

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

Unaudited Financial Results for the Quarter ended 30th June,2008

(Rs. In Crore)

Particulars	Quarter ended 30th June, 2008 (Unaudited)	Quarter ended 30th June, 2007 (Unaudited)	Year ended 31st March, 2008 (Audited)
1. Net Sales/Income from Operations	566.16	530.10	2294.67
2. Other Income	3.60	3.44	32.87
3. Total Income (1+2)	569.76	533.54	2327.54
4. Expenditure			
(a) (Increase)/Decrease in Stock in trade and work in progress	(32.31)	(29.30)	(42.37)
(b) Consumption of Raw Materials	306.11	264.30	1094.61
(c) Purchase of Traded Goods	1.42	0.55	7.91
(d) Employees Cost	36.95	34.66	155.27
(e) Depreciation	50.40	34.60	154.56
(f) Other Expenditure	168.20	167.74	724.70
(g) Total (a to f)	530.77	472.55	2094.68
5. Interest	28.46	16.54	63.89
6. Exceptional Items	-	-	-
7. Profit / (Loss) from ordinary activities before Tax	10.53	44.45	168.97
8. Provision for Taxation			
-Current	0.00	1.25	0.19
-Deferred	5.00	12.00	44.89
-Fringe Benefit Tax	0.25	0.15	1.35
9. Net Profit (Loss) from ordinary activities after Tax	5.28	31.05	122.54
10. Extraordinary Income (Net of Tax expense of Rs. 37 Crores)	104.40	-	-
11. Net Profit (Loss) for the period	109.68	31.05	122.54
12. Paid up Equity Share Capital (Face value : Rs. 10/- per share)	57.77	57.77	57.77
13. Reserves (Excluding Revaluation Reserve)			1114.37
14. EPS (in Rs.) not annualised			
a) Before Extraordinary Items			
- Basic	0.91	5.37	21.21
- Diluted	0.66	3.25	13.58
b) After Extraordinary Items			
- Basic	18.99	5.37	21.21
- Diluted	13.21	3.25	13.58

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Unaudited Financial Results for the Quarter ended 30th June,2008

NOTES:

1. During the quarter ended 30th June 2008, 14,592 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 138,144 spindles as on 30th June 2008. Further, 19,200 spindles and 60 looms have become operational during the quarter at "Vardhman Fabrics" at Budhni (M.P.) thus taking the total operational capacity of the said unit to 60,000 spindles and 370 looms alongwith the fabric processing capacity of 40 million meter per annum as on 30th June, 2008. From the corresponding quarter of the last year, there has been regular increase in the capacities being set up in Satlapur & Budhni which has resulted in significant rise in depreciation and interest cost. However, utilisation of these capacities may not be reaching the desired level in accordance with the company's norms due to factors like development of skills of workers, quality reasons and other teething issues that normally take time to be overcome.

The profit of the company has also been affected because of increase in cost which could not be passed on through increase in prices of finished goods due to sluggish market conditions and general recessionary trend prevailing in the textile industry.

2. The Company had filed a petition under Sections 391-394 of the Companies Act, 1956, before the Hon'ble Punjab and Haryana High Court seeking approval for the Scheme of Arrangement, Reorganization and Demerger amongst the Company, Vardhman Threads Limited (VTL) and Vardhman Yarns and Threads Limited (VYTL) and their respective shareholders and creditors. The Hon'ble High Court sanctioned the said Scheme vide its Order dated 24.01.2008, which became effective from 1.04.2008. Pursuant to the said Scheme, the Thread Business (including the Spinning Unit at Hoshiarpur) of the Company vests in VYTL as a going concern on slump sale basis with effect from the Appointed Date i.e. 1.04.2008 against a consideration of Rs. 260 crores and accordingly, the results for the quarter ended 30th June, 2008 are not comparable to the corresponding quarter of last year to that extent. Further, the profit accruing to the Company on the said slump sale is reflected in the results for the quarter ended 30th June, 2008 as extra-ordinary income.

Also, with a view to create a strategic relationship with an international thread entity in VYTL (a subsidiary of the Company), the Company entered into a joint venture with American & Efirid Inc. (A&E) on 24th March, 2008. The Company has invested Rs.158.42 crore in the equity of VYTL towards subscription for 33,003,130 equity shares of Rs. 10 each at a premium of Rs 38 per share during the quarter ended 30th June, 2008. Besides the Company's equity holding of about 65%, A&E holds 35% of the equity in VYTL, with an option to increase its share in equity upto 49% within the next five years.

3. 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) and is inclusive of Captive Power Plant at Satlapur.

4. The diluted Earnings Per Share (EPS) as mentioned in Point 11(b) 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.

5. The Company did not have any investors' complaint pending at the beginning of the quarter. The Company received 22 complaints during the quarter, all of which were disposed off and there were no complaints lying unresolved at the end of the quarter on 30th June, 2008.

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

7. The Board of Directors has approved the above results in their meeting held on 19th July, 2008 which have been reviewed by the Statutory Auditors in terms of Clause 41 of the Listing Agreement.

for Vardhman Textiles Limited

Sd/-

Place : New Delhi

S.P. Oswal

Date : 19.07.2008

Chairman & Managing Director

VARDHMAN TEXTILES LIMITED
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Segmentwise Revenue Results And Capital Employed (Rs. In Crore)

Particulars	Quarter ended 30th June, 2008 (Unaudited)	Quarter ended 30th June, 2007 (Unaudited)	Year ended 31st March, 2008 (Audited)
1. Segment Revenue			
Yarn	409.27	362.64	1608.10
Sewing Thread	0.00	70.24	309.57
Steel	104.13	82.00	326.50
Fabric	144.60	107.84	450.16
Unallocated	5.38	0.00	1.63
Total	663.38	622.72	2695.96
Less: Inter Segment Revenue	97.22	92.62	401.29
Net Sales/Income from Operations	566.16	530.10	2294.67
2. Segment Results [Profit / (Loss) before tax and interest from each segment]			
Yarn	28.32	40.33	154.27
Sewing Thread	0.00	7.29	36.66
Steel	17.62	10.04	36.38
Fabric	(0.88)	7.13	17.98
Unallocated	(2.39)	0.00	(1.58)
Total	42.67	64.79	243.71
Less: (i) Interest	28.46	16.54	63.89
(ii) Net of Un-allocable expenditure/(Income)	3.68	3.80	10.85
TOTAL PROFIT BEFORE TAX	10.53	44.45	168.97
3. Capital Employed			
Yarn	1961.34	1423.14	1989.59
Sewing Thread	0.00	159.58	152.58
Steel	202.68	169.03	177.90
Fabric	834.23	371.96	753.93
Unallocated	528.24	353.34	353.47
Capital work in progress	157.96	649.06	302.90
Total	3684.45	3126.11	3730.37