



# Vardhman

Delivering Excellence. Since 1965.

## VARDHMAN HOLDINGS LIMITED

CHANDIGARH ROAD  
LUDHIANA-141010, PUNJAB  
T: +91-161-2228943-48  
F: +91-0161-2601048  
E: secretarial.lud@vardhman.com

**Ref.VHL:SCY:SEPTEMBER:2018-19**

**DATED:27.09.2018**

**The National Stock Exchange of India Limited,**

“Exchange Plaza”, Plot No. C/1, G Block,  
Bandra Kurla Complex, Bandra (East),  
Mumbai- 400 051, Maharashtra.  
Fax No.: 022-26598237 and 26598155  
Email Id: [cmlist@nse.co.in](mailto:cmlist@nse.co.in)

**The Bombay Stock Exchange Limited,**

1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building, P.J. Towers,  
Dalal Street, Fort,  
Mumbai – 400 001.

**Sub: Annual Report of 54<sup>th</sup> Annual General Meeting of the Company**

Ref: Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/Madam,

Pursuant to Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of 54<sup>th</sup> Annual General Meeting of the Company held on 27<sup>th</sup> September, 2018 at 4:00 p.m. at Registered Office, Chandigarh Road, Ludhiana – 141010.

You are requested to take the same on records.

Thanking you,

Yours faithfully,  
**For VARDHMAN HOLDINGS LIMITED**

*Poorva Bhatia*

**(Poorva Bhatia)**  
**CHIEF FINANCIAL OFFICER**



YARNS | FABRICS | THREADS | GARMENTS | FIBRES | STEELS

PAN NO.: AABCY8088P CIN: LI7111PBI962PLC002463

WWW.VARDHMAN.COM

54<sup>th</sup>

# ANNUAL REPORT

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Vardhmān



**Vardhmān Holdings Limited**

## BOARD OF DIRECTORS

Mr. Shri Paul Oswal	<i>Chairman and Managing Director</i>
Mrs. Shakun Oswal	<i>Director</i>
Mr. Sachit Jain	<i>Director</i>
Mrs. Suchita Jain	<i>Director</i>
Mr. Chaman Lal Jain	<i>Director</i>
Mr. Vikas Kumar	<i>Director</i>
Mr. Jagdish Rai Singal	<i>Independent Director</i>
Mr. Sat Pal Kanwar	<i>Independent Director</i>
Mrs. Apinder Sodhi	<i>Independent Director</i>
Mr. Om Parkash Sharma	<i>Independent Director</i>
Mr. Rajeev Kumar Mittal	<i>Independent Director</i>
Mr. Sanjeev Jain	<i>Independent Director</i>

## CHIEF FINANCIAL OFFICER

Ms. Poorva Bhatia

## AUDITORS

M/s. R. Dewan & Company,  
Chartered Accountants  
Ludhiana

## REGISTRAR AND TRANSFER AGENT

M/s. Alankit Assignments Limited  
New Delhi

## REGISTERED & CORPORATE OFFICE

Vardhman Premises, Chandigarh Road,  
Ludhiana-141 010  
Phones: (0161) 2228943 - 48  
Fax: (0161) 2601048  
E-mail: secretarial.lud@vardhman.com  
Website: www.vardhman.com  
**CIN : L17111PB1962PLC002463**  
**PAN : AABCV8088P**

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## NOTICE

NOTICE is hereby given that the **FIFTY FOURTH ANNUAL GENERAL MEETING** of members of Vardhman Holdings Limited will be held on Thursday, the 27<sup>th</sup> day of September, 2018 at 04.00 p.m. at the Registered Office of the Company situated at Chandigarh Road, Ludhiana, to transact the following business:-

### ORDINARY BUSINESS:

#### Item No. 1 – Adoption of financial statements

To receive, consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the Financial Year ended 31<sup>st</sup> March, 2018 together with Report of Board of Directors and Auditors thereon.

#### Item No. 2 – Declaration of Dividend

To declare a dividend of ₹ 5/- per equity share for the year ended 31<sup>st</sup> March, 2018.

#### Item No. 3 – Appointment of Mr. Chaman Lal Jain as a director liable to retire by rotation

To appoint a Director in place of Mr. Chaman Lal Jain (DIN No. 00307280), who retires by rotation in terms of Section 152 (6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

#### Item No. 4 – Appointment of Mr. Sanjeev Jain as an Independent Director

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:-

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Sanjeev Jain (DIN: 01242929), who was appointed by the Board of Directors as an Additional Director (Independent) of the Company with effect from November 13, 2017, and who holds office upto the date of this Annual General Meeting, in terms of Section 161 of the Act and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of a Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 3 (Three) consecutive years with effect from November 13, 2017.

#### Item No. 5 – To approve continuation of directorship of Mr. Sat Pal Kanwar as a non-executive director of the Company

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:-

**“RESOLVED THAT** pursuant to the provisions of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, approval of the members of the company be and is hereby given for continuation of the directorship of Mr. Sat Pal Kanwar (DIN: 01504398), after April 1, 2019, as per his existing terms of appointment, as a non- executive director of the company.”

#### Item No. 6 – To approve continuation of directorship of Mr. Chaman Lal Jain as a non-executive director of the Company

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:-

**“RESOLVED THAT** pursuant to the provisions of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, approval of the members of the company be and is hereby given for continuation of the directorship of Mr. Chaman Lal Jain (DIN: 00307280), after April 1, 2019, as per his existing terms of appointment, as a non- executive director of the company.”

#### Item No. 7 – To approve continuation of directorship of Mr. Om Parkash Sharma as a non-executive director of the Company

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:-

**“RESOLVED THAT** pursuant to the provisions of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, approval of the members of the company be and is hereby given for continuation of the directorship of Mr. Om Parkash Sharma (DIN: 02721270), after April 1, 2019, as per his existing terms of appointment, as a non-executive director of the company.”

**BY ORDER OF THE BOARD**

Sd/-

(S.P. Oswal)

Chairman & Managing Director

PLACE: Ludhiana

DATE: August 3, 2018

### NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. THE BLANK PROXY FORM IS ENCLOSED.**

However, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

3. Corporate members intending to send their authorised representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorised under the said resolution to attend and vote on their behalf at the meeting.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2010-11, from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 22<sup>nd</sup> September, 2017 (date of last Annual General Meeting) on the website of the Company ([www.vardhman.com](http://www.vardhman.com)), and also on the website of the Ministry of Corporate Affairs.  
  
Subject to the provisions of Section 126 of the Companies Act, 2013 (corresponding to Section 206A of the Companies Act, 1956), dividend as recommended by the Board of Directors, if declared at the meeting, will be dispatched/remitted commencing on or from September 28, 2018.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN and bank details to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN and bank details to Alankit Assignments Limited. A blank form in this regard is being sent with this Annual Report.
8. The Members holding shares in physical mode are requested to notify the change in their address, if any, at the earliest to the Registrar & Transfer Agent/Company. However, members holding shares in electronic mode may notify the change in their address, if any, to their respective Depository Participants.
9. The Securities and Exchange Board of India (SEBI) vide its Notification dated June 8, 2018 has mandated that w.e.f. December 5, 2018, the transfer of shares would be carried out in dematerialized form only, except in case of transmission or transposition of securities. Hence all the shareholders holding shares in physical form are hereby requested to get their physical shares dematerialized.
10. **The Register of Members and the Share Transfer Books of the Company shall remain closed from September 17, 2018 to September 27, 2018 (both days inclusive).**
11. Members of the Company had approved the appointment of M/s. R. Dewan & Co., Chartered Accountants, as the Statutory Auditors at the 50<sup>th</sup> AGM of the Company which is valid till 55<sup>th</sup> AGM of the Company. In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM.
12. The information pursuant to Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 regarding the Directors seeking appointment/re-appointment in the Annual General Meeting is also being annexed hereto separately and forms part of the Notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
13. Members desiring any information, as regards Accounts, are requested to write to the Company at its Registered Office at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready.
14. The copies of relevant documents can be inspected at the Registered Office of the Company on any working day between 10.30 A.M. to 12.30 P.M.
15. Members holding shares in the same/identical name (s) under different folios are requested to apply for consolidation of such folios and send relevant share certificates to the Company/Registrar and Transfer Agent.
16. The Ministry of Corporate Affairs, Government of India, has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars allowing Companies to send official documents to their members electronically. In support of the Green Initiative, your Company proposes to send the documents like Notice calling the Annual General Meeting and Annual Report containing Balance sheet, Statement of Profit & Loss and Directors' Report etc and other communications in electronic form. The members are requested to support this Green Initiative by registering/ updating their e-mail addresses with the Depository Participant (in case of shares held in dematerialized form) or with Registrar and Transfer Agent, Alankit Assignments Limited, New Delhi (in case of shares held in physical form).
17. The Results of the resolutions passed at the AGM of the Company will be declared within 48 working hours of conclusion of AGM. The results declared alongwith the Scrutinizer's report shall be placed on the Company's website [www.vardhman.com](http://www.vardhman.com) and on the website of CDSL and will be communicated to the stock exchanges.
18. The Annual Report 2017-18 is being sent through electronic mode only to the Members whose email addresses are registered with the Company/Depository Participant(s), unless any members has requested for a physical copy of the report. For members who have not registered their email addresses, physical copies of the Annual Report 2017-18 are being sent by permitted mode.
19. M/s. Harsh Goyal & Associates, Company Secretaries have been appointed as the Scrutinizer to scrutinize the e-voting

process in a fair and transparent manner (including the ballot forms received from members who do not have access to the e-voting process). The Scrutinizer shall within a period of three working days from the conclusion of e-voting period, unblock the votes in presence of at least two witnesses, not in employment of the Company and make a report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

20. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment, Rules 2015, and Regulation 44 of the SEBI (Listing Obligations And Disclosures Requirements) Regulation 2015, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Limited. The facility for voting, through ballot paper, will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are annexed to the Notice.

21. **The instructions for shareholders voting electronically are as under:**

- (i) The e-voting period commences on September 24, 2018 (9:00 a.m.) and ends on September 26, 2018 (5:00 p.m.) During this period shareholder's of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 20, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after end of voting period 2018. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website **www.evotingindia.com**.
- (iv) Click on "Shareholders" tab.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>● Members who have not updated their PAN with the Company/Depository Participant are requested to use the the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number is printed on Attendance slip provided with the Annual report.</li> <li>● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>● If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on "**SUBMIT**" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN: **180820058** for <**VARDHMAN HOLDINGS LIMITED**> on which you choose to vote.
- (xiii) On the voting page, you will see "**RESOLUTION DESCRIPTION**" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "**RESOLUTIONS FILE LINK**" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "**SUBMIT**". A confirmation box will be displayed. If you wish to confirm your vote, click on "**OK**", else to change your vote, click on "**CANCEL**" and accordingly modify your vote.

- (xvi) Once you **“CONFIRM”** your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “m-Voting” available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account (s) for which they wish to vote on.
- The list of accounts should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. September 20, 2018 may follow the same instructions as mentioned above for e-Voting.
- (xxii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at **www.evotingindia.com**, under help section or write an email to **helpdesk.evoting@cdslindia.com**
- MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM, AND PROXIES THEREOF, ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION.**
- BY ORDER OF THE BOARD**
- Sd/-  
(S.P. Oswal)  
Chairman & Managing Director
- PLACE: Ludhiana**  
**DATE: August 3, 2018**

## ANNEXURE TO THE NOTICE:

### STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013: (For Item No. 4 to 7)

#### ITEM NO. 4

Pursuant to the provisions of Section 161 of the Companies Act, 2013, the Board of Directors had appointed Mr. Sanjeev Jain as an Additional Director (Independent) of the Company with effect from November 13, 2017. Mr. Sanjeev Jain holds office upto the date of the ensuing AGM of the Company.

The Company has received a notice in writing from a member, along with requisite deposit under Section 160 of the Companies Act, 2013, proposing candidature of Mr. Sanjeev Jain for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013. The Company has received a declaration from Mr. Sanjeev Jain to the effect that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

Accordingly, it is proposed to appoint Mr. Sanjeev Jain as an Independent Director of the Company for a term of 3 (three) consecutive years with effect from November 13, 2017 upto November 12, 2020 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder.

In the opinion of the Board, Mr. Sanjeev Jain, the Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder.

A brief profile of Mr. Sanjeev Jain is provided in the Annexure to this Notice.

The Board of Directors recommends the passing of the Ordinary Resolution as set out at Item No. 4 for approval of the Members. Accordingly, your approval is solicited.

#### Memorandum of Interest:

Except Mr. Sanjeev Jain, none of the other Directors or Key Managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the proposed Ordinary resolution set out at Item no.4 of the Notice.

