



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:JAN:2021-22

Dated: 22-Jan-2022

The National Stock Exchange of India Ltd,
Exchange Plaza, Bandra-Kurla Complex,
Bandra (East),
MUMBAI-400 051
Scrip Code: VTL

SUB: DISCLOSURE UNDER REGULATION 30 & 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

Dear Sir,

We would like to inform you that the Board of Directors of the Company at its meeting held today i.e. Saturday, 22nd January, 2022, have inter-alia considered and approved the following:

1. Pursuant to Regulation 30 read with Part A of Schedule III, Regulation 33 & 52 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, we are enclosing herewith Un-Audited Financial Results of the Company for the quarter/ nine-months ended 31st December, 2021 together with Limited Review Report as approved by Board of Directors in its meeting held on 22nd January, 2022.
2. The split/ sub-division of equity shares of the Company from face value of Rs. 10/- per share to Rs. 2/- per share, subject to the approval of the shareholders of the Company which will be sought in due course of time through Postal Ballot. The details required in terms of Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 read with SEBI Circular No.CIR/CFD/CMD/4/2015 dated September 9, 2015, is enclosed herewith as Annexure-1.
3. Amendment in the Memorandum of Association of the Company on account of Sub- Division/Split of Equity Shares of the Company from face value of Rs. 10/- each into Rs. 2/- each, subject to approval of the Members of the Company.



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PAN NO.: AABCM4692E CIN: L17111PB1973PLC003345
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The meeting of the Board of Directors commenced at 10:30 a.m. and concluded at 01:30 p.m.

You are requested to take the above information on record.

Thanking you,
Yours faithfully,
For VARDHMAN TEXTILES LIMITED

(SANJAY GUPTA)
Company Secretary

YARNS | FABRICS | THREADS | GARMENTS | FIBRES | STEELS

PAN NO.: AABCM4692E CIN: LI7111PBI973PLC003345
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VARDHMAN TEXTILES LIMITED

Registered Office : Chandigarh Road, Ludhiana-141010

Standalone Unaudited financial results for the quarter and nine months ended December 31, 2021

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

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

(Rs. In Crores)

S.No.	Particulars	Quarter Ended December 31, 2021	Quarter Ended September 30, 2021	Quarter Ended December 31, 2020	Nine Months Ended December 31, 2021	Nine Months Ended December 31, 2020	Year Ended March 31, 2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I.	Revenue from operations	2,453.91	2,306.65	1,666.88	6,634.54	3,970.95	5,787.64
II.	Other income	230.32	64.46	51.76	337.46	143.92	189.47
III.	Total income from operations (I+II)	2,684.23	2,371.11	1,718.64	6,972.00	4,114.87	5,977.11
IV.	Expenses						
	Cost of materials consumed	1,252.27	1,035.01	840.77	3,244.61	2,095.36	2,999.62
	Purchase of stock- in trade	23.13	42.63	18.17	89.12	39.68	46.59
	Change in inventories of finished goods, works -in progress and stock -in- trade	(112.81)	(40.49)	21.38	(263.16)	117.39	61.62
	Employee benefits expense	176.83	168.92	142.44	501.61	388.33	549.86
	Finance cost	21.48	23.37	23.31	70.41	83.73	111.43
	Depreciation and amortisation expense	88.76	88.04	88.12	264.61	261.52	350.13
	Other expenses	523.67	451.56	393.17	1,368.45	949.22	1,390.70
	Total Expenses	1,973.33	1,769.04	1,527.36	5,275.65	3,935.23	5,509.95
V.	Profit/(Loss) before tax (III-IV)	710.90	602.07	191.28	1,696.35	179.64	467.16
VI.	Tax expense						
	Current tax	151.10	145.35	38.24	390.46	38.24	102.54
	Deferred tax	(10.15)	2.92	8.65	(7.65)	5.83	14.21
VII.	Profit/(Loss) after tax (V-VI)	569.95	453.80	144.39	1,313.54	135.57	350.41
VIII.	Other Comprehensive Income/(Expenditure)	-	-	-	-	-	4.55
IX.	Total Comprehensive income/(Expenditure) (VII+VIII)	569.95	453.80	144.39	1,313.54	135.57	354.96
X.	Earnings Per Share (in Rs.) (not annualized)						
	(a) Basic	98.80	78.70	25.10	227.81	23.57	60.91
	(b) Diluted	98.53	78.45	24.93	227.07	23.41	60.53
XI.	Paid up Equity Share Capital (Face value per share Rs.10)	57.69	57.66	57.52	57.69	57.52	57.56
XII.	Paid up Debt Capital *	394.80	394.80	544.80	394.80	544.80	544.80
XIII.	Other Equity	7,003.68	6,622.90	5,749.63	7,003.68	5,749.63	5,974.95

* Paid up Debt Capital comprises of listed debentures only.



