b>6,266.14</b>
V	Share of Profit/(Loss) of Associates	(4.73)	4.18	2.53	12.14
VI.	<b>Profit/(Loss) before tax (III-IV+V)</b>	<b>(85.97)</b>	<b>147.79</b>	<b>172.56</b>	<b>655.47</b>
VII.	<b>Tax expense</b>				
	Current tax	1.54	35.16	38.60	144.34
	Deferred tax	(23.37)	(36.23)	12.97	(79.84)
VIII.	<b>Profit/(Loss) for the period (VI-VII)</b>	<b>(64.14)</b>	<b>148.86</b>	<b>120.99</b>	<b>590.97</b>
IX.	<b>Other Comprehensive Income/(Expenditure), net of tax</b>	-	(3.71)	0.03	(3.63)
X.	<b>Total Comprehensive Income/(Expenditure) for the period (VIII+IX)</b>	<b>(64.14)</b>	<b>145.15</b>	<b>121.02</b>	<b>587.34</b>
XI.	<b>Profit/(Loss) for the period attributable to :</b>				
	Owners of the Company	(64.29)	145.71	116.08	577.52
	Non Controlling Interest	0.15	3.15	4.91	13.45
		<b>(64.14)</b>	<b>148.86</b>	<b>120.99</b>	<b>590.97</b>
XII.	<b>Other Comprehensive Income (expenditure) for the period attributable to :</b>				
	Owners of the Company	-	(3.63)	0.03	(3.54)
	Non Controlling Interest	-	(0.08)	-	(0.08)
		-	<b>(3.71)</b>	<b>0.03</b>	<b>(3.63)</b>
XIII.	<b>Total Comprehensive Income (expenditure) for the period attributable to :</b>				
	Owners of the Company	(64.29)	142.08	116.11	573.97
	Non Controlling Interest	0.15	3.07	4.91	13.47
		<b>(64.14)</b>	<b>145.15</b>	<b>121.02</b>	<b>587.34</b>
XIV.	<b>Earnings Per Share (in Rs)</b> (not annualized):				
	(a) Basic	(11.38)	25.78	20.55	102.22
	(b) Diluted	(11.31)	25.60	20.36	101.45
XV.	Paid up equity share capital (face value per share Rs.10)	56.52	56.52	56.49	56.52



**VARDHMAN TEXTILES LIMITED**

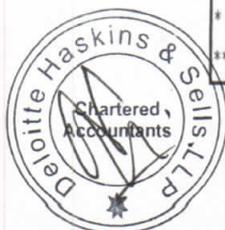
Consolidated Unaudited Financial Results for the quarter ended June 30, 2020

Registered Office : Chandigarh Road, Ludhiana-141010

**Statement of Segment Information**

(Rs. In Crores)