#### ITEM NO. 5

Pursuant to the provisions of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, w.e.f April 1, 2019 approval of the shareholders is required by way of a special resolution for continuing the directorship of any non-executive Director who has attained the age of 75 years.

Now, pursuant to these provisions, for continuation of directorship of Mr. Sat Pal Kanwar who is aged about 79 years, a Special resolution is required to be approved by the members of the company.

Mr. Sat Pal Kanwar holds degree in science. He is having a rich and varied experience in Trading and Manufacturing of Textiles etc. Now, considering his experience, positive attributes and independence, the Board of Directors recommends this special resolution for approval of the members.

#### Memorandum of Interest:

Except Mr. Sat Pal Kanwar, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the proposed Special resolution as set out at Item No. 5 of the Notice.

#### ITEM NO. 6

Pursuant to the provisions of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, w.e.f April 1, 2019 approval of the shareholders is required by way of a special resolution for continuing the directorship of any non-executive Director who has attained the age of 75 years.

Now, pursuant to these provisions, for continuation of directorship of Mr. Chaman Lal Jain who is aged about 79 years, a Special resolution is required to be approved by the members of the company.

Mr. Chaman Lal Jain holds Master degree in science (Chemistry). He is having a rich and varied experience of more than 40 years in Chemical Industry. Now, considering his experience, positive attributes and independence, the Board of Directors recommends this special resolution for approval of the members.

#### Memorandum of Interest:

Except Mr. Chaman Lal Jain, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the proposed Special resolution as set out at Item No. 6 of the Notice.

#### ITEM NO. 7

Pursuant to the provisions of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, w.e.f April 1, 2019 approval of the shareholders is required by way of a special resolution for continuing the directorship of any non-executive Director who has attained the age of 75 years.

Now, pursuant to these provisions, for continuation of directorship of Mr. Om Parkash Sharma who is aged about 79 years, a Special resolution is required to be approved by the members of the company.

Mr. Om Parkash Sharma holds Master degree in Public Administration. He is having a rich and varied experience in Industrial Promotion, Corporate Governance, Financial Management, Taxation etc. Now, considering his experience, positive attributes and independence, the Board of Directors recommends this special resolution for approval of the members.

#### Memorandum of Interest:

Except Mr. Om Parkash Sharma, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the proposed Special resolution as set out at Item No. 7 of the Notice.



**Information Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the Directors seeking appointment/re appointment in the Annual General Meeting.**

<b>Name of the Director</b>	<b>Sanjeev Jain</b>	<b>Chaman Lal Jain</b>
<b>Date of Birth</b>	23.02.1963	23.11.1939
<b>Date of Appointment</b>	13.11.2017	28.08.1978
<b>Expertise in specific functional area</b>	More than 29 years of rich experience in field of Auditing, Finance & Taxation	More than 40 years of rich experience in Chemical Industry.
<b>Qualification</b>	Chartered Accountant	Master In Science (Chemistry)
<b>Directorships in Other Listed Companies as on 31<sup>st</sup> March, 2018</b>	NIL	NIL
<b>Chairman/Member of Committees of Other Listed Companies as on 31<sup>st</sup> March, 2018</b>	<b>Audit Committee:</b> NIL <b>Stakeholders Relationship Committee:</b> NIL	<b>Audit Committee:</b> NIL <b>Stakeholders Relationship Committee:</b> NIL
<b>No. of Shares held</b>	NIL	5
<b>Relationship with other Director(s)</b>	N.A.	N.A.

**DIRECTORS' REPORT**

Dear Members,

The Directors of your Company have pleasure in presenting their 54<sup>th</sup> Annual Report of the business and operations of the Company along with the Audited Financial Statements for the year ended, 31<sup>st</sup> March, 2018.

**1. FINANCIAL RESULTS:**

The financial performance of your Company for the year ended 31<sup>st</sup> March, 2018 is as under:-

PARTICULARS	(₹ in Lakhs)			
	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Revenue from operations (Net)	6,317.94	18,693.87	4,172.47	6,796.16
Other Income	136.14	357.02	136.13	357.02
Income from Associates	-	-	15,539.45	24,054.43
Profit before Depreciation, Interest & Tax (PBDIT)	5,836.91	18,797.78	19,230.88	30,954.50
Interest and Financial expenses	-	-	-	-
Profit before Depreciation and Tax (PBDT)	5,836.91	18,797.78	19,230.88	30,954.50
Depreciation	1.44	3.95	1.44	3.95
Profit before Tax (PBT)	5,835.47	18,793.83	19,229.44	30,950.55
Provision for Tax - Current	756.56	4,079.00	756.66	4,079.00
- Deferred Tax	(93.53)	51.08	(93.53)	51.08
- MAT Credit Entitlement	(329.53)	(3,500.69)	(329.53)	(3,500.69)
<b>Profit after tax (PAT)</b>	5,501.97	18,164.44	18,895.94	30,321.16
Balance brought forward	27,537.28	13,197.90	136,571.53	110,075.43
Profit available for appropriation	33,039.25	31,362.34	155,467.47	140,396.59
<b>Appropriations:</b>				
Proposed Dividend on Equity shares	159.58	159.57	159.58	159.57
Corporate Dividend Tax	32.80	32.49	32.8	32.49
Transfer to General Reserve	-	-	-	-
Transfer to Statutory Reserve	1,121.53	3,633.00	1121.53	3,633.00
Closing Balance of surplus i.e. Balance in statement of Profit & Loss	31,725.34	27,537.28	154,153.57	136,571.53
Earnings per share (₹)				
- Basic	172.39	569.14	592.06	950.05
- Diluted	172.39	569.14	592.06	950.05
Dividend per share (₹)	5.00	5.00	5	5

**2. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**
**A. FINANCIAL ANALYSIS:**
**(i) STANDALONE**

During the year under review, your Company has registered Revenue from Operations of ₹ 6,317.94 Lakhs as compared to ₹ 18,693.87 Lakhs in the previous year. The Company earned other income of ₹ 136.14 Lakhs during the year as against ₹ 357.02 Lakhs during last year.

**PROFITABILITY:**

The Company earned profit before depreciation, interest and tax of ₹ 5,836.91 Lakhs as against ₹ 18,797.78 Lakhs in the previous year. After providing for depreciation of ₹ 1.44 Lakhs (Previous Year ₹ 3.95 Lakhs), provision for current tax ₹ 756.56 Lakhs (Previous Year ₹ 4,079 Lakhs), deferred tax ₹ (93.53) Lakhs [Previous Year ₹ 51.08 Lakhs], MAT Credit Entitlement ₹ (329.53) [previous year ₹ (3,500.69)], the net profit from operations worked out to ₹ 5,501.97 Lakhs as compared to ₹ 18,164.44 Lakhs in the previous year.

The balance available for appropriation after adding balance in surplus account is ₹ 33,039.25 Lakhs. Out of this, a sum of ₹ 159.58 Lakhs and ₹ 32.80 Lakhs have been appropriated towards proposed dividend and corporate dividend tax respectively thereon, ₹ 1,121.53 Lakhs is proposed to be transferred to Special reserve and the balance of ₹ 31,725.34 Lakhs is proposed to be carried as surplus to the balance sheet.

**(ii) CONSOLIDATED**

During the year under review, your Company has registered Revenue from Operations of ₹ 4,172.47 Lakhs as compared to ₹ 6,796.16 Lakhs in the previous year. The Company earned other income of ₹ 136.13 Lakhs during the year as against ₹ 357.02 Lakhs during last year.

**PROFITABILITY:**

The Company earned profit before depreciation, interest and tax of ₹ 19,230.88 Lakhs as against ₹ 30,954.50 Lakhs in the previous year. After providing for depreciation of ₹ 1.44 Lakhs (Previous Year ₹ 3.95 Lakhs), provision for current tax ₹ 756.56 Lakhs (Previous Year ₹ 4,079 Lakhs), deferred tax ₹ (93.53) Lakhs [Previous Year ₹ 51.08 Lakhs], MAT Credit Entitlement ₹ (329.53) Lakhs [previous year ₹ (3,500.69) Lakhs] the net profit from operations worked out to ₹ 18,895.94

Lakhs as compared to ₹ 30,321.16 Lakhs in the previous year.

The balance available for appropriation after adding balance in surplus account is ₹ 155,467.47 Lakhs. Out of this, a sum of ₹ 159.58 Lakhs and ₹ 32.80 Lakhs have been appropriated towards proposed dividend and corporate dividend tax respectively thereon, ₹ 1,121.53 Lakhs is proposed to be transferred to Special reserve and the balance of ₹ 154,153.57 Lakhs is proposed to be carried as surplus to the balance sheet.

#### B. RESOURCES UTILISATION:

##### a) Fixed Assets:

The Net Block as at 31st March, 2018 was ₹ 303.40 Lakhs as compared to ₹ 82.14 Lakhs in the previous year.

##### b) Current Assets:

The current assets as on 31st March, 2018 were ₹ 24,558.43 Lakhs as against ₹ 37,652.62 Lakhs in the previous year.

#### C. FINANCIAL CONDITIONS & LIQUIDITY:

Management believes that the Company's liquidity and capital resources should be sufficient to meet its expected working capital needs and other anticipated cash requirements. The position of liquidity and capital resources of the Company is given below:-

PARTICULARS	₹ in lakhs)	
	2017-18	2016-17
<b>Cash and Cash equivalents:</b>		
Beginning of the year	130.96	62.38
End of the year	168.03	130.96
<b>Net cash provided (used) by:</b>		
Operating Activities	2367.81	(3,435.26)
Investing Activities	(2,137.90)	3,617.38
Financial Activities	(192.84)	(113.54)

#### D. BUSINESS OUTLOOK:

Vardhman Holdings Limited primarily earns its income from investments. The Company's strategy is to adopt a systematic approach of investment into different asset classes namely debt, equity & real estate and to keep the portfolio dynamic as per the changing market conditions. Company's current portfolio consists of investments into debt, equity and real estate. The investment is made in accordance with the asset allocation model fixed by the Board.

#### E. MANAGEMENT PERCEPTION OF RISK AND CONCERNS:

The Company recognises that risk is an integral and unavoidable component of business and is committed to managing the risk in a proactive and effective manner. The Company is a NBFC registered with RBI and mainly engaged in investment activities. It follows a strategy of adopting a systematic approach to investment into different asset classes and keeping the portfolio dynamic as per the changing market conditions. The aim is a well diversified portfolio to mitigate the market risk.

The Company is prone to all the financial risks and capital market fluctuations.

#### 3. PUBLIC DEPOSITS:

The Company has not accepted and does not intend to accept any deposits from the public. As at 31st March, 2018, there are no outstanding/unclaimed deposits from the public.

#### 4. DIVIDEND:

The Board of Directors in its meeting held on 22<sup>nd</sup> May, 2018 has recommended dividend of ₹ 5/- per share on the fully paid up Equity Shares of the Company.

#### 5. INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government after the completion of seven years from the date of transfer to the Unpaid Dividend Account of the Company. The shareholders whose dividends have been transferred to the IEPF Authority can claim their dividend from Authority. The unclaimed or unpaid dividend relating to the financial year 2010-11 is due for remittance by the end of September, 2018 to Investor Education and Protection Fund established by Central Government.

Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by shareholders for seven consecutive years or more shall also be transferred to the IEPF Authority. The Company shall send notice to all shareholders whose shares are due to be transferred to the IEPF Authority and publish requisite advertisement in the newspaper.

The details of these shares is also provided on the website of the Company at [www.vardhman.com](http://www.vardhman.com).

#### 6. CONSOLIDATED FINANCIAL STATEMENT:

In accordance with Companies Act 2013 & Accounting Standard (AS) -21 on Consolidated Financial Statements read with AS-23 on Accounting for Investments in Associates,

the Audited Consolidated Financial Statements is provided in the Annual Report.

## 7. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

During the year under review, no Company has become or ceased to be Company's subsidiaries, joint ventures or associate companies. Further, the Company does not have any material subsidiary. The Company has following associate companies, the details of their financials for the year 2017-18 are given below:-

### Vardhman Textiles Limited (VTXL)

Vardhman Textiles Limited (VTXL) is an Associate Company of the Company. The Company holds 26.66% shares of VTXL as on 31st March, 2018. VTXL is engaged in manufacturing of world class textiles. During the year, the Revenue from Operations (Consolidated) of the VTXL was ₹ 6,248.27 crore as compared to ₹ 6,029.95 crore in the previous year. VTXL had a Net profit after comprehensive income (Consolidated) worked out to ₹ 594.04 crore as compared to ₹ 993.82 crore in previous year.