VARDHMAN TEXTILES LIMITED

Registered Office : Chandigarh Road, Ludhiana-141010

Notes to Unaudited Standalone Financial Results:

- 1 The Financial Results have been prepared in accordance with recognition and measurement principles as laid down in 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 During the current quarter and nine months ended December 31, 2021, other income includes the dividend received from subsidiary companies amounting to Rs.167.13 crores.
- 4 (a) The Company had 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 NCD's 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 yield of 6.83% per annum payable on June 1 on annual basis.

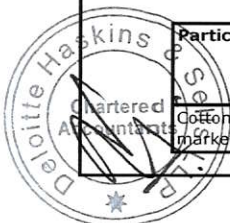
CRISIL has assigned a rating of AA+ with Stable outlook to the said NCDs of the Company on November 23, 2021. The NCDs are secured by way of a first pari passu charge over the immovable and movable fixed assets of the Company and it should have fixed asset cover of more than 1.25 times of outstanding amount of NCDs. The Fixed Asset coverage ratio as on December 31, 2021 is 2.33 times and Asset cover as on December 31, 2021 is 2.31 times.
- (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. During the year ended March 31, 2021 1,500 7.59% Series A NCDs of Rs.10 lacs each amounting to Rs.150 Cr were redeemed on September 8, 2020. During the nine months ended December 31, 2021 1,500 7.69% Series B NCDs of Rs.10 lacs each amounting to Rs.150 Cr were redeemed on September 08, 2021.

CRISIL has assigned a rating of AA+ with Stable outlook to the said NCDs of the Company on November 23, 2021. 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 December 31, 2021 is 2.33 times and Asset cover as on December 31, 2021 is 2.31 times.
- 5 Financial Results have been reviewed by the Audit Committee at its meeting held on January 21, 2022 and approved by the Board of Directors at its meeting held on January 22, 2022. The limited review as required under Regulation 33 and Regulation 52 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, has been completed by the Statutory Auditors.
- 6 The Company's operations and financial results for the quarter and nine months ended December 31, 2021 and the corresponding quarter and nine months ended December 31, 2020 are not comparable as the results of the previous periods were impacted by COVID-19 pandemic and the consequent lockdown announced by the Central / State Governments, due to which the operations were suspended for part of the nine months ended December 31, 2020.

The company has considered the possible effects that may result from the COVID-19 pandemic in the preparation of these unaudited financial results, including but not limited to the assessment of liquidity position and recoverability of carrying value of its assets comprising inventories and trade receivables. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the company has, at the date of approval of these unaudited financial results, used internal and external sources of information and expects that the carrying amount of these assets will be recovered. 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 Company is carrying substantial stock of cotton and hence it was thought prudent to hedge the same partially against price fluctuation. Accordingly, the Company had entered into derivative contracts at an international Commodity Exchange. 'Other Expenses/Other income' include below mentioned amounts on these derivative contracts:

Rs. In crores

Particulars	Quarter Ended December 31, 2021	Quarter Ended September 30, 2021	Quarter Ended December 30, 2020	Nine months ended December 31, 2021	Nine months ended December 31, 2020	Year Ended March 31, 2021
Cotton hedging derivative loss/ (gain) (net of marked to market gain/loss)	4.14	-	29.45	3.98	84.56	87.90



VARDHMAN TEXTILES LIMITED**Registered Office : Chandigarh Road, Ludhiana-141010**