Particulars	Quarter Ended June 30, 2020	Quarter Ended March 31, 2020	Quarter Ended June 30, 2019	Year Ended March 31, 2020
	(Unaudited)	(Unaudited) (Refer Note no.7)	(Unaudited)	(Audited)
<b>I. Segment Revenue</b>				
Textiles	796.92	1,529.35	1,589.62	6,478.92
Acrylic Fibre	29.68	83.37	86.28	334.37
<b>Total</b>	<b>826.60</b>	<b>1,612.72</b>	<b>1,675.90</b>	<b>6,813.29</b>
Less : Inter Segment Revenue	9.13	16.96	25.54	78.29
<b>Net sales/income from operations</b>	<b>817.47</b>	<b>1,595.76</b>	<b>1,650.36</b>	<b>6,735.00</b>
<b>II. Segment Results</b>				
Profit/(loss) before tax & interest from each segment				
Textiles	(59.42)	157.58	194.51	700.23
Acrylic Fibre	(3.45)	5.13	17.25	24.89
<b>Total</b>	<b>(62.87)</b>	<b>162.71</b>	<b>211.76</b>	<b>725.12</b>
Less : (a) Interest	33.73	34.79	37.25	135.27
(b) Other un-allocable expenditure / (income) (Net of un-allocable (income)/expenditure)	(15.36)	(15.69)	4.48	(53.48)
Add: Share of Profit/(Loss) of Associates	(4.73)	4.18	2.53	12.14
<b>Total Profit/(loss) before tax</b>	<b>(85.97)</b>	<b>147.79</b>	<b>172.56</b>	<b>655.47</b>
Tax expenses	(21.83)	(1.07)	51.57	64.50
<b>Net Profit/(loss) after tax</b>	<b>(64.14)</b>	<b>148.86</b>	<b>120.99</b>	<b>590.97</b>
Less: Non Controlling Interest	0.15	3.15	4.91	13.45
<b>Net Profit/(Loss) after taxes, non controlling interest and Share of profit of Associates</b>	<b>(64.29)</b>	<b>145.71</b>	<b>116.08</b>	<b>577.52</b>
<b>III. Segment Assets</b>				
Textiles*	7,184.93	7,543.28	6,904.19	7,543.28
Acrylic Fibre	142.89	125.70	147.31	125.70
<b>Total Segment Assets</b>	<b>7,327.82</b>	<b>7,668.98</b>	<b>7,051.50</b>	<b>7,668.98</b>
Un-allocated	1,692.74	1,684.54	1,711.98	1,684.54
<b>Total Assets</b>	<b>9,020.56</b>	<b>9,353.52</b>	<b>8,763.48</b>	<b>9,353.52</b>
<b>IV. Segment Liabilities**</b>				
Textiles	483.45	565.11	523.55	565.11
Acrylic Fibre	40.74	60.48	60.04	60.48
<b>Total Segment Liabilities</b>	<b>524.19</b>	<b>625.59</b>	<b>583.59</b>	<b>625.59</b>
Un-allocated	71.48	95.15	97.88	95.15
<b>Total Liabilities</b>	<b>595.67</b>	<b>720.74</b>	<b>681.47</b>	<b>720.74</b>
* Includes Capital Work in Progress and Capital Advances	104.18	163.64	511.18	163.64
**excludes borrowings, deferred tax liabilities				



**VARDHMAN TEXTILES LIMITED**

Registered Office : Chandigarh Road, Ludhiana-141010

**NOTES :**

1. The consolidated financial results includes result of all its - (i) Subsidiaries - viz Vardhman Acrylics Limited, VMT Spinning Company Limited, VTL Investments Limited, and Vardhman Nisshinbo Garments Company Limited and (ii) Associates - viz Vardhman Yarns and Threads Limited, Vardhman Special Steels Limited and Vardhman Spinning and General Mills Limited (herein after referred to as "The Group").

2. The Financial Results has been prepared in accordance with the Indian Accounting Standards ("Ind AS") 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and SEBI's circular no. CIR/CFD/FAC/62/2016 dated July 5, 2016 as amended from time to time.

3 (a) .The Parent Company has issued secured, rated listed Redeemable Non-convertible Debentures (NCDs) aggregating to Rs. 195.00 Crores for cash at par on private placement basis on June 1, 2020. The NCDs are listed at the Bombay Stock Exchange of India (BSE) and repayable at the end of 36 months from the date of allotment and have a coupon of 6.83% per annum payable on 1st June on annual basis.

CRISIL has assigned a rating of AA+ with Stable outlook to the said NCDs of the Company on May 28, 2020. The NCDs shall be secured by way of a first pari passu charge over the immovable and movable fixed assets of the Company and it should have asset cover of more than 1.25 times of outstanding amount of NCDs.

(b).The Parent had also issued secured, rated listed Redeemable Non-convertible Debentures (NCDs) aggregating to Rs. 499.80 crores for cash at par on private placement basis on September 8, 2017. The NCDs are listed at the Bombay Stock Exchange of India (BSE) and comprise of three series repayable in third, fourth and fifth years and have an overall yield of 7.69% per annum.

CRISIL has assigned a rating of AA+ with Stable outlook to the said NCDs of the Company on December 11, 2019. These NCDs are secured by way of a first pari passu charge over the immovable and movable fixed assets of the Company and it should have fixed asset cover of more than 1.05 times of outstanding amount of NCDs. The Fixed Asset coverage ratio as on March 31, 2020 is 2.36 times.

