

**VARDHMAN TEXTILES LIMITED**  
(Formerly known as Mahavir Spinning Mills Limited)  
Regd. Office : Chandigarh Road, Ludhiana-141010

Unaudited Financial Results for the Quarter and Nine Months ended 31st Dec, 2008

(Rs. In Crore)

Particulars	Quarter ended 31st Dec., 2008 (Unaudited)	Quarter ended 31st Dec., 2007 (Unaudited)	Nine months ended 31st Dec., 2008 (Unaudited)	Nine months ended 31st Dec., 2007 (Unaudited)	Year ended 31st March, 2008 (Audited)
<b>1. Income</b>					
(a) Net Sales/Income from Operations	645.10	615.94	1861.93	1715.19	2294.67
(b) Other Operating Income	5.41	3.28	9.52	9.25	21.59
Total Income (a+b)	650.51	619.22	1871.45	1724.44	2316.26
<b>2. Expenditure</b>					
(a) (Increase)/Decrease in Stock in trade and work in progress	39.36	3.06	(30.25)	(38.05)	(42.37)
(b) Consumption of Raw Materials	286.29	285.94	934.53	816.75	1094.61
(c) Purchase of Traded Goods	2.23	5.15	6.08	9.32	7.91
(d) Employees Cost	39.15	38.53	115.82	110.91	155.27
(e) Depreciation	54.63	37.54	157.49	107.53	154.56
(f) Other Expenditure	184.80	189.16	545.56	538.67	724.70
(g) Total ( a to f )	606.46	559.38	1729.23	1545.13	2094.68
<b>3. Profit from Operations before Other Income, Interest and Exceptional Items (1-2)</b>	<b>44.05</b>	<b>59.84</b>	<b>142.22</b>	<b>179.31</b>	<b>221.58</b>
<b>4. Other Income</b>	<b>5.66</b>	<b>0.00</b>	<b>13.72</b>	<b>1.39</b>	<b>1.39</b>
<b>5. Profit before Interest and Exceptional Items (3+4)</b>	<b>49.71</b>	<b>59.84</b>	<b>155.94</b>	<b>180.70</b>	<b>222.97</b>
<b>6. Interest</b>	<b>24.84</b>	<b>10.39</b>	<b>83.33</b>	<b>35.43</b>	<b>54.00</b>
<b>7. Profit after Interest but before Exceptional Items (5-6)</b>	<b>24.87</b>	<b>49.45</b>	<b>72.61</b>	<b>145.27</b>	<b>168.97</b>
<b>8. Exceptional Items</b>	<b>(7.41)</b>	<b>-</b>	<b>(27.94)</b>	<b>-</b>	<b>-</b>
<b>9. Profit / (Loss) from ordinary activities before Tax (7+8)</b>	<b>17.46</b>	<b>49.45</b>	<b>44.67</b>	<b>145.27</b>	<b>168.97</b>
<b>10. Provision for Taxation</b>					
-Current	0.00	(4.00)	0.00	0.00	0.19
-Deferred	8.00	13.00	24.00	36.00	44.89
-Fringe Benefit Tax	0.25	0.35	0.75	0.75	1.35
<b>11. Net Profit (Loss) from ordinary activities after Tax (9-10)</b>	<b>9.21</b>	<b>40.10</b>	<b>19.92</b>	<b>108.52</b>	<b>122.54</b>
<b>12. Extraordinary Items</b>	<b>-</b>	<b>-</b>	<b>118.40</b>	<b>-</b>	<b>-</b>
<b>13. Net Profit (Loss) for the period (11+12)</b>	<b>9.21</b>	<b>40.10</b>	<b>138.32</b>	<b>108.52</b>	<b>122.54</b>
<b>14. Paid up Equity Share Capital (Face value : Rs. 10/- per share )</b>	<b>57.77</b>	<b>57.77</b>	<b>57.77</b>	<b>57.77</b>	<b>57.77</b>
<b>15. Reserves (Excluding Revaluation Reserve)</b>					<b>1114.37</b>
<b>16. EPS (in Rs.) not annualised</b>					
<b>a) Before Extraordinary Items</b>					
- Basic	1.59	6.94	3.45	18.78	21.21
- Diluted	1.23	4.50	2.69	12.20	13.58
<b>b) After Extraordinary Items</b>					
- Basic	1.59	6.94	23.94	18.78	21.21
- Diluted	1.23	4.50	18.24	12.20	13.58
<b>17. Aggregate of Public Shareholding</b>					
Number of Shares	2,04,72,075	2,18,21,575	2,04,72,075	2,18,21,575	2,18,21,575
Percentage of Shareholding	35.44%	37.77%	35.44%	37.77%	37.77%

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**NOTES:**

1. During the quarter ended 31st December 2008, 7872 spindles have become operational at "Vardhman Yarns", Satlapur, (M.P.) a unit of the Company thus taking the total operational capacity of the said unit to 161664 spindles as on 31st December 2008.

2. The Promoters of the Company alongwith the Persons Acting in Concert have acquired 13,49,500 shares (2.33%) of the Company during the quarter ended 31st December 2008 under the creeping acquisition mode in compliance with the Securities and Exchange Board of India (Substantial Acquisition of Share and Takeovers) Regulations, 1997.