- 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 statutory approvals.
- 9** 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.
- 10** The new scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) was introduced by Ministry of Commerce and Industry vide notification dated August 17, 2021 for eligible exported goods. Accordingly the Company has recognised in 'Revenue from operations' the benefit of RoDTEP e-Scrips of Rs.71.37 crores during the quarter ended September 30, 2021, out of which Rs. 18.66 crores pertains to eligible export sales for the period from January 1, 2021 to March 31, 2021 and Rs.29.53 crores pertains to eligible export sales for the period from April 1, 2021 to June 30, 2021.
- Also due to lower realization of e-Scrips during the current quarter, the Company has recorded loss of Rs. 15.40 crores on above referred e-Scrips (received/receivable under RoDTEP scheme) outstanding as on December 31, 2021.
- 11** During the nine months ended December 31, 2021, the Company has issued 1,25,800 equity shares under Employee Stock Options Scheme out of which 27,100 shares were issued in current quarter at Rs. 815 per share. As a result of above, the paid up equity share capital of the Company has increased from Rs. 57.56 crores to Rs. 57.69 crores.
- 12** During the current quarter, the company has paid the interim dividend of Rs. 34 per share on fully paid up equity shares of the company.
- 13** Relevant information as required pursuant to regulation 52(4) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, in respect of Non Convertible Debentures, are as follows:

(a)	S.No.	Particulars	Quarter Ended December 31, 2021	Quarter Ended September 30, 2021	Quarter Ended December 31, 2020	Nine months ended December 31,2021	Nine months ended December 31,2020	Year Ended March 31, 2021
	(i)	Operating Margin % (Earning Before Interest, Tax, Depreciation and Amortisation (EBITDA)/ Total Income from Operations)	30.59%	30.09%	17.61%	29.14%	12.76%	15.54%
	(ii)	Net Profit Margin (%) (Net Profit after tax/ Total Income from Operations)	21.23%	19.14%	8.40%	18.84%	3.29%	5.86%
	(iii)	Interest Service Coverage Ratio (EBITDA-Current Tax)/Gross Interest	31.19	24.31	11.35	23.31	5.81	7.41
	(iv)	Debt service coverage ratio (DSCR)* (EBITDA-Current Tax)/(Gross Interest+Scheduled principal repayment of Long term Debts)	4.21	3.93	3.54	3.39	2.05	2.09
	(v)	Bad Debts to Account Receivable Ratio (Bad debts/Trade Receivables)	-	-	-	0.00	-	-
	(vi)	Debtors Turnover ratio (in days)* (Trade receivables/Revenue from operations X No. of days in period)	46	48	52	51	66	62
	(vii)	Inventory Turnover ratio (in days)* (Inventory/Revenue from operations X No. days in a period)	94	64	105	103	132	165

Annualised



VARDHMAN TEXTILES LIMITED

Registered Office : Chandigarh Road, Ludhiana-141010

(b)	S.No.	Particulars	Nine months ended December 31, 2021	Year Ended March 31, 2021
	(i)	Debt equity ratio (Total Debt (excluding lease liabilities)/ Total Equity)	0.29	0.35
	(ii)	Current Ratio (Current Assets/Current Liabilities)	2.82	3.50
	(iii)	Current Liability Ratio (Current Liabilities/Total Liabilities)	0.63	0.46
	(iv)	Total Debt to total assets (Total Debt (excluding lease liabilities)/Total Assets)	0.20	0.24
	(v)	Long Term Debt to Working Capital (Long term borrowings (including current maturities of long term debt and excluding lease liabilities)/(Current Assets-Current Liabilities)	0.41	0.47
	(vi)	Net Worth (Rs. in Crores)	7061.37	6,032.51
	(vii)	Capital Redemption Reserve (Rs. in Crores)	6.26	6.26
	(viii)	Debenture Redemption Reserve (Rs. in Crores)	57.62	57.62

- 14 The board of directors have recommended the split/sub-division of each equity share having face value of Rs.10 into 5 (five) equity shares having face value of Rs. 2 each, subject to the approval of the shareholders.



Place : Ludhiana
Date : January 22, 2022

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 and nine months ended December 31, 2021 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 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 and Regulation 52 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.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)




Rajesh Kumar Agarwal
(Partner)
(Membership No. 105546)
(UDIN: 22105546AAAAAQ4565)

Place: New Delhi
Date: January 22, 2022

Vardhman Textiles Limited
Registered Office : Chandigarh Road, Ludhiana-141010
Consolidated Unaudited Financial Results for the quarter and nine months ended December 31, 2021
Corporate Identity Number (CIN): L17111PB1973PLC003345, PAN: AABCM4692E
Website: www.vardhman.com Email: secretarial.lud@vardhman.com

(Rs. In crores)

