

**REVIEW REPORT**

To  
The Board of Directors  
Vardhman Textiles Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results of Vardhman Textiles Limited for the quarter ended 30th June, 2010 and 2009. This statement is the responsibility of the Company's Management and has been approved by the Committee of Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Financial results of <sup>three</sup> subsidiaries and an associate considered for the purpose of the Unaudited Consolidated Financial results have not been reviewed by the auditors of such companies, but have been certified by the Company's management, and, in so far as it relates to the amounts included in respect of these subsidiaries and a associates, is based solely on management reports.



4. Further As indicated in note no 1, in view of significant uncertainty associated with the derivative options, resolution of which is dependent upon future events which are not under the direct control of the company, on account of which the company could not determine the possible loss, if any, on valuation of open derivative options. The ultimate outcome of these future events and their affect on the financial results cannot be ascertained at this stage.
5. Based on our review conducted as above, subject to our comments in paragraph 3 & 4 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results prepared in accordance with applicable accounting standards referred to in Subsection (3C) of Section 211 of the Companies Act, 1956 and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. This report is solely for your information and for inclusion in the Offering circular being issued by the Company in connection with the proposed issue and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Place: Ludhiana  
Dated: October 8, 2010

For S.C. Vasudeva & Co.  
Chartered Accountants  
Firm Reg. No: 000235N



(Sanjiv Mohan)  
Partner  
M. No.86066