3. The results for the quarter ended 31st December, 2008 are not comparable to the corresponding quarter of last year as the Thread Business (including the Spinning Unit at Hoshiarpur) of the Company has got vested in Vardhman Yarns & Threads Limited (VYTL) with effect from 1.04.2008 pursuant to the Scheme of Arrangement, Re- Organisation and Demerger amongst the Company, Vardhman Threads Limited (VTL) and Vardhman Yarns & Threads Limited (VYTL) and their respective shareholders and creditors.

4. Capital work-in-progress, as per Capital Employed as given in Segment Results, is expenditure incurred in respect of its expansion projects viz Vardhman Yarns at Satlapur and Vardhman Fabrics at Budhni (other than the capacities already operational in respect of these projects).

5. Interest expense as mentioned in Point 6 is net of interest income from deposits amounting to Rs 10.83 crores for the quarter ended 31st December 2008 and Rs 12.25 crores for the nine months ended 31st December 2008.

6. Other Income during the quarter ended 31st December, 2008 as mentioned in Point 4 comprises the profit on sale of 14% stake (i.e. 79,80,890 shares) in Vardhman Yarns & Threads Limited (VYTL) to American & Efid Inc. (A&E) in view of option exercised by A&E under the terms & conditions of joint venture. Now the Company and A&E hold 51% & 49% respectively in equity share capital of VYTL.

7. Exceptional Item comprises notional exchange loss on restatement of foreign currency borrowings (FCCBs) to be matured in the year 2011.

8. The diluted Earnings Per Share (EPS) as mentioned in Point 16 above has been calculated strictly in accordance with the Accounting Standard (AS)-20 on 'Earnings per share' by taking into account any event of contingency which may require conversion of loan in equity. However, there has not been any default on account whatsoever during the year under review, which may require conversion of debt/loan into equity.

9. The Company did not have any investors' complaint pending at the beginning of the quarter. The Company received 15 complaints during the quarter, all of which were disposed off and there were no complaints lying unresolved at the end of the quarter on 31st December, 2008.

10. Figures for previous periods have been recast/regrouped, wherever necessary to make them comparable.

11. The Board of Directors has approved the above results in their meeting held on 28th January, 2009 which have been reviewed by the Statutory Auditors in terms of Clause 41 of the Listing Agreement.

for Vardhman Textiles Limited

Sd/-

Place : Ludhiana

S.P. Oswal

Date : 28.01.2009

Chairman & Managing Director

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**Segmentwise Revenue Results And Capital Employed**

(Rs. In Crore)

Particulars	Quarter ended 31st Dec., 2008 (Unaudited)	Quarter ended 31st Dec., 2007 (Unaudited)	Nine months ended 31st Dec., 2008 (Unaudited)	Nine months ended 31st Dec., 2007 (Unaudited)	Year ended 31st March, 2008 (Audited)
<b>1. Segment Revenue</b>					
Yarn	499.25	414.93	1384.76	1183.66	1608.10
Sewing Thread	0.00	88.63	0.00	232.41	309.57
Steel	48.23	81.92	249.77	237.67	326.50
Fabric	191.00	111.69	519.88	335.46	450.16
Unallocated	21.02	0.00	45.40	0.00	1.63
<b>Total</b>	<b>759.50</b>	<b>697.17</b>	<b>2199.81</b>	<b>1989.20</b>	<b>2695.96</b>
<b>Less: Inter Segment Revenue</b>	<b>114.40</b>	<b>81.23</b>	<b>337.88</b>	<b>274.01</b>	<b>401.29</b>
<b>Net Sales/Income from Operations</b>	<b>645.10</b>	<b>615.94</b>	<b>1861.93</b>	<b>1715.19</b>	<b>2294.67</b>
<b>2. Segment Results [Profit / (Loss) before tax and interest from each segment]</b>					
Yarn	35.31	39.98	110.30	125.12	154.27
Sewing Thread	0.00	11.98	0.00	27.33	36.66
Steel	3.46	6.88	33.94	24.99	36.38
Fabric	11.07	7.18	19.33	20.59	17.98
Unallocated	(3.20)	0.00	(7.79)	0.00	(1.58)
<b>Total</b>	<b>46.64</b>	<b>66.02</b>	<b>155.78</b>	<b>198.03</b>	<b>243.71</b>
<b>Less: (i) Interest</b>	<b>24.84</b>	<b>10.39</b>	<b>83.33</b>	<b>35.43</b>	<b>63.89</b>
<b>(ii) Net of Un-allocable expenditure/(Income)</b>	<b>(3.07)</b>	<b>6.18</b>	<b>(0.16)</b>	<b>17.33</b>	<b>10.85</b>
<b>Profit after interest but before exceptional items &amp; tax</b>	<b>24.87</b>	<b>49.45</b>	<b>72.61</b>	<b>145.27</b>	<b>168.97</b>
<b>3. Capital Employed</b>					
Yarn	1811.47	1484.93	1811.47	1484.93	1989.59
Sewing Thread	0.00	169.40	0.00	169.40	152.58
Steel	147.00	179.44	147.00	179.44	177.90
Fabric	768.14	388.20	768.14	388.20	753.93
Unallocated	1113.82	374.99	1113.82	374.99	353.47
<b>Capital work in progress</b>	<b>56.07</b>	<b>955.48</b>	<b>56.07</b>	<b>955.48</b>	<b>302.90</b>
<b>Total</b>	<b>3896.50</b>	<b>3552.44</b>	<b>3896.50</b>	<b>3552.44</b>	<b>3730.37</b>