S.No	Particulars	Quarter Ended December 31, 2021	Quarter Ended September 30, 2021	Quarter Ended December 31, 2020	Nine Months Ended December 31, 2021	Nine Months Ended December 31, 2020	Year Ended March 31, 2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I.	Revenue from operations	2,603.18	2,385.08	1,750.10	6,915.23	4,192.80	6,139.87
II.	Other income	63.62	67.46	56.75	176.07	154.16	201.56
III.	Total income (I+II)	2,666.80	2,452.54	1,806.85	7,091.30	4,346.96	6,341.43
IV.	Expenses						
	Cost of materials consumed	1,377.74	1,098.97	880.74	3,460.75	2,217.98	3,188.63
	Purchase of stocks- in trade	-	-	0.14	0.11	1.28	5.13
	Change in inventories of finished goods, Works -in progress and stock -in- trade	(138.45)	(46.40)	23.18	(298.06)	128.83	66.70
	Employee benefits expenses	189.89	181.48	152.09	538.68	416.48	590.11
	Finance cost	21.48	23.53	23.25	70.75	84.91	113.32
	Depreciation and amortisation expense	92.36	91.65	91.61	275.32	271.96	363.81
	Other expenses	554.60	474.56	417.21	1,439.08	1,008.55	1,475.46
	Total Expenses	2,097.62	1,823.79	1,588.22	5,486.63	4,129.99	5,803.16
V	Share of Profit/(Loss) of Associates	9.33	9.59	9.56	28.12	9.54	20.63
VI.	Profit/(Loss) before tax (III-IV+V)	578.51	638.34	228.19	1,632.79	226.51	558.90
VII.	Tax expense						
	Current tax	159.22	151.86	44.40	410.96	48.23	123.63
	Deferred tax	(12.22)	4.27	8.94	(8.83)	5.99	12.80
VIII.	Profit/(Loss) after tax (VI-VII)	431.51	482.21	174.85	1,230.66	172.29	422.47
IX.	Other Comprehensive Income/(Expenditure)	-	-	-	-	-	4.75
X.	Total Comprehensive Income/(Expenditure) (VIII+IX)	431.51	482.21	174.85	1,230.66	172.29	427.22
XI.	Profit/(Loss) for the period attributable to :						
	Owners of the Company	428.59	481.49	170.52	1,224.78	166.44	409.91
	Non Controlling Interest	2.92	0.72	4.33	5.88	5.85	12.56
		431.51	482.21	174.85	1,230.66	172.29	422.47
XII.	Other Comprehensive Income/ (expenditure) for the period attributable to :						
	Owners of the Company	-	-	-	-	-	4.60
	Non Controlling Interest	-	-	-	-	-	0.15
		-	-	-	-	-	4.75
XIII	Total Comprehensive Income/ (expenditure) for the period attributable to :						
	Owners of the Company	428.59	481.49	170.52	1,224.78	166.44	414.51
	Non Controlling Interest	2.92	0.72	4.33	5.88	5.85	12.71
		431.51	482.21	174.85	1,230.66	172.29	427.22
XIV.	Earnings Per Share (in Rs)						
	(not annualized):						
	(a) Basic	75.61	84.99	30.17	216.18	29.45	72.52
	(b) Diluted	75.40	84.71	29.97	215.47	29.25	72.07
XV.	Paid up equity share capital (face value per share Rs.10)	56.69	56.66	56.52	56.69	56.52	56.56
XVI.	Paid up Debt Capital*	394.80	394.80	544.80	394.80	544.80	544.80
XVII.	Other equity	7,322.93	7,119.62	6,163.16	7,322.93	6,163.16	6,417.31

* Paid up Debt Capital comprises of listed debentures only



VARDHMAN TEXTILES LIMITED
Registered Office : Chandigarh Road, Ludhiana-141010
Statement of Segment Information

(Rs. In Crores)