4. The Parent Company along with some of its subsidiaries had adopted the option permitted under section 115BAA of the Income-Tax Act, 1961 with effect from quarter ended December 31, 2019. Therefore income tax expense for the Q1 of 2019-20 is not comparable to all periods presented in above results.

5. 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 Group's manufacturing facilities and operations. Since then 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 Group has resumed its manufacturing operations partially. Since the lockdown was in force for a significant period of the quarter, the Group's operations and financial results for the quarter ended 30 June 2020 have been adversely impacted. The results for the quarter are, therefore, not comparable with those for the previous quarters.

Further, the Group has made assessment of its liquidity position for the current year and the recoverability and carrying value of its assets comprising property, plant and equipment, right of use assets, investments, inventories and trade receivables. The Group has considered internal and external sources of information for making said assessment. On the basis of said assessment, the Group expects to recover the carrying amount of these assets and no material adjustments is required in the financial results. Given the uncertainties associated with nature, condition and duration of COVID-19, the Group will closely monitor any material changes arising out of the future economic conditions and its impact on the business of the Group.

6. Financial Results has been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on July 27, 2020. The limited review as required under Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, has been completed by the Statutory Auditors.

7. The figures for the quarter ended March 31, 2020 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto 31st December, 2019.

8. The Board of Directors, in its meeting held on May 27, 2020 had approved a Scheme of Amalgamation (the "Scheme") under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the 2013 Act, as per pooling of interest method, amongst the Company (Transferee Company) and its subsidiaries VMT Spinning Company Limited and Vardhman Nisshinbo Garments Company Limited (Transferor companies). The Appointed date for the scheme will be April 1, 2020. The Scheme is subject to necessary approval from members & creditors of all the companies involved in the merger and other statutory approvals.



Place : Ludhiana  
Date : July 27, 2020

For Vardhman Textiles Limited

S.P. Oswal  
Chairman and Managing Director



## INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS

### TO THE BOARD OF DIRECTORS OF VARDHMAN TEXTILES LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **VARDHMAN TEXTILES LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net profit/(loss) after tax and total comprehensive income / loss of its associates for the quarter ended June 30, 2020 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

Name of the Entity	Relationship
Vardhman Acrylics Limited	Subsidiary company
VMT Spinning Company Limited	Wholly owned subsidiary company
VTL Investments Limited	Wholly owned subsidiary company
Vardhman Nisshinbo Garments Company Limited	Wholly owned subsidiary company
Vardhman Yarn and Threads Limited	Associate company
Vardhman Special Steels Limited	Associate company
Vardhman Spinning and General Mills Limited	Associate company

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We draw attention to Note 5 of the statement, which describes the uncertainties and the impact of Covid-19 pandemic on the Group's operations and results as assessed by the management. Our conclusion on the Statement is not modified in respect of this matter.
7. We did not review the interim financial results of two subsidiaries included in the consolidated unaudited financial results, whose interim financial results reflect total revenues of Rs. 82.11 Crores for the quarter ended June 30, 2020, total net profit after tax of Rs. 4.10 Crores for the quarter ended June 30, 2020 and total comprehensive income of Rs. 4.10 Crores for the quarter ended June 30, 2020, as considered in the Statement. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of these matters.

8. The consolidated unaudited financial results includes the interim financial results of two subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total revenue of Rs. 2.11 Crores for the quarter ended June 30, 2020, total loss of Rs. 2.09 Crores for the quarter ended June 30, 2020 and Total comprehensive loss of Rs. 2.09 Crores for the quarter ended June 30, 2020, as considered in the Statement. The consolidated unaudited financial results also includes the Group's share of loss of Rs. 4.67 Crores for the quarter ended June 30, 2020 and total comprehensive loss of Rs. 4.73 Crores for the quarter ended June 30, 2020, as considered in the Statement, in respect of three associates, based on their interim financial results which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

Our Conclusion on the Statement is not modified in respect of our reliance on the interim financial results certified by the Management.

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

  
**Rajesh Kumar Agarwal**  
Partner  
(Membership No. 105546)  
(UDIN: 20105546AAAACC3100)

Place: New Delhi  
Date: July 27, 2020