### Vardhman Spinning & General Mills Limited (VSGM)

Vardhman Spinning & General Mills Limited (VSGM) is an Associate Company of the Company. The Company holds 50% shares of VSGM as on 31st March, 2018. It is a trading Company dealing in trading of Cotton and Fibre. During the year, the Company has not traded any goods, however, the other income is ₹ 65,964/- for the Financial Year 2017-18 as compared to ₹ 18,611/-. The Company earned a Net profit of ₹ 29,404 as against a net loss of ₹ 9,474/- in the Previous Year.

## 8. DIRECTORS:

**Liable to retire by rotation:** In accordance with the provisions of the Articles of Association of the Company, Mr. Chaman Lal Jain, Director of the Company, retires by rotation at the conclusion of the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommended his appointment for the consideration of the members of the Company at the ensuing Annual General Meeting.

**Additional Director (Independent):** During the year, Mr. Sanjeev Jain was appointed as an Additional Director (Independent) w.e.f. November 13, 2017 and holds office upto the forthcoming AGM of the Company. Necessary resolution for appointment of Mr. Sanjeev Jain as Independent Director has been included in the Notice.

**Cessation from Directorship:** During the year, Mr. Surinder Singh Bagai ceased to be Director of the Company as his term of appointment has expired on September 22, 2017.

**Continuation of Non-Executive Directors:** Pursuant to the provisions of Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, as amended

vide SEBI (Listing Obligation and Disclosure Requirements) (Amendment) Regulations, 2018, Special Resolution has been proposed to be passed by the Members in the ensuing Annual General Meeting for continuation of directorships of those non-executive directors who have attained the age of 75 years viz. Mr. Sat Pal Kanwar, Mr. Chaman Lal Jain and Mr. Om Parkash Sharma.

### Declaration under Section 149(6) :

Mr. Sanjeev Jain, Mr. Rajeev Kumar Mittal, Mr. Jagdish Rai Singal, Mr. Sat Pal Kanwar, Mr. Om Parkash Sharma & Ms. Apinder Sodhi being Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149 (6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules thereof.

### Company's Policy relating to Directors appointment, payment of remuneration and discharge of their duties:

The Nomination & Remuneration Committee of the Company has formulated the Nomination & Remuneration Policy on Director's appointment and remuneration which includes the criteria for determining qualifications, positive attributes, independence of a director and other matters as provided under Section 178(3) of the Companies Act, 2013.

The Nomination & Remuneration Policy is annexed hereto and form part of this report as **Annexure I**.

### Familiarization programmes for Board Members:

Your Company has formulated Familiarization Programme for all the Board members in accordance with Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Schedule IV of the Companies Act, 2013 which provides that the Company shall familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of Industry in which the Company operates, business model of the Company, etc. through various programs.

The Familiarization Programme for Board members may be accessed on the Company's website at the link: [https://www.vardhman.com/user\\_files/investor/VHL\\_Familisation%20program.pdf](https://www.vardhman.com/user_files/investor/VHL_Familisation%20program.pdf)

### Annual Evaluation of the Board Performance:

The meeting of Independent Directors of the Company for the calendar year 2017 was held on 13<sup>th</sup> November, 2017 to evaluate the performance of Non-Independent Directors, Chairperson of the Company and the Board as a whole.

The evaluation was done by way of discussions on the performance of the Non-Independent Directors, Chairman and Board as a whole.

A policy on the performance evaluation of Independent Directors, Board, Committees and other individual Directors

which includes criteria for performance evaluation of non-executive directors and executive directors has been formulated by the Company.

#### 9. KEY MANAGERIAL PERSONNEL (KMP) :

Pursuant to provisions of Section 203 of the Companies Act, 2013, following are the KMPs of the Company as on 31st March, 2018.

Key Managerial Personnel of the Company	Designation
S.P. Oswal	Chairman & Managing Director (CMD)
Poorva Bhatia	Chief Financial Officer (CFO)
Amrender Kumar Yadav	Company Secretary (CS)

\* Mr. Amrender Kumar Yadav has resigned from post of Company Secretary w.e.f. July 21, 2018.

#### 10. NUMBER OF BOARD MEETINGS:

During the year under review, the Board met Four (4) times and the intervening gap between any two meetings was within the period prescribed under Companies Act, 2013. The details of Board Meetings are set out in Corporate Governance Report which form part of this Annual Report.

#### 11. AUDITORS AND AUDITORS' REPORT:

##### Statutory Auditors:

M/s. R. Dewan & Co., Chartered Accountants (Firm Registration no. 017883N) were appointed as Statutory Auditors of the Company by the Members for a term of five consecutive years starting from the conclusion of 50<sup>th</sup> Annual General Meeting till the conclusion of 55<sup>th</sup> Annual General Meeting of the Company (subject to ratification of their appointment at every AGM).

However, pursuant to the Companies (Amendment) Act, 2017 which was notified on May 7, 2018, the provision related to ratification of appointment of auditors by Members at every AGM has been done away with.

The report of the Statutory Auditors along with the Notes to Schedules forms part of the Annual Report and contains an Unmodified Opinion without any qualification, reservation or adverse remark.

##### Secretarial Auditors:

M/s. Khanna Ashwani & Associates, Company Secretaries in Practice, were appointed as Secretarial Auditors of the Company by the Board of Directors of the Company in its meeting held on 16<sup>th</sup> May, 2017 for the financial year 2017-18.

The Secretarial Auditors of the Company have submitted their Report in Form No. MR-3 as required under Section 204 of the Companies Act, 2013 for the financial year ended 31<sup>st</sup> March, 2018. This Report is self-explanatory and requires no comments. The Report forms part of Directors' report as **Annexure II**.

#### 12. AUDIT COMMITTEE

##### Composition of Audit Committee:

The Audit Committee consists of three Directors i.e. Ms. Apinder Sodhi, Mr. Sat Pal Kanwar and Mr. Sanjeev Jain, Independent Directors, as on March 31, 2018.

Ms. Apinder Sodhi is the Chairperson of the Committee and Company Secretary of the Company is the Secretary of the Committee. All the recommendations made by the Audit Committee were accepted by the Board.

#### 13. VIGIL MECHANISM & SEXUAL HARASMENT OF WOMEN AT WORKPLACE

##### Vigil Mechanism:

Pursuant to provisions of Section 177 (9) of the Companies Act, 2013 the Company has established a "Vigil Mechanism" incorporating Whistle BLOWER Policy in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for employees and Directors of the Company, for expressing the genuine concerns of unethical behavior, actual or suspected fraud or violation of the codes of conduct by way of direct access to the Chairman/ Chairman of the Audit Committee.

The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns.

The Policy on Vigil Mechanism and Whistle BLOWER Policy as approved by the Board may be accessed on the Company's website at the link: [https://www.vardhman.com/user\\_files/investor/5a743d3b9b143130ad8cc8ffbb5845a504d81a531436265717.pdf](https://www.vardhman.com/user_files/investor/5a743d3b9b143130ad8cc8ffbb5845a504d81a531436265717.pdf)

##### Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Your Directors further state that, during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### 14. CORPORATE GOVERNANCE:

The Company has in place a system of Corporate Governance. Corporate Governance is about maximizing shareholder value legally, ethically and sustainably. A separate report on Corporate Governance forming part of the Annual Report of the Company is annexed hereto. A certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Corporate Governance Clauses of the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 is annexed to the report on Corporate Governance.

## 15. CORPORATE SOCIAL RESPONSIBILITY (CSR) :

**Vision & Core areas of CSR:** Your Company is committed to and fully aware of its Corporate Social Responsibility (CSR), the guidelines in respect of which were more clearly laid down in the recently overhauled Companies Act. The Company's vision on CSR is that the Company being a responsible Corporate Citizen would continue to make a serious endeavor for a quality value addition and constructive contribution in building a healthy and better society through its CSR related initiatives and focus on education, environment, health care and other social causes.

**CSR Policy:** The Corporate Social Responsibility (CSR) Policy of the Company indicating the activities to be undertaken by the Company, as approved by the Board, may be accessed on the Company's website at the link: [https://www.vardhman.com/user\\_files/investor/d2741c4bbc072fc76df0539a029aeb5b86073411436265583.pdf](https://www.vardhman.com/user_files/investor/d2741c4bbc072fc76df0539a029aeb5b86073411436265583.pdf)

During the year, the Company has spent ₹ 50 lakhs on CSR activities.

The disclosures related to CSR activities pursuant to Section 134(3) of the Companies Act, 2013 read with Rule 9 of Companies (Accounts) Rules, 2014 and Companies (Corporate Social Responsibility) Rules, 2014 is annexed hereto and forms part of this report as **Annexure III**.

## 16. RISK MANAGEMENT:

The Risk Management Policy required to be formulated under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been duly formulated and approved by the Board of Directors of the Company. The aim of Risk Management Policy is to maximize opportunities in all activities and to minimize adversity. The policy includes identifying types of risks and its assessment, risk handling, monitoring and reporting, which in the opinion of the Board may threaten the existence of the Company.

The Risk Management policy may be accessed on the Company's website at the link: [https://www.vardhman.com/user\\_files/investor/ac90887bccb0c1ac34a16f592a1ecbb9c50c4d2e1436265676.pdf](https://www.vardhman.com/user_files/investor/ac90887bccb0c1ac34a16f592a1ecbb9c50c4d2e1436265676.pdf)

## 17. INTERNAL FINANCIAL CONTROLS:

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

A report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 as given by the Statutory Auditors of the Company forms part of Independent Auditor's Report on Standalone

Financial Statements as **Annexure A** and Independent Auditor's Report on Consolidated Financial Statements as **Annexure B**.

## 18. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. The particulars of Contracts or Arrangements made with related parties as required under Section 134 (3) (h) of the Companies Act, 2013 in specified form AOC-2 are covered under Note No. 25 to the Financial Statements, which is set out for Related Party Transactions.

The Policy on dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: [https://www.vardhman.com/user\\_files/investor/0f9092fa713917ea04091bdf2fa3b2f2ee3272721436265640.pdf](https://www.vardhman.com/user_files/investor/0f9092fa713917ea04091bdf2fa3b2f2ee3272721436265640.pdf)

## 19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the standalone financial statement (Please refer to Note 10, 11 and 12 to the standalone financial statement).

## 20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars with respect to conservation of energy and other areas as per Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014: Not Applicable

## 21. ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) of Companies Act, 2013 as substituted by Companies (Amendment) Act, 2017 w.e.f. July 31, 2018, the web address of the extract of Annual Return of Company is [http://www.vardhman.com/user\\_files/investor/VHL%20MGT-9.pdf](http://www.vardhman.com/user_files/investor/VHL%20MGT-9.pdf).

## 22. HUMAN RESOURCES /INDUSTRIAL RELATIONS:

The Company is not carrying on any manufacturing activity and no workers were employed during the year.

## 23. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

The disclosures in respect of managerial remuneration as required under section 197 (12) read with Rule 5 (1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is attached in **Annexure V** and forms part of this report.

None of the employees has received salary of ₹ 1.02 crores per annum or ₹ 8.50 lakh per month or more during the Financial Year 2017-18. However, the particulars of employees as per Rule 5(2) and 5(3) Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith.

Since the Company has no Holding or Subsidiary Company, no particulars are required to be given pursuant to the provisions of section 197 (14) of the Companies Act, 2013.

**24. MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this report.

**25. DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to provisions of Section 134 (5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:-

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- b. Appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2018 and of the profit of the Company for the year ended on 31<sup>st</sup> March, 2018;
- c. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d. The annual accounts have been prepared on an going concern basis;
- e. The Internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

**26. GENERAL DISCLOSURES:**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- 1. Change in nature of Business of the Company.
- 2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- 3. Significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

**27. ACKNOWLEDGEMENT:**

Your Directors are pleased to place on record their sincere gratitude to the Government, Bankers, Business Constituents and Shareholders for their continued and valuable co-operation and support to the Company and look forward to their continued support and co-operation in future too.

They also take this opportunity to express their deep appreciation for the devoted and sincere services rendered by the employees of the Company during the year.

**BY AND ON BEHALF OF THE BOARD**

**PLACE: Ludhiana**  
**DATE: August 3, 2018**

**Sd/-**  
**(S.P. Oswal)**  
**Chairman & Managing Director**

**INDEX OF ANNEXURES**  
**(FORMING PART OF BOARD REPORT)**

Annexure No.	Particulars
I	Nomination & Remuneration Policy approved by the Board.
II	Secretarial Audit Report in form no. MR-3 for FY 2017-18.
III	CSR Activities – Annual Report FY 2017-18.
IV	Particulars of employees and related disclosures.