Particulars	Quarter Ended December 31, 2021	Quarter Ended September 30, 2021	Quarter Ended December 31, 2020	Nine Months Ended December 31, 2021	Nine Months Ended December 31, 2020	Year Ended March 31, 2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I. Segment Revenue						
Textiles	2,520.87	2,329.98	1,687.94	6,744.10	4,061.07	5,926.24
Acrylic Fibre	102.16	58.66	80.88	203.13	175.46	280.19
Total	2,623.03	2,388.64	1,768.82	6,947.23	4,236.53	6,206.43
Less : Inter Segment Revenue	19.85	3.56	18.72	32.00	43.73	66.56
Net Revenue from operations	2,603.18	2,385.08	1,750.10	6,915.23	4,192.80	6,139.87
II. Segment Results						
Profit/(loss) before tax & interest from each segment						
Textiles	589.99	646.35	211.91	1,665.58	234.51	568.07
Acrylic Fibre	9.93	(1.12)	15.90	13.38	15.28	43.06
Total	599.92	645.22	227.81	1,678.96	249.79	611.13
Less : (a) Interest	21.48	23.53	23.25	70.75	84.91	113.32
(b) Other un-allocable expenditure / (income) (Net of un-allocable (income)/expenditure)	9.28	(7.07)	(14.07)	3.54	(52.09)	(40.46)
Add: Share of Profit/(Loss) of Associates	9.33	9.59	9.56	28.12	9.54	20.63
Total Profit/(loss) before tax	578.51	638.36	228.19	1,632.79	226.51	558.90
Tax expenses	147.00	156.13	53.34	402.13	54.22	136.43
Net Profit/(loss) after tax	431.51	482.23	174.85	1,230.66	172.29	422.47
Less: Non Controlling Interest	2.92	0.72	4.33	5.88	5.85	12.56
Net Profit/(Loss) after taxes, non controlling interest and Share of profit/(loss) of Associates	428.59	481.51	170.52	1,224.78	166.44	409.91
III. Segment Assets						
Textiles*	8,329.58	7274.68	7,091.14	8,329.58	7,091.14	7,867.03
Acrylic Fibre	193.33	140.49	119.03	193.33	119.03	127.08
Total Segment Assets	8,522.91	7,415.17	7,210.17	8,522.91	7,210.17	7,994.11
Un-allocated	2,197.22	2,632.89	1,768.98	2,197.22	1,768.98	1,632.87
Total Assets	10,720.12	10,048.06	8,979.15	10,720.12	8,979.15	9,626.98
IV. Segment Liabilities**						
Textiles	683.43	530.08	601.28	683.43	601.28	493.88
Acrylic Fibre	108.43	62.90	35.22	108.43	35.22	49.19
Total Segment Liabilities	791.86	592.98	636.50	791.86	636.50	543.07
Un-allocated	150.84	169.70	25.28	150.84	25.28	87.75
Total Liabilities	942.70	762.68	661.78	942.70	661.78	630.82

* Includes Capital Work in Progress and Capital Advances

**excludes borrowings, deferred tax liabilities



VARDHMAN TEXTILES LIMITED

Registered Office : Chandigarh Road, Ludhiana-141010

Notes to unaudited Consolidated financial results:

- 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 referred to as "The Group".
- 2 The Financial Results have been prepared in accordance with recognition and measurement principles as laid down in 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 had 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 NCD's 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 yield of 6.83% per annum payable on 01-June on annual basis.
- CRISIL has assigned a rating of AA+ with Stable outlook to the said NCDs of the Company on November 23, 2021. The 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 1.25 times of outstanding amount of NCDs. The Fixed Asset coverage ratio as on December 31, 2021 is 2.33 times and Asset Cover as on December 31, 2021 is 2.31 times.
- (b) The Parent 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. During the year ended March 31, 2021 1,500 7.59% Series A NCDs of Rs.10 lacs each amounting to Rs.150 Cr were redeemed on September 8, 2020. During the nine months ended December 31, 2021 1,500 7.69% Series B NCDs of Rs.10 lacs each amounting to Rs.150 Cr were redeemed on September 8, 2021.
- CRISIL has assigned a rating of AA+ with Stable outlook to the said NCDs of the Company on November 23, 2021. 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 December 31, 2021 is 2.33 times and Asset Cover as on December 31, 2021 is 2.31 times.
- 4 Financial Results have been reviewed by the Audit Committee at its meeting held on January 21, 2022 and approved by the Board of Directors at its meeting held on January 22, 2022. The limited review as required under Regulation 33 and Regulation 52 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, has been completed by the Statutory Auditors.
- 5 The Group's operations and financial results for the quarter and nine months ended December 31, 2021 and the corresponding quarter and nine months ended December 31, 2020 are not comparable as the results of the previous periods were impacted by COVID-19 pandemic and the consequent lockdown announced by the Central / State Governments, due to which the operations were suspended for part of the nine months ended December 31, 2021.
- The Group has considered the possible effects that may result from the COVID-19 pandemic in the preparation of these unaudited financial results, including but not limited to the assessment of liquidity position and recoverability of carrying value of its assets comprising inventories and trade receivables. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group has, at the date of approval of these unaudited financial results, used internal and external sources of information and expects that the carrying amount of these assets will be recovered. 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 The Parent Company is carrying substantial stock of cotton and hence it was thought prudent to hedge the same partially against price fluctuation. Accordingly, the Company had entered into derivative contracts at an international Commodity Exchange. 'Other Expenses/Other income' include below mentioned amounts on these derivative contracts:

Rs. In crores						
Particulars	Quarter Ended December 31, 2021	Quarter Ended September 30, 2021	Quarter Ended December 30, 2020	Nine months ended December 31, 2021	Nine months ended December 31, 2020	Year Ended March 31, 2021
Cotton hedging derivative loss/ (gain) (net of marked to market gain/loss)	4.14	-	29.45	3.98	84.56	87.90

- 7 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 statutory approvals.
- 8 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.



VARDHMAN TEXTILES LIMITED**Registered Office : Chandigarh Road, Ludhiana-141010**

- 9** The new scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) was introduced by Ministry of Commerce and Industry vide notification dated August 17, 2021 for eligible exported goods. Accordingly the group has recognised the benefit of RoDTEP e-Scrips of Rs.72.88 crores in revenue from operations during the quarter ended September 30, 2021, out of which Rs. 19.69 crores benefit pertains to eligible export sales for the period from January 1, 2021 to March 31, 2021 and Rs.29.81 crores benefit pertains to eligible export sales for the period from April 1, 2021 to June 30, 2021.
- Also due to lower realization of e-Scrips during the current quarter, the group has recorded loss of Rs. 15.72 crores on above referred e-Scrips (received/receivable under RoDTEP scheme) outstanding as on December 31, 2021.
- 10** During the nine months ended December 31, 2021, the Parent Company has issued 1,25,800 equity shares under Employee Stock Options Scheme out of which 27,100 shares were issued in current quarter at Rs. 815 per share. As a result of above, the paid up equity share capital of the Company has increased from Rs. 56.56 crores to Rs. 56.69 crores.
- 11** During the current quarter, the parent company has paid the interim dividend of Rs. 34 per share on fully paid up equity shares of the company.
- 12** Relevant information as required pursuant to regulation 52(4) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, in respect of Non Convertible Debentures, are as follows:

(a)	S.No.	Particulars	Quarter Ended December 31, 2021	Quarter Ended September 30, 2021	Quarter Ended December 31, 2020	Nine Months Ended December 31, 2021	Nine Months Ended December 31, 2020	Year Ended March 31, 2021
	(i)	Operating Margin % (Earning Before Interest, Tax, Depreciation and Amortisation (EBITDA)/ Total Income from Operations)	25.61%	30.33%	18.46%	27.51%	13.20%	16.01%
	(ii)	Net Profit Margin (%) (Net Profit after tax/ Total Income from Operations)	16.18%	19.66%	9.68%	17.35%	3.96%	6.66%
	(iii)	Interest Service Coverage Ratio (EBITDA-Current Tax)/Gross Interest	24.39	25.16	12.43	21.76	6.19	7.87
	(iv)	Debt service coverage ratio (DSCR)* (EBITDA-Current Tax)/((Gross Interest+Scheduled principal repayment of Long term Debts)	3.29	4.09	3.84	3.18	2.18	2.24
	(v)	Bad Debts to Account Receivable Ratio (Bad debts/Trade Receivables)	-	-	-	0.00	-	0.00
	(vi)	Debtors Turnover ratio (in days)* (Trade receivables/Revenue from operations X No. of days in period)	46	48	52	51	65	62
	(vii)	Inventory Turnover ratio (in days)* (Inventory/Revenue from operations X No. days in a period)	98	68	107	110	133	166

* Annualised



(b)

S.No.	Particulars	Nine Months Ended December 31, 2021	Year Ended March 31, 2021
(i)	Debt equity ratio (Total Debt (excluding lease liabilities)/ Total Equity)	0.28	0.33
(ii)	Current Ratio (Current Assets/Current Liabilities)	2.80	3.64
(iii)	Current Liability Ratio (Current Liabilities/Total Liabilities)	0.64	0.47
(iv)	Total Debt to total assets (Total Debt (excluding lease liabilities)/Total Assets)	0.19	0.22
(v)	Long Term Debt to Working Capital (Long term borrowings (including current maturities of long term debt and excluding lease liabilities)/(Current Assets-Current Liabilities)	0.38	0.42
(vi)	Net Worth (Rs. in Crores)	7360.58	6,473.87
(vii)	Capital Redemption Reserve (Rs. in Crores)	40.43	40.43
(viii)	Debenture Redemption Reserve (Rs. in Crores)	57.62	57.62

13 The board of directors have recommended the split/sub-division of each equity share having face value of Rs.10 into 5 (five) equity shares having face value of Rs. 2 each, subject to the approval of the shareholders.