### **NOMINATION AND REMUNERATION POLICY OF VARDHMAN HOLDINGS LIMITED** (U/s 178 of the Companies Act, 2013 and Clause 49 (IV) of the Amended Listing Agreement)

#### **1. PREFACE:**

In terms of the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, this policy on Nomination and Remuneration of Directors and Senior Management has been formulated by the Committee and approved by the Board of Directors in their meeting held on 11<sup>th</sup> November, 2014.

Upon the recommendations of Nomination and Remuneration Committee, the Board of Directors of Vardhman Holdings Limited (VHL) in their meeting held on 23<sup>rd</sup> May, 2015 made certain amendments in the existing policy and thereafter replaced the existing policy with the amended policy.

The amended policy is as under:-

#### **2. ROLE OF THE COMMITTEE:**

- a) To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to Board their appointment and removal.
- b) To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- c) To recommend to the Board remuneration policy related to remuneration of Directors (whole time Directors, Executive Directors etc), Key Managerial Personnel and other employees while ensuring the following:-
  - i. That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
  - ii. That relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
  - iii. That remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate of the working of the company and its goals.
- d) To formulate criteria for evaluation of Directors and the Board.
- e) To devise a policy on Board diversity.

#### **3. MEMBERSHIP:**

- a) The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.

- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

#### **4. CHAIRMAN:**

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairman of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

#### **5. FREQUENCY OF MEETINGS:**

The meeting of the Committee shall be held at such regular intervals as may be required.

#### **6. COMMITTEE MEMBERS' INTERESTS:**

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

#### **7. SECRETARY:**

The Company Secretary of the Company shall act as Secretary of the Committee.

#### **8. VOTING:**

- a) Decisions of the Committee shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

#### **9. MINUTES OF COMMITTEE MEETING:**

The minutes of all the proceedings of all meetings must be signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board meetings.

#### **10. EFFECTIVE DATE & AMENDMENTS:**

This policy will be effective from 23<sup>rd</sup> May, 2015 and may be amended subject to the approval of Board of Directors.



## Form No. MR-3

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31.03.2018.**

[Pursuant to **Section 204 (1)** of the **Companies Act, 2013** and **Rule No.9** of the Companies (**Appointment and Remuneration of Managerial Personnel**) Rules, 2014]

To,  
The Members,  
Vardhman Holdings Limited,  
Vardhman Premises, Chandigarh Road,  
LUDHIANA-141010,  
Punjab (India).

We have conducted the secretarial audit compliance of applicable statutory provisions and the adherence to good corporate practices by **Vardhman Holdings Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **Vardhman Holdings Limited** books, papers, minutes books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31.03.2018** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute book, forms and returns filed and other records maintained by the company for the financial year ended on **31.03.2018** according to the provisions of:

- (i) The **Companies Act, 2013** (the Act) and the rules made thereunder;
- (ii) The **Securities Contracts (Regulation Act, 1956 ('SCRA'))** and the rules made thereunder;
- (iii) The **Depositories Act, 1996** and the Regulations and Bye-laws framed thereunder;
- (iv) **Foreign Exchange Management Act, 1999** and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the **Securities and Exchange Board of India Act, 1992** ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (**Substantial Acquisition of Shares and Takeovers**) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (**Prohibition of Insider Trading**) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (**Issue of Capital and Disclosure Requirements**) Regulations, 2009; not applicable to the company during period of audit.
  - (d) The Securities and Exchange Board of India (**Employee Stock Option Scheme and Employee Stock Purchase Scheme**) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; not applicable during the period of audit.
  - (e) The Securities and Exchange Board of India (**Issue and Listing of Debt Securities**) Regulations, 2008; not applicable to the company during period of audit.
  - (f) The Securities and Exchange Board of India (**Registrar to an Issue and Share Transfer Agents**) Regulations, 1993 regarding the Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (**Delisting of Equity Shares**) Regulations, 2009; not applicable to the company during period of audit.
- (h) The Securities and Exchange Board of India (**Buyback of Securities**) Regulations, 1998; not applicable to the company during period of audit. and
- (i) Listing Agreement and SEBI (**Listing Obligations and Disclosure Requirements**) Regulations 2015 (effective 1<sup>st</sup> December 2015)
- (vi) **Other Applicable laws** like environmental laws and labour laws; are not applicable during the audit period as the company is not undertaking any manufacturing process or division. Company is a Non Banking Financial Company under the provisions and regulations of Master Circular issued by the RBI, and the provisions related to NBFC's, to the extent applicable to the NBFC category (NBFC – ND) are applicable to the company during the audit period.

We have also examined compliance with the applicable clauses of the following:-

- (i) **Secretarial Standards** issued by The Institute of Company Secretaries of India (ICSI) - ICSI had issued Secretarial Standards numbering 1 and 2 corresponding with reference to the provisions of the **Companies Act, 2013** (effective 1 July 2015) and the Management adheres to them;
- (ii) The **Listing Agreements** entered into by the Company with BSE Limited and National Stock Exchange of India Limited;
- (iii) NBFC Reporting Compliances as per Circular No. **DNBS (PD).CC.No.03/03.02.02/2015-16** issued on 26<sup>th</sup> Nov. 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

- The Board of Directors of the Company is duly constituted with proper balance of **Executive Directors, Non-Executive Directors and independent Directors**. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- **Adequate notice** is given to all directors to schedule the **Board Meetings, Agenda** and detailed **notes** on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Ludhiana  
Date: 30<sup>th</sup> April, 2018

Sd/-  
(Ashwani Kumar Khanna)  
FCS No. 3254  
CP No. 2220

**Note:** This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

To,  
The Members,  
Vardhman Holdings Limited.  
Vardhman Premises, Chandigarh Road,  
LUDHIANA-141010,  
Punjab (India).

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc and we have relied on such representation for giving our report.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with the management has conducted the affairs of the Company.

**Place: Ludhiana**  
**Date: 30<sup>th</sup> April, 2018**

**Sd/-**  
**(Ashwani Kumar Khanna)**  
**FCS No. 3254**  
**CP No. 2220**

## Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2017-18

Sr. No.	PARTICULARS	Details
1.	Brief outline of CSR Policy	<b>Broad contours of CSR Policy of the Company:</b> 1. Promotion of Education 2. Promoting Healthcare 3. Rural Development 4. Any other project/programme pertaining to activities listed in Companies (Corporate Social Responsibility) Rules, 2014.
2.	Composition of CSR Committee	The CSR Committee of the Company consists of: i. Mrs. Suchita Jain- Chairperson ii. Mrs. Apinder Sodhi- Member iii. Mr. C.L. Jain- Member
3.	Average net profit of the Company for last three financial years	₹ 89.51 Crores
4.	Prescribed CSR Expenditure	₹ 1.79 Crores
5.	<b>Details of CSR spent during the year:</b>	
	Total amount spent for the financial year	₹ 0.50 Crores
	Amount unspent, if any	₹ 1.29 Crores
	Manner in which the amount spent during the financial year	<b>ANNEXURE – A</b>
6.	In case the Company has failed to spend two percent, reason thereof.	The Company has spent ₹ 0.50 Crores in the Financial year 2017-18 on activities as provided in <b>Annexure-A</b> . The prescribed unspent amount will be spent on CSR projects in the coming financial year.
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company	<b>ANNEXURE- B</b>

## ANNEXURE-A

Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (In ₹)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads: (In ₹)	Cumulative expenditure up to the reporting period. (In ₹)	Amount spent: Direct or through implementing agency*
1.	Donation to PGI, Chandigarh to provide medical aid to under-privileged section of society by contribution to the poor patients fund of the medical institute	Promoting health care	Chandigarh	25,00,000	25,00,000	25,00,000	Direct
2.	Donation to Dayanand Medical College & Hospital to help poor patients	Promoting health care	Ludhiana, Punjab	25,00,000	25,00,000	25,00,000	Direct

## ANNEXURE- B

## RESPONSIBILITY STATEMENT

It is hereby affirmed that the implementation and monitoring of CSR policy is in compliance with CSR objectives of the Company.

Date: 22<sup>nd</sup>May, 2018  
Place: LudhianaSd/-  
S.P. Oswal  
(Chairman & Managing Director)Sd/-  
(Suchita Jain)  
(Chairperson of CSR Committee)

**PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

**A. DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2017-18 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2017-18 are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for Financial Year 2017-18 (Amounts in ₹)	% increase in Remuneration in the Financial Year 2017-18	Ratio of remuneration of each Director/to median remuneration of employees
1	*S.P. Oswal Chairman & Managing Director	26,55,320	90.42%	4.72
2	Shakun Oswal Non-Executive Director	–	–	–
3	Sachit Jain Non-Executive Director	–	–	–
4	Suchita Jain Non-Executive Director	–	–	–
5	C.L. Jain Non Executive Director	51,500	27.16%	0.09
6	J.R. Singal Non-Executive and Independent Director	30,000	NIL	0.05
7	Apinder Sodhi Non-Executive and Independent Director	100,000	(6.97) %	0.18
8	S.P. Kanwar Non-Executive and Independent Director	75,000	(33.33) %	0.13
9	O.P. Sharma Non-Executive and Independent Director	52,500	(32.25) %	0.09
10	Rajeev Kumar Mittal Non-Executive and Independent Director	10,000	–	0.02
11	**Sanjeev Jain Non-Executive and Independent Director	35,000	–	0.06
12	Vikas Kumar Non-Executive Director	–	–	–
13	Poorva Bhatia Chief Financial Officer	7,79,456	16.14%	1.38
14	Amrender Kumar Yadav Company Secretary	3,44,276	9.96%	0.61

\* Mr. S.P. Oswal, Chairman & Managing Director, was appointed by the Board of Directors in its meeting held on August 9, 2016 and in financial year 2017-18 full year's remuneration is taken.

\*\* Mr. Sanjeev Jain was appointed as an Additional Director (Independent) w.e.f. November 13, 2017.

2. The median remuneration of employees of the Company during the Financial Year was ₹ 5.62 lakh (previous year 7.10 Lakhs)
3. The percentage decrease in the median remuneration of employees in the financial year- 20.85%
4. There were 4 permanent employees on the rolls of Company as on March 31, 2018.
5. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**B. DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF COMPANIES ACT, 2013 READ WITH RULE 5 (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

1. Persons employed throughout the financial year, who were in receipt of remuneration which, in the aggregate, was not less than ₹ 1,02,00,000/- per annum - Nil
2. Persons employed for a part of financial year, who were in receipt of remuneration for any part of that year, at a rate which in aggregate, was not less than ₹ 8,50,000/- per month - Nil
3. A Statement showing names of Top Ten Employees in terms of remuneration drawn during the year is as follows:

Sr. No.	Name	Age	Designation	Gross Remuneration (₹ In Lacs)	Nature of Employment	Qualification	Experience	Date of Joining	Previous Employment	% of Equity shares held 31.03. 2018
1.	Mr. S.P. Oswal	76	Managing Director	26,55,321	Regular	M.Com (Gold Medalist)	50	12.04.1971	Vardhman Textiles Limited	1.78
2.	Ms. Poorva Bhatia	29	Chief Financial Officer	7,79,456	Regular	Chartered Accountant	7	01.03.2015	Vardhman Textiles Limited	Nil
3.	Mr. Amrender Kumar	26	Company Secretary	3,44,276	Regular	B.Com, Company Secretary	2	10.02.2016	Vardhman Textiles Limited	Nil
4.	Mr. Chandan Narang	29	Assistant Executive - Finance	2,27,245	Regular	Chartered Accountant	5	07.12.2017	Self employed	Nil

## CORPORATE GOVERNANCE REPORT

This report on Corporate Governance forms part of the Annual Report. Corporate Governance refers to a combination of laws, regulations, procedures, implicit rules and good corporate practices that ensure that a Company meets its obligations to optimize shareholders' value and fulfill its responsibilities to the community, customers, employees, Government and other segments of society. Your Company is committed to adopting the best practices of Corporate Governance as manifested in the Company's functioning to achieve the business excellence by enhancing long-term shareholders' value. Efficient conduct of the business of the Company through commitment to transparency and business ethics in discharging its corporate responsibilities are hallmarks of the best practices followed by the Company. This report on Corporate Governance, besides being in compliance of the mandatory SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015, gives an insight into the functioning of the Company.

### 1. VARDHMAN GROUP'S PHILOSOPHY:

- ❖ Continued expansion in areas "which we know best".
- ❖ Total customer focus in all operational areas.
- ❖ Products to be of best available quality for premium market segments through TQM.
- ❖ Zero defect implementation.
- ❖ Integrated diversification/ product range expansion.
- ❖ Global Orientation.
- ❖ World class manufacturing facilities with most modern R & D and process technology.
- ❖ Faith in individual potential and respect for human values.
- ❖ Encouraging innovation for constant improvements to achieve excellence in all functional areas.
- ❖ Accepting change as a way of life.
- ❖ Appreciating our role as a responsible corporate citizen.

### 2. BOARD OF DIRECTORS/BOARD MEETINGS:

#### i. Composition as on 31<sup>st</sup> March, 2018:

The Composition of Board and category of Directors are as follows:-

Category	Name of Directors
Promoter Directors	# Shri Paul Oswal (Chairman & Managing Director) # Shakun Oswal (Non- Executive, Non- Independent Director) # Sachit Jain (Non- Executive, Non- Independent Director) # Suchita Jain (Non- Executive, Non- Independent Director)
Independent Directors	Apinder Sodhi Om Parkash Sharma *Sanjeev Jain Sat Pal Kanwar Jagdish Rai Singal Rajeev Kumar Mittal
Non-Executive Non-Independent Director	Chaman Lal Jain Vikas Kumar

\* Mr. Sanjeev Jain was appointed as an Additional Director (Independent) of the Company w.e.f. 13<sup>th</sup> November, 2017.

#### Relationship Inter-se:

# Except Mr. S.P. Oswal, Mrs. Shakun Oswal, Mr. Sachit Jain and Mrs. Suchita Jain, none of the Directors of the Company are related to any other director of the Company.

#### ii. Board Meetings:

During the Financial Year 2017-18, the Board met 4 times on the following dates:

- 16<sup>th</sup> May, 2017
- 12<sup>th</sup> August, 2017
- 13<sup>th</sup> November, 2017
- 13<sup>th</sup> February, 2018

iii. Attendance of the Directors at the Board Meetings during the year and at last Annual General Meeting of the Company and also the number of other Directorship/Chairmanship in Indian Public Limited Companies are as follows:-

Name of Director	No. of Board meetings attended	Attendance at last AGM	Total No. of Directorships in other Companies	No. of Committee memberships in other Companies	Total No. of Board Chairmanship in other Companies	Total No. of Committee Chairmanship in other companies
Shri Paul Oswal	4	Yes	7	Nil	3	Nil
Shakun Oswal	2	No	3	Nil	Nil	Nil
Sachit Jain	1	No	5	1	Nil	Nil
Suchita Jain	3	Yes	7	1	Nil	Nil
Chaman Lal Jain	3	No	Nil	Nil	Nil	Nil
Apinder Sodhi	4	Yes	2	1	Nil	NIL
Jagdish Rai Singal	3	No	5	Nil	Nil	Nil
Om Parkash Sharma	3	No	Nil	Nil	Nil	Nil
Sat Pal Kanwar	3	Yes	Nil	Nil	Nil	Nil
Rajeev Kumar Mittal	1	No	1	Nil	Nil	Nil
Vikas Kumar	4	Yes	Nil	Nil	Nil	Nil
Sanjeev Jain*	2	N.A.	Nil	Nil	Nil	Nil
Surinder Singh Bagai**	NIL	No	N.A.	N.A.	N.A.	N.A.

\* Mr. Sanjeev Jain was appointed as an Additional Director (Independent) of the Company w.e.f. 13<sup>th</sup> November, 2017.

\*\* During the year, Mr. Surinder Singh Bagai ceased to be a Director of the Company as his term of appointment has expired on September 22, 2017.

Video conferencing facilities were provided to facilitate Directors travelling abroad or present at other locations to participate in the Board meetings.

2. BOARD COMMITTEES:

i. Board Committees, their composition and terms of reference are provided as under:

NAME OF COMMITTEE	COMPOSITION	TERMS OF REFERENCE
Audit Committee	Apinder Sodhi (Chairperson) Sat Pal Kanwar Om Parkash Sharma* Sanjeev Jain	<ul style="list-style-type: none"> <li>The role of the Audit Committee is as per Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</li> </ul>
Nomination and Remuneration Committee	Apinder Sodhi (Chairperson) Sat Pal Kanwar Sachit Jain	<ul style="list-style-type: none"> <li>The role of the Nomination and Remuneration Committee is as per Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</li> <li>Formulated and recommended Nomination and Remuneration Policy.</li> <li>The Nomination &amp; Remuneration Policy includes policy on Director's appointment and remuneration including the criteria for determining qualifications, positive attributes, independence of a Director and other matters as provided under Section 178 (3) of the Companies Act, 2013.</li> <li>Nomination and Remuneration Policy of the Company forms part of the Board Report as <b>Annexure I</b>.</li> </ul>
Corporate Social Responsibility Committee	Suchita Jain (Chairperson) Apinder Sodhi Chaman Lal Jain	<ul style="list-style-type: none"> <li>Formulated and recommended CSR Policy of the Company indicating CSR activities proposed to be undertaken by the Company pursuant to the provisions of Schedule VII of the Companies Act, 2013 read with CSR</li> </ul>

		<p>Rules, 2014. The CSR policy may be accessed on the Company's website at the link: <a href="https://www.vardhman.com/user_files/investor/d2741c4bbc072fc76df0539a029aeab5b86073411436265583.pdf">https://www.vardhman.com/user_files/investor/d2741c4bbc072fc76df0539a029aeab5b86073411436265583.pdf</a></p> <ul style="list-style-type: none"> <li>• During the year, the Company has spent ₹ 50 lacs on CSR activities.</li> <li>• The Annual Report on CSR activities undertaken by the Company forms part of the Board Report as Annexure III.</li> </ul>
Stakeholders' Relationship Committee	Sachit Jain (Chairman) Sat Pal Kanwar Apinder Sodhi	<ul style="list-style-type: none"> <li>• The Committee reviews and ensures redressal of investor grievances.</li> <li>• The Committee noted that during the year the Company had received 5 complaints from Investors. All complaints were duly resolved by the Company. There is no pendency in respect of shares received for transfer during 2017-2018 except those that are disputed/ sub-judice.</li> </ul>

Company Secretary of the Company, is the Secretary of all Board Committees constituted under the Companies Act, 2013 and Uniform Listing Agreement.

## ii. Meetings of Board Committees held during the year and Director's attendance:

Board Committees	Audit	CSR	Nomination & Remuneration	Stakeholders Relationship
Meetings held	4	1	1	1
Sachit Jain	N.A.	N.A.	1	1
Suchita Jain	N.A.	1	N.A.	N.A.
Apinder Sodhi	4	1	1	1
Om Parkash Sharma	2	N.A.	N.A.	N.A.
Chaman Lal Jain	N.A.	1	N.A.	N.A.
Sat Pal Kanwar	3	N.A.	1	1
Sanjeev Jain	1	N.A.	N.A.	N.A.

N.A. - Not a member of the Committee

## iii. Meeting of Independent Directors:

The meeting of Independent Directors of the Company for the Calendar Year 2017 was held on 13<sup>th</sup> November, 2017 to evaluate the performance of Non-Independent Directors of the Company, Chairman of the Company and the Board as a whole.

### Performance Evaluation

The performance evaluation of Non-Independent Directors of the Company, Chairman of the Company and the Board as a whole, was done by Independent Directors by way of discussions on their performance.

A policy on the performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of non- executive directors and executive has been formulated by the Company.

### Familiarisation programme for Independent Directors

The details of the Familiarisation Programme conducted for the Independent Director of the Company are available on the Company's website at the link: [https://www.vardhman.com/user\\_files/investor/VHL\\_Familisation%20program.pdf](https://www.vardhman.com/user_files/investor/VHL_Familisation%20program.pdf)



**4. DIRECTORS' REMUNERATION:****i) Managing Director:**

The Company pays remuneration to Chairman and Managing Director as approved by the Board of Directors and the Members of the Company in the General Meeting.

The detail of remuneration paid to the Managing Director during the year 2017-18 is as given below:

(₹ in Lakhs)

Name	Designation	Salary	Perquisites & Allowances	Retirement Benefit	Commission	Gross remuneration
Shri Paul Oswal	Chairman & Managing Director	17.95	8.60	-	-	26.55

**ii) Non-Executive Directors:**

Non-Executive Directors have not been paid any remuneration except sitting fees for attending Board and Committee Meetings.

The Non-Executive Directors are paid sitting fees @ ₹ 10,000/- per Board Meeting and @ ₹ 7,500/- per Committee Meeting. The detail of sitting fees paid to the Non-Executive Directors during the Financial Year 2017-18 is given hereunder:-

S. No.	Name of Director	Sitting fee (₹)
1.	Apinder Sodhi	100,000
2.	Sat Pal Kanwar	75,000
3.	Om Parkash Sharma	52,500
4.	Chaman Lal Jain	51,500
5.	Sanjeev Jain	35,000
6.	Jagdish Rai Singal	30,000
7.	Rajeev Kumar Mittal	10,000
8.	*Surinder Singh Bagai	Nil

\*\* During the year, Mr. Surinder Singh Bagai ceased to be a Director of the Company as his term of appointment has expired on September 22, 2017.

**5. SHAREHOLDING DETAIL OF DIRECTORS AS ON 31.03.2018:**

The shareholding of the Directors in the Equity Share Capital of the Company is given as follows: -

S.NO.	NAME OF DIRECTOR	NUMBER OF SHARES HELD
1.	Shri Paul Oswal	56,880
2.	Shakun Oswal	19,084
3.	Sachit Jain	2,330
4.	Suchita Jain	28,416
5.	Chaman Lal Jain	5
6.	*Surinder Singh Bagai	770
7.	Jagdish Rai Singal	10
8.	Sat Pal Kanwar	1212

\*\* During the year, Mr. Surinder Singh Bagai ceased to be a Director of the Company as his term of appointment has expired on September 22, 2017.

## 6. GENERAL BODY MEETINGS:

### i. The details of Annual General Meeting & No. of Special Resolutions passed during last three financial years are as follows:

Meeting	Day, Date and Time of the Meeting	Venue	No. of Special Resolutions
53 <sup>rd</sup> Annual General Meeting for financial year ended 31 <sup>st</sup> March, 2017.	Friday, 22 <sup>nd</sup> September, 2017 at 04.00 p.m.	Regd. Office, Chandigarh Road, Ludhiana-141010.	5 (Five)
52 <sup>nd</sup> Annual General Meeting for financial year ended 31 <sup>st</sup> March, 2016.	Monday, 5 <sup>th</sup> September, 2016 at 03.00 p.m.	Regd. Office, Chandigarh Road, Ludhiana-141010.	NIL
51 <sup>st</sup> Annual General Meeting for financial year ended 31 <sup>st</sup> March, 2015.	Friday, 4 <sup>th</sup> September, 2015 at 05.00 p.m.	Regd. Office, Chandigarh Road, Ludhiana-141010.	NIL

**Postal Ballot:** No Special Resolution has been passed by the Members of the Company through postal ballot during the financial year. Further, there is no immediate proposal for passing any resolution through Postal Ballot in the financial year 2018-19.

## 7. DISCLOSURES:

- i. There was no materially significant related party transaction that may have any potential conflict with interest of the Company at large. The Policy on dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: [https://www.vardhman.com/user\\_files/investor/0f9092fa713917ea04091bdf2fa3b2f2ee3272721436265640.pdf](https://www.vardhman.com/user_files/investor/0f9092fa713917ea04091bdf2fa3b2f2ee3272721436265640.pdf)
- ii. There has not been any non-compliance by the Company in respect of which penalties or strictures were imposed by the Stock Exchanges or Securities Exchange Board of India (SEBI) or any other Statutory Authority during the last three years.
- iii. The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The policy on "Vigil Mechanism and Whistle Blower" may be accessed on the Company's website at the link [http://www.vardhman.com/VIGIL\\_MECHANISM\\_VHL.pdf](http://www.vardhman.com/VIGIL_MECHANISM_VHL.pdf).
- iv. Further, the Company has complied with all mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company may also take up the non-mandatory requirements of the Listing Regulations in due course of time.
- v. The Company has complied with all the applicable requirements specified in Regulation 17 to 27 and 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi. The Board of Directors of the Company has adopted (i) the Code of Practices and procedures for Fair Disclosure of Unpublished Price Sensitive Information and (ii) the Code of Conduct, as required under SEBI (Prohibition of Insider Trading) Regulations, 2015.
- vii. Risk Management Policy as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been duly formulated and approved by the Board of Directors of the Company. The aim of Risk Management Policy is to maximize opportunities in all activities and to minimize adversity.
- viii. The Company has no material subsidiary.

## 8. MEANS OF COMMUNICATION:

The Company communicates with the shareholders at large through its Annual Reports, publication of financial results, press releases in leading newspapers and by filing of various reports and returns with the Statutory Bodies like Stock Exchanges and the Registrar of Companies. The Quarterly Financial Results are published in prominent daily newspapers viz., "Business Standard" and "Desh Sewak". The Financial Results of the Company are also made available at the Company's web-site [www.vardhman.com](http://www.vardhman.com).