Place : Ludhiana
Date : January 22, 2022



For Vardhman Textiles Limited

S.P. Oswal
Chairman & 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 after tax and total comprehensive income of its associates for the quarter and nine months ended December 31, 2021 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 and Regulation 52 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



Deloitte Haskins & Sells LLP

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 6 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 and Regulation 52 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 did not review the interim financial results of one subsidiary included in the consolidated unaudited financial results, whose interim financial results reflect total revenues of Rs. 105.05 crores and Rs. 215.30 crores for the quarter and nine months ended December 31, 2021 respectively, total net profit after tax of Rs. 9.99 crores and Rs. 20.11 crores for the quarter and nine months ended December 31, 2021 respectively and total comprehensive income of Rs. 9.99 crores and Rs. 20.11 crores for the quarter and nine months ended December 31, 2021 respectively, as considered in the Statement. These interim financial results have been reviewed by other auditor 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 this subsidiary, 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 this matter.

7. The consolidated unaudited financial results includes the interim financial results of three subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total revenue of Rs. 118.65 crores and Rs. 332.53 crores for the quarter and nine months ended December 31, 2021, total profit after tax of Rs. 17.76 crores and Rs. 47.44 crores for the quarter and nine months ended December 31, 2021 and Total comprehensive income of Rs. 17.76 crores and Rs. 47.44 crores for the quarter and nine months ended December 31, 2021 respectively, as considered in the Statement. The consolidated unaudited financial results also includes the Group's share of profit after tax of Rs. 9.29 crores and Rs. 28.00 crores for the quarter and nine months ended December 31, 2021 respectively and total comprehensive income of Rs. 9.33 crores and Rs. 28.12 crores for the quarter and nine months ended December 31, 2021 respectively, 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: 22105546AAAAAR4560)

Place: New Delhi

Date: January 22, 2022



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VARDHMAN TEXTILES LIMITED

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

Annexure-1

Details of Split/ Sub-division of equity shares in terms of SEBI Circular CIR/CFD/CMD/4/2015 dated September 09, 2015

S. No.	Particulars	Remarks
1.	Split/ consolidation ratio	1:5, i.e. 1 (One) equity share of face value of Rs. 10/- each will split into 5 (Five) equity shares of face value of Rs. 2/- each.
2.	Rationale behind the split/ consolidation	To enhance the liquidity of the Company's shares and encourage the participation of small investors.
3.	Pre and post share capital - authorized, paid-up and subscribed;	<p>Pre Sub-Division:</p> <p>i) Authorized Share Capital:</p> <p>Equity Shares: Rs. 90,00,00,000/- [Divided into 9,00,00,000 shares of Rs. 10/- each]</p> <p>Preference Shares: Rs. 10,00,00,000/- [Divided into 1,00,00,000 shares of Rs. 10/- each]</p> <p>ii) Subscribed & Paid-up Capital:</p> <p>Equity Shares: Rs. 57,77,28,100/- [Divided into 5,77,72,810 Equity shares of Rs. 10/- each]</p> <p>Preference Shares: Nil</p> <p>Post Sub-Division:</p> <p>i) Authorized Share Capital:</p> <p>Equity Shares: Rs. 90,00,00,000/- [Divided into 45,00,00,000 shares of Rs. 2/- each]</p> <p>Preference Shares: Rs. 10,00,00,000/- [Divided into 1,00,00,000 shares of Rs. 10/- each]</p>

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F: +91-161-2601 048
E: secretarial.lud@vardhman.com

		ii) Subscribed & Paid-up Capital: Equity Shares: Rs. 57,77,28,100/- [Divided into 28,88,64,050 Equity shares of Rs. 2/- each] Preference Shares: Nil
4.	Expected time of completion	Within 1-2 months from the date of Shareholders approval
5.	Class of shares which are consolidated or subdivided	Equity Shares
6.	Number of shares of each class pre and post-split or consolidation	As detailed in point no. 3 above
7.	Number of shareholders who did not get any shares in consolidation and their pre-consolidation shareholding	Not Applicable



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