### GENERAL INFORMATION FOR SHAREHOLDERS

#### i) 54<sup>th</sup> Annual General Meeting:

Date	: September 27, 2018
Time	: 4.00 p.m.
Venue	: Regd. Office, Vardhman Premises, Chandigarh Road, Ludhiana-141 010.

**ii) Financial Calendar 2018-19 (Tentative)**

First Quarter Results	: August, 2018
Second Quarter Results	: October, 2018
Third Quarter Results	: February, 2019
Annual Results	: May, 2019

**iii) Dates of Book Closure** : **September 17, 2018 to September 27, 2018** (both days inclusive)

**iv) Dividend payment date** : Within 30 days after declaration

**v) Listing** The securities of the Company are listed on the following Stock Exchanges:-

1. The BSE Limited, Mumbai, 1<sup>st</sup> Floor, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, Fort, Mumbai-400 001.
2. The National Stock Exchange of India Limited (NSE), "Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai."

Listing fee, as applicable, has duly been paid to both the aforesaid Stock Exchanges.

**vi) Stock Code:**

- The Bombay Stock Exchange Limited, Mumbai : 500439
- The National Stock Exchange of India Limited : VHL

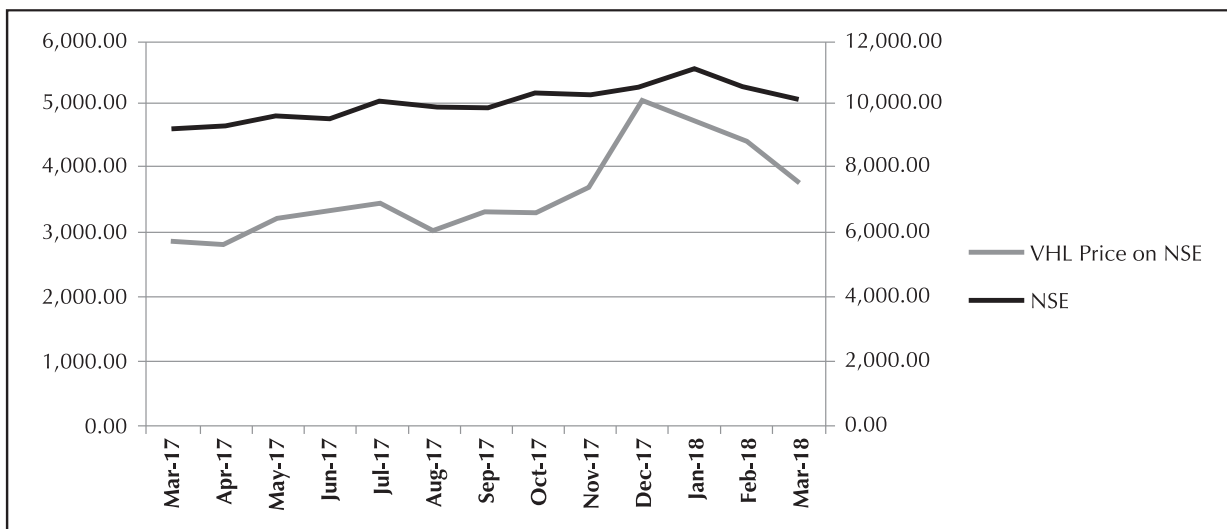
**vii) Stock Market Data:**

The month-wise highest and lowest and closing stock prices of NSE vis-a-vis BSE during the financial year 2017-18 is given below: -

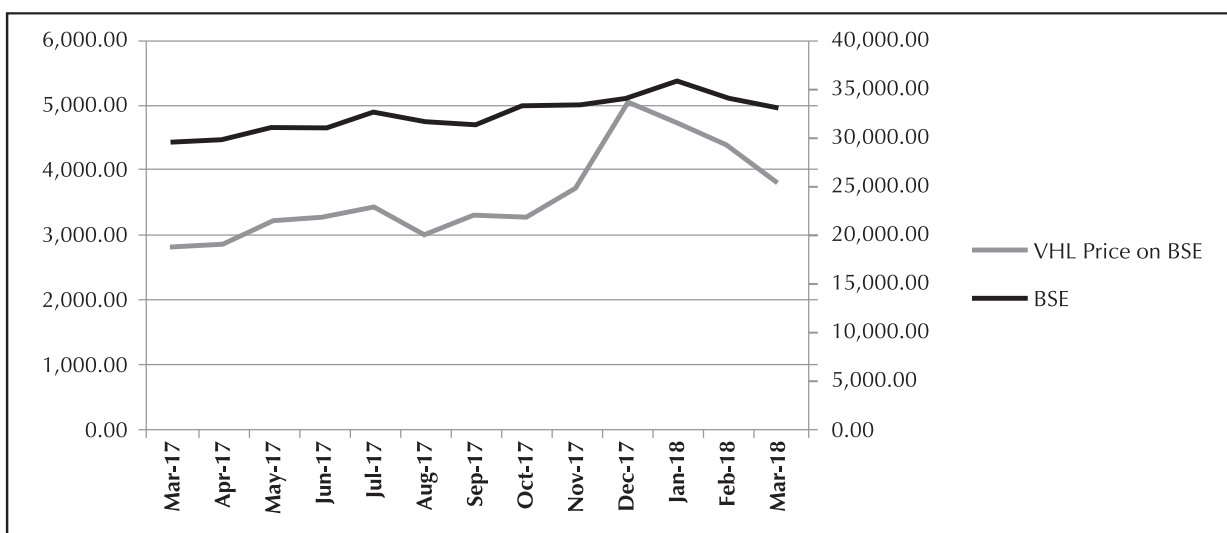
Financial Year 2017-18	Share Prices of Vardhman Holdings Limited on NSE				Share Prices of Vardhman Holdings Limited on BSE			
	Highest (₹)	Lowest (₹)	Closing (₹)	%age change over last month's closing	Highest	Lowest	Closing	%age change over last month's closing
<b>April</b>	2942.00	2701.00	2802.80	-1.97	2985.65	2715.25	2855.00	1.24
<b>May</b>	3909.60	2695.00	3197.45	14.08	3899.90	2685.00	3202.60	12.18
<b>June</b>	3675.00	2897.20	3306.55	3.41	3700.00	3155.00	3280.00	2.42
<b>July</b>	3550.00	3281.10	3438.70	3.99	3599.00	3272.00	3430.65	4.59
<b>August</b>	3472.00	2916.40	3005.00	-12.61	3499.95	2936.00	3007.00	-12.35
<b>September</b>	3800.00	3059.95	3282.55	9.23	3775.00	3086.65	3299.40	9.72
<b>October</b>	3548.95	3217.35	3290.45	0.24	3559.00	3209.10	3266.05	-1.01
<b>November</b>	3958.60	3199.95	3677.45	11.76	3942.05	3135.00	3720.45	13.91
<b>December</b>	6100.00	3601.00	5065.10	37.73	6098.70	3603.05	5059.20	35.98
<b>January</b>	6200.00	4725.00	4740.55	-6.41	6188.70	4665.00	4724.40	-6.62
<b>February</b>	5420.00	4070.00	4388.40	-7.43	5400.00	4150.00	4384.55	-7.19
<b>March</b>	4497.65	3750.00	3763.70	-14.24	4477.90	3775.10	3798.00	-13.38

**viii) Performance of the Company in comparison to broad-based indices:**

**NSE:**



**BSE:**



**ix) Investor Education and Protection Fund (IEPF):**

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') dividends not encashed / claimed within seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF").

Dividends remaining unpaid/ unclaimed upto the Financial Year 2009-10 has been transferred to the Investors' Education and Protection Fund (IEPF). The unclaimed or unpaid dividend relating to the Financial Year 2010-11 is due for remittance by the end of September, 2018 to IEPF.

The IEPF Rules mandate companies to transfer shares of Members whose dividends remain unpaid/unclaimed for a continuous period of seven years to the demat account of IEPF Authority. In accordance with the said IEPF Rules, the Company had sent notices to all the Members whose shares were due to be transferred to the IEPF Authority and simultaneously published newspaper advertisement.

Thereafter, the share of these Members were transferred to the IEPF and necessary e-form(s) in this regard were filed with MCA.

The Members whose dividend / shares are transferred to the IEPF Authority can claim their shares / dividend from the Authority by following the required procedure. Members are requested to get in touch with the Nodal Officer /Compliance officer for further details on the subject at [secretarial.lud@vardhman.com](mailto:secretarial.lud@vardhman.com).

**x) Registrar & Transfer Agent:**

The work related to Share Transfer Registry in terms of both physical and electronic mode is being dealt with by M/s. Alankit Assignments Limited at the address given below: -

**M/s. Alankit Assignments Limited,**

1E/13, Alankit House, Jhandewalan Extension, New Delhi - 110 055.

Phone: (011) 41540060-63, Fax: (011) 41540064, E-mail: rta@alankit.com

**xi) Share Transfer System:**

The Company has constituted a Share Transfer Committee of its Directors. The Committee meets on an average once in 10 days. The list of valid transfers prepared by the Transfer Agent in respect of transfer cases received by them and objections, if any, are placed before the Committee for its approval/confirmation. The Share Certificates are returned back to the shareholders by Transfer Agent within 15 days from the date of receipt by them.

The shares of the Company are traded on the Stock Exchanges compulsorily in demat form. The Company has participated as an issuer both with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The shareholders may operate through any of the depositories, based on tariffs, quality and range of services being offered by them. The International Securities Identification Number (ISIN) of the Company is **INE701A01023**.

**xii) Distribution of Shareholding as on 31<sup>st</sup> March, 2018:**

Range No. of Shares	SHAREHOLDERS		SHARES	
	Numbers of total Holders	% to Total Holders	Numbers of shares Held	% to Total Shares
Upto-500	9,424	98.24	254,375	7.97
501-1000	48	0.66	33,686	1.05
1001-5000	33	0.51	59,650	1.86
5001-10000	13	0.16	91,130	2.85
10001-50000	20	0.26	482,181	15.11
50001-above	12	0.17	2,270,514	71.16
<b>Total</b>	<b>9,550</b>	<b>100</b>	<b>3,191,536</b>	<b>100</b>

**xiii) Dematerialisation of shares:**

As on 31<sup>st</sup> March, 2018, 97.86% of the capital comprising 31,23,241 shares, out of total of 3,191,536 shares, were dematerialized.

**xiv) Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion dates and likely impact on equity:**

The Company has not issued any GDRs/ADRs/Warrants or any Convertible instruments during the year.

**xv) Address for correspondence:**

Registered office : Vardhman Premises, Chandigarh Road, Ludhiana-141010

Tel : 0161-2228943-48

Fax : 0161-2601048, 2602710, 2222616

E-mail : secretarial.lud@vardhman.com

(Exclusively for redressal of investors' grievances)

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DP).

## CHAIRMAN'S DECLARATION

I, S.P. Oswal, Chairman & Managing Director of Vardhman Holdings Limited declare that all Board Members and Senior Management Personnel have affirmed compliance with 'Code of Conduct for Board & Senior Management Personnel' for the year ended 31<sup>st</sup> March, 2018.

**Place: Ludhiana**  
**Dated: May 22, 2018**

**Sd/-**  
**(S.P.Oswal)**  
**Chairman and Managing Director**

## INDEPENDENT AUDITOR'S COMPLIANCE CERTIFICATE

To  
The Members of  
Vardhman Holdings Limited,

1. We, **R. Dewan & Co.** Chartered Accountants, the Statutory Auditors of Vardhman Holdings Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and para C and D of schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) .

### Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

### Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with corporate governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143 (10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2018.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Ludhiana  
Date: May 22, 2018

**For R. Dewan & Co**  
**Chartered Accountants**  
**Firm Registration No.: 017883N**

**Sd/-**  
**(Rajiv Dewan)**  
**Partner**  
**Membership No. 084718**

## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
Vardhman Holdings Limited.

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Vardhman Holdings Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters in section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, the state of affairs of the Company as on March 31, 2018;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in the "Annexure-A", which forms part of this report, a statement on the matters prescribed in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure- B", and
  - g) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 and to the best of our information and according to the explanations given to us :
    - I. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note No. 20 to the standalone financial statements;
    - II. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;

- III. There are no amounts required to be transferred to the Investors Education and Protection Fund by the Company.

**For R. Dewan & Co.  
Chartered Accountants  
Firm Reg. No. 017883N**

**Sd/-  
(Rajiv Dewan)**

**Partner  
M.No.: 084718**

**Place: Ludhiana**

**Date: 22<sup>nd</sup> May, 2018**

### **Annexure-A to the Auditor's Report**

The Annexure referred to in Independent Auditors' Report to the members of the company on the financial statements for the year ended 31st March, 2018.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) According to the information and explanations given to us, Fixed Assets are verified by rotation every year. No discrepancies were observed in the Fixed Assets physically verified during the financial year.
- c) According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deeds of the immovable properties are held in the name of the company.
- (ii) The company has not held any inventory during the year, therefore, the provision of clause 3 (ii) of the Order are not applicable to the company.
- (iii) According to the information and explanations given to us we report that the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore the provisions of paragraph 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has complied with the requirements of the section 186 of the Companies Act, 2013 pursuant to loans granted and investments made. The company has not granted loans to directors or to the person in whom directors are interested. Therefore the provisions of the section 185 of the Companies Act, 2013 are not applicable to the company.
- (v) According to the information and explanations given to us, the Company has not accepted deposits covered under the provisions of sections 73 to 76, other relevant provisions of the Companies Act, 2013 and the rules framed there under. According to the information and explanations given to us, no order under the aforesaid sections has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company.
- (vi) The provision of Clause 3 (vi) of the Order regarding maintenance of cost records is not applicable to the company.
- (vii) a) According to the information and explanations given to us and on the basis of the records of the Company examined by us, in our opinion, the Company has been regular in depositing undisputed statutory dues

including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, GST, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts in respect of statutory dues payable were outstanding as on the last day of the financial year concerned for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, the dues of Income tax, Sales-tax, Service-Tax, Duty of custom, Duty of Excise, Value Added Tax and Cess which have not been deposited on March 31, 2018 on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	7,33,347/-	2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	7,78,108/-	2014-15	Commissioner of Income Tax (Appeals)

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution bank or government. The Company has not issued any debentures during the year or in the preceding year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not taken any term loan. The company has not raised money by way of initial public offer of further public offer (including debt instruments) during the year.
- (x) According to the information and explanations given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of records of company, the company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to Companies Act, 2013.
- (xii) According to the information and explanation given to us, the company is not a Nidhi Company. Therefore the provisions of paragraph 3 (xii) of the Order are not applicable.
- (xiii) According to the information and explanations given to us, and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details of the transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Thus the provisions of paragraph 3 (xiv) of the Order are not applicable.
- (xv) According to information and explanations given to us, and based on our examination of the records of the company, the



company has not entered into non-cash transactions with director or person connected with him. Accordingly, provisions of paragraph 3 (xv) of the Order are not applicable.

- (xvi) The company is registered as a Non-Banking Financial Company ('NBFC') as defined under section 45-IA of the Reserve Bank of India ('RBI') Act, 1934.

**For R. Dewan & Co.  
Chartered Accountants  
Firm Reg. No. 017883N**

**Sd/-  
(Rajiv Dewan)  
Partner  
M.No.: 084718**

**Place: Ludhiana**

**Date: 22<sup>nd</sup> May, 2018**

## **Annexure - B to the Auditor's Report**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls over financial reporting of Vardhman Holdings Limited ("the Company") as of 31st March, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.
2. **Management's Responsibility for Internal Financial Controls**  
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.
3. **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal

control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## **4. Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements

## **5. Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **6. Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For R. Dewan & Co.  
Chartered Accountants  
Firm Reg. No. 017883N**

**Sd/-  
(Rajiv Dewan)  
Partner  
M.No.: 084718**

**Place: Ludhiana  
Date: 22<sup>nd</sup> May, 2018**

**STANDALONE BALANCE SHEET as at 31<sup>st</sup> March, 2018**

(₹ in Lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	319.24	319.24
(b) Reserves and surplus	4	50,793.98	45,484.39
		<u>51,113.22</u>	<u>45,803.63</u>
<b>(2) Non-current liabilities</b>			
(a) Long-term borrowings		-	-
(b) Long-term provisions	5	0.53	0.47
		<u>0.53</u>	<u>0.47</u>
<b>(3) Current liabilities</b>			
(a) Short-term borrowings		-	-
(b) Trade payables		-	-
(c) Other current liabilities	6	66.51	103.32
(d) Short-term provisions	7	424.69	371.96
		<u>491.20</u>	<u>475.28</u>
<b>TOTAL</b>		<u>51,604.95</u>	<u>46,279.38</u>
<b>II ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	8	303.40	82.14
(ii) Intangible assets		-	-
		<u>303.40</u>	<u>82.14</u>
(b) Deferred tax assets (net)	9	113.64	20.10
(c) Non-current investments	10	26,629.48	8,257.99
(d) Long-term loans and advances	11	-	266.53
		<u>27,046.52</u>	<u>8,626.76</u>
<b>(2) Current assets</b>			
(a) Current investments	12	19,713.85	33,310.31
(b) Cash and bank balances	13	168.03	130.96
(c) Short-term loans and advances	14	0.08	-
(d) Other current assets	15	4,676.47	4,211.35
		<u>24,558.43</u>	<u>37,652.62</u>
<b>TOTAL</b>		<u>51,604.95</u>	<u>46,279.38</u>

Significant Accounting Policies & Notes to Accounts

1 to 29

As per our report of even date

For R. Dewan & Co.

Chartered Accountants

Firm Regn. No. 017883N

Rajiv Dewan  
Partner  
M. No. 084718

Amrender Yadav  
Company Secretary  
Membership No. 41946

Poorva Bhatia  
Chief Financial Officer

Suchita Jain  
Director  
DIN: 00746471

For and on behalf of the board of directors

S.P. Oswal  
Chairman & Managing Director  
DIN: 00121737

PLACE : LUDHIANA  
DATED : 22.05.2018

**STANDALONE STATEMENT OF PROFIT AND LOSS for the year ended 31<sup>st</sup> March, 2018**

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
i Revenue from operations	16	6,317.94	18,693.87
ii Other income	17	136.14	357.02
iii <b>Total Revenue (i + ii)</b>		<b>6,454.08</b>	<b>19,050.89</b>
iv Expenses :			
Employee benefits expense	18	40.49	24.17
Depreciation and amortization expenses	8	1.44	3.95
Other expenses	19	576.68	228.94
<b>Total Expenses</b>		<b>618.61</b>	<b>257.06</b>
v Profit before tax (iii - iv)		5,835.47	18,793.83
vi Tax expense :			
- Current Tax		756.56	4,079.00
- Deferred tax		(93.53)	51.08
- Mat Credit Entitlement		(329.53)	(3,500.69)
vii Profit for the year (v - vi)		<b>5,501.97</b>	<b>18,164.44</b>
<b>Earnings per equity share</b>			
<b>[Earning per equity share ₹ 10/- (Previous Year: ₹ 10)]</b>			
<b>Basic</b>		<b>172.39</b>	<b>569.14</b>
<b>Diluted</b>		<b>172.39</b>	<b>569.14</b>
<b>Earnings per equity share (Excluding extraordinary items)</b>			
<b>[Earning per equity share ₹ 10/- (Previous Year: ₹ 10)]</b>			
<b>Basic</b>		<b>172.39</b>	<b>569.14</b>
<b>Diluted</b>		<b>172.39</b>	<b>569.14</b>

Significant Accounting Policies &amp; Notes to Accounts

1 to 29

As per our report of even date  
For R. Dewan & Co.  
Chartered Accountants  
Firm Regn. No. 017883N

Rajiv Dewan  
Partner  
M. No. 084718

Amrender Yadav  
Company Secretary  
Membership No. 41946

Poorva Bhatia  
Chief Financial Officer

Suchita Jain  
Director  
DIN: 00746471

For and on behalf of the board of directors

S.P. Oswal  
Chairman & Managing Director  
DIN: 00121737

PLACE : LUDHIANA  
DATED : 22.05.2018

**STANDALONE CASH FLOW STATEMENT for the year ended 31<sup>st</sup> March, 2018**

(₹ in Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items	5,835.47	18,793.83
Adjustments for :		
Depreciation and amortization	1.44	3.95
Loss/ (Profit) on sale of fixed asset	(6.42)	4.10
Net Gain on sale of Current Investments	(3,034.46)	(1,088.87)
Net Gain on sale of Non-Current Investments	(85.43)	(16,838.21)
Adjustment to the carrying amount of investment	266.47	(178.04)
Provisions no longer required written Back	(0.00)	(0.08)
	<b>(2,858.40)</b>	<b>(18,097.15)</b>
Operating profit before working capital changes	2,977.07	696.68
Adjustments for :		
(Increase) /Decrease in trade receivables & Other assets	130.86	(254.44)
Increase/ (Decrease) in trade payables and other liabilities	(35.97)	24.09
	<b>94.89</b>	<b>(230.35)</b>
Cash Generation from Operations	3,071.96	466.33
Taxes Paid	(704.15)	(3,901.59)
<b>Net Cash flow from / (used in) Operating activities (A)</b>	<b>2,367.81</b>	<b>(3,435.26)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	(26,985.26)	(19,205.41)
Sale of Investments	25,063.64	22,815.42
Purchase of Fixed Assets	(262.28)	(0.83)
Sale of Fixed Assets	46.00	8.20
<b>Net Cash flow from / (used in) investing activities (B)</b>	<b>(2,137.90)</b>	<b>3,617.38</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend Paid (including tax thereon)	(192.84)	(113.54)
<b>Net Cash flow from / (used in) Financing Activities (C)</b>	<b>(192.84)</b>	<b>(113.54)</b>
<b>Net Increase in cash &amp; cash equivalents (A+B+C)</b>	<b>37.07</b>	<b>68.58</b>
<b>Cash &amp; cash equivalents as at the beginning</b>	<b>130.96</b>	<b>62.38</b>
<b>Cash &amp; cash equivalents as at the end</b>	<b>168.03</b>	<b>130.96</b>

Significant Accounting Policies & Notes to Accounts

1 to 29

As per our report of even date

For R. Dewan & Co.

Chartered Accountants

Firm Regn. No. 017883N

For and on behalf of the board of directors

Rajiv Dewan  
Partner  
M. No. 084718

Amrender Yadav  
Company Secretary  
Membership No. 41946

Poorva Bhatia  
Chief Financial Officer

Suchita Jain  
Director  
DIN: 00746471

S.P. Oswal  
Chairman & Managing Director  
DIN: 00121737

PLACE : LUDHIANA  
DATED : 22.05.2018

## Notes to Standalone Financial Statements for the year ended March 31, 2018

### 1. CORPORATE INFORMATION :

Vardhman Holdings Limited ('the company') is registered as a Non-Banking Financial Company ('NBFC') as defined under section 45-IA of the Reserve Bank of India ('RBI') Act, 1934. The company is principally engaged in lending and investing activities.

### ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:

### 2. SIGNIFICANT ACCOUNTING POLICIES :

#### a) Accounting Convention:

The accounts are prepared in accordance with generally accepted accounting principles under the historical cost convention on accrual basis in accordance with the applicable accounting standards prescribed under section 133 of Companies Act, 2013 read with rule 7 of The Companies (Accounts) rules, 2014.

#### b) Use of Estimates:

The preparation of financial statements, in conformity with the generally accepted accounting principles, require estimates and assumptions to be made that affect the reported amount of assets and liabilities as of the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results materialize.

#### c) Revenue Recognition:

##### i) Income from Investments:

Dividend income is recognized when the company's right to receive payment is established. Profit and loss on sale of investments is recognized on the contract date.

##### ii) Interest Income:

Interest is recognized on a time proportion basis taking into account the amount outstanding and rate applicable.

##### iii) Receipt against License Agreement:

Revenue in respect of receipt against License Agreement is recognized on accrual basis in accordance with the terms of the relevant agreement.

##### iv) Rent

Rent is recognized on accrual basis.

#### d) Employee Benefits:

##### (a) Short Term Employee Benefits:

Short Term Employee Benefits are recognized as an expense on an undiscounted basis in the statement of Profit and Loss of the year in which the related service is rendered.

##### (b) Post Employment Benefits:

##### i) Defined Contribution Plans:

###### (1.1) Superannuation :

The liability in respect of eligible employees covered under the scheme is provided through a policy taken from Life Insurance Corporation of India by an approved trust formed for the purpose. The premium in respect of such policy is recognized as an expense in the period in which it falls due.

###### (1.2) Provident Fund :

Contribution to Provident Fund is made in accordance with the provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and is charged to the statement of profit and loss.

##### ii) Defined Benefit Plans

###### (1.1) Gratuity

Provision for gratuity liability to employees is made on the basis of actuarial valuation as at the close of the year.

**Notes to Standalone Financial Statements for the year ended March 31, 2018**

**(1.2) Leave with Wages**

Provision for leave with wages is made on the basis of actuarial valuation as at the close of the year.

**(1.3)** The actuarial gain/loss is recognized in statement of profit and loss account.

**e) Fixed Assets (Tangible Assets) :**

Fixed Assets are stated at historical cost less accumulated depreciation.

**f) Depreciation:**

- i) Depreciation on tangible fixed assets is provided on Straight Line Method on the basis of useful lives of such assets specified in Schedule II to the Companies Act, 2013.
- ii) Depreciation on assets costing ₹ 5,000/- or below is charged @ 100% per annum on proportionate basis.

**g) Investments:**

Investments are classified as long term or current based on intention of the management at the time of purchase. Long term Investment is carried at cost less provision, for diminution, other than temporary in the value of investment. Current investments are carried at lower of cost and fair value.

**h) Accounting for Taxes on Income**

The accounting treatment followed for taxes on income is to provide for Current Tax and Deferred Tax. Current Tax is the amount of income-tax determined to be payable in respect of taxable income for a period. Deferred Tax is the tax effect of timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

**i) Earning per Share :**

Basic earning per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by taking into account the aggregate of the weighted average number of equity shares outstanding during the period and the weighted average number of equity shares which would be issued on conversion of all the dilutive potential equity shares into equity shares.

**j) Impairment of Assets:**

At each balance sheet date an assessment is made whether any indication exists that an asset has been impaired. If any such indication exists, an impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount is provided in the books of account.

**k) Provision and Contingent Liabilities :**

- i) Provision is recognized (for liabilities that can be measured by using a substantial degree of estimation) when:
  - a) the company has a present obligation as a result of a past event;
  - b) a probable outflow of resources embodying economic benefits is expected to settle the obligation; and
  - c) the amount of the obligation can be reliably estimated
- ii) Contingent liability is disclosed in case there is :
  - a) i) possible obligation that arises from past events and existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise; or
  - ii) a reliable estimate of the amount of the obligation cannot be made.
  - b) a present obligation arising from past events but is not recognised
    - i) when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
    - ii) a reliable estimate of the amount of the obligation cannot be made.

## Notes to Standalone Financial Statements for the year ended March 31, 2018

## 3 SHARE CAPITAL

Particulars	As at 31.03.2018		As at 31.03.2017	
	Number	₹ in Lakhs	Number	₹ in Lakhs
<b>Authorised</b>				
Equity Shares of ₹ 10/- each (Par Value)	30,000,000	3,000.00	30,000,000	3,000.00
Redeemable Cumulative Preference Shares of ₹ 10/- each (par value)	10,000,000	1,000.00	10,000,000	1,000.00
	<b>40,000,000</b>	<b>4,000.00</b>	<b>40,000,000</b>	<b>4,000.00</b>
<b>Issued</b>				
Equity Shares of ₹ 10/- each	3,191,536	319.15	3,191,536	319.15
	<b>3,191,536</b>	<b>319.15</b>	<b>3,191,536</b>	<b>319.15</b>
<b>Subscribed and fully Paid-up</b>				
Equity Shares of ₹ 10/- each	3,191,536	319.15	3,191,536	319.15
Add: Forfeited Shares (Amount originally paid-up)	-	0.09	-	0.09
<b>Total</b>	<b>3,191,536</b>	<b>319.24</b>	<b>3,191,536</b>	<b>319.24</b>

## a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	FY 2017-18		FY 2016-17	
	Number	₹ in Lakhs	Number	₹ in Lakhs
At the beginning of the reporting period	3,191,536	319.15	3,191,536	319.15
Add: Issued during the year	-	-	-	-
<b>Outstanding at the end of the reporting period</b>	<b>3,191,536</b>	<b>319.15</b>	<b>3,191,536</b>	<b>319.15</b>

## b. Terms/ rights attached to equity shares

The company has one class of shares viz. Equity Shares having a par value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and then the equity shareholders are entitled for such dividend.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all Preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

The rate of dividend for redeemable cumulative preference shares is decided by the board of directors as and when issued.

## c. Shares held by holding company or its ultimate holding company or subsidiaries or associates of the holding company or the ultimate holding company in aggregate.

There is no holding or ultimate holding company of the Company.

## d. Aggregate number and class of shares allotted as fully paid up pursuant to contract (s) without payment being received in cash, bonus shares and shares bought back for the period of five years immediately preceding the reporting date.

Particulars	As at 31.03.2018	As at 31.03.2017
	Number	Number
Equity shares allotted as fully paid up by way of bonus shares	-	-
Equity shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	-	-
Equity Shares bought back	-	-

## e. Detail of shareholders holding more than 5% shares in the Company

Class of shares and Name of shareholder	As at 31.03.2018		As at 31.03.2017	
	Number	% of shareholding	Number	% of shareholding
Adishwar Enterprises LLP	1,048,770	32.86	1,048,770	32.86
Devakar Investment & Trading Company (P) Limited	1,094,330	34.29	1,094,330	34.29

## f. Terms of securities convertible into equity/preference shares

N.A

N.A

Notes to Standalone Financial Statements for the year ended March 31, 2018

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
<b>4 RESERVES AND SURPLUS</b>		
Capital Reserves	0.11	0.11
Capital Redemption Reserve	70.00	70.00
Securities Premium Account	781.28	781.28
<b>Other Reserves :</b>		
General Reserve		
Balance as per the last financial statements	9,659.72	9,659.72
<b>Closing Balance</b>	<b>9,659.72</b>	9,659.72
<b>Statutory Reserve (u/s 45-IC of RBI Act, 1934)</b>		
Balance as per last financial statements	7,436.00	3,803.00
Add: Transferred from surplus balance in the statement of profit and loss	1,121.53	3,633.00
	<b>8,557.53</b>	7,436.00
<b>Surplus i.e. Balance in the Statement of Profit and Loss</b>		
Balance as per the last financial statements	27,537.28	13,197.90
Add: Profit for the period transferred from Statement of Profit and Loss	5,501.97	18,164.44
<b>Less: Appropriations</b>		
Proposed equity dividend ₹ 5 per share (Previous Year: ₹ 5 per share.)	159.58	159.57
Tax on dividend	32.80	32.49
Transferred to Statutory Reserve	1,121.53	3,633.00
<b>Closing Balance</b>	<b>31,725.34</b>	27,537.28
<b>Total Reserves and Surplus</b>	<b>50,793.98</b>	45,484.39
<b>5 LONG TERM PROVISIONS</b>		
Provision for employee benefits :		
- Gratuity	0.12	-
- Leave encashment	0.41	0.47
	<b>0.53</b>	0.47
<b>6 OTHER CURRENT LIABILITIES</b>		
Unpaid dividends#	9.45	10.23
Other payables		
- Others	57.06	93.09
	<b>66.51</b>	103.32

# unpaid dividends do not include any amount due and outstanding required to be credited to the Investors' Education and Protection Fund



Notes to Standalone Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>7 SHORT TERM PROVISIONS</b>		
Provision for employee benefits :		
Leave encashment	0.04	0.03
Provision for Tax*	232.27	179.87
<b>Other provisions :</b>		
Provision for proposed equity dividend	159.58	159.57
Provision for tax on proposed dividend	32.80	32.49
	<b>424.69</b>	<b>371.96</b>

\* Provision for tax is net of Advance tax of ₹ 5,760.18 Lakhs (Previous Year ₹ 5,056.03 Lakhs)

**8 FIXED ASSETS**

(₹ in Lakhs)

Particulars	Original Cost			Balance as at 31.03.2018	DEPRECIATION			Balance as at 31.03.2018	NET BLOCK	
	Balance as at 01.04.2017	Additions	Disposal		Balance as at 01.04.2017	Depreciation during the year	Eliminated on disposal of assets		Balance as at 31.03.2018	Balance as at 31.03.2018
<b>TANGIBLE ASSETS</b>										
1. Freehold land*	1.14	262.28	-	<b>263.42</b>	-	-	-	-	<b>263.42</b>	1.14
2. Buildings	91.28	-	45.64	<b>45.64</b>	11.00	1.28	6.06	<b>6.22</b>	<b>39.42</b>	80.28
3. Vehicle	-	-	-	-	-	-	-	-	-	-
4. Office Equipment	0.82	-	-	<b>0.82</b>	0.10	0.16	-	<b>0.26</b>	<b>0.56</b>	0.72
Current Year	93.24	262.28	45.64	<b>309.88</b>	11.10	1.44	6.06	<b>6.48</b>	<b>303.40</b>	82.14
Previous Year	114.49	0.82	22.07	<b>93.24</b>	16.92	3.95	9.77	<b>11.10</b>	<b>82.14</b>	97.56

\* Freehold land includes ₹ 262.28 Lakhs (March 31, 2017 Nil) for the cost of land for which title deeds are yet to be executed in favor of the Company, though the possession thereof has been taken by the Company.

(₹ in Lakhs)

Particulars	Original Cost			Balance as at 31.03.2017	DEPRECIATION			Balance as at 31.03.2017	NET BLOCK	
	Balance as at 01.04.2016	Additions	Disposal		Balance as at 01.04.2016	Depreciation during the year	Eliminated on disposal of assets		Balance as at 31.03.2017	Balance as at 31.03.2017
<b>TANGIBLE ASSETS</b>										
1. Freehold land	1.14	-	-	<b>1.14</b>	-	-	-	-	<b>1.14</b>	1.14
2. Buildings	91.28	-	-	<b>91.28</b>	9.56	1.44	-	<b>11.00</b>	<b>80.28</b>	81.72
3. Vehicle	22.07	-	22.07	-	7.36	2.41	9.77	-	-	14.70
4. Office Equipment	-	0.82	-	<b>0.82</b>	-	0.10	-	<b>0.10</b>	<b>0.72</b>	-
Current Year	114.49	0.82	22.07	<b>93.24</b>	16.92	3.95	9.77	<b>11.10</b>	<b>82.14</b>	97.56
Previous Year	114.49	-	-	<b>114.49</b>	12.87	4.06	-	<b>16.92</b>	<b>97.56</b>	101.63

Notes to Standalone Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>9 Deferred tax assets (net)</b>		
<b>Deferred tax liabilities</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting period	-	-
Gross deferred tax liability	-	-
<b>Deferred tax assets</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowable for tax purposes on payment basis	<b>113.64</b>	20.10
Gross deferred tax asset	<b>113.64</b>	20.10
Deferred tax Assets (Net)	<b>113.64</b>	20.10
<b>10 NON-CURRENT INVESTMENTS</b>		
<b>Long Term investments (at cost unless otherwise stated)</b>		
<b>I TRADE INVESTMENTS</b>		
<b>Investment in equity instruments</b>		
<b>a. of associates (Quoted)</b>		
15,314,517 (Previous Year 14,058,157) Equity Shares of ₹ 10/- each fully paid up of Vardhman Textiles Limited	<b>25,015.00</b>	7,670.36
<b>b. of associates (Unquoted)</b>		
25,000 (Previous Year 25,000) Equity Shares of ₹ 10/- each fully paid up of Vardhman Spinning & General Mills Limited	<b>2.50</b>	2.50
<b>c. of Other entities (Quoted)</b>		
733,762 (Previous Year 733,762) Equity Shares of ₹ 10/- each fully paid up of Vardhman Acrylics Limited	<b>27.68</b>	27.68
51,34,195 (Previous Year 3,080,519) Equity Shares of ₹ 10/- each fully paid up of Vardhman Special Steels Limited	<b>1,584.29</b>	557.44
<b>II OTHER THAN TRADE</b>		
<b>a Investment in equity instruments of other entities (quoted)</b>		
112 (Previous year 112) Equity shares of ₹ 10/- each fully paid-up of Garware Nylon Ltd.	<b>0.01</b>	0.01
Less : Provision for Diminution in value of Investments	<b>0.01</b> -	0.01 -
1,150 (Previous year 1,150) Equity shares of ₹ 1/- each fully paid-up of Hindustan Unilever Ltd.	<b>0.01</b>	0.01
50 (Previous year 50) Equity shares of ₹ 10/- each fully paid-up of Vinod Paper Mills Limited	<b>0.01</b>	0.01
Less : Provision for Diminution in value of Investments	<b>0.01</b> -	0.01 -
	<b>26,629.48</b>	8,257.99
1. Aggregate amount of Quoted Investments (Gross)	<b>26,627.00</b>	8,255.51
2. Market Value of Quoted Investments	<b>194,903.27</b>	188,995.35
3. Aggregate amount of Unquoted Investments (Gross)	<b>2.50</b>	2.50
4. Aggregate Provision for diminution in value of Investments	<b>0.02</b>	0.02
<b>11 LONG-TERM LOANS AND ADVANCES</b>		
(unsecured, considered good)		
Capital advances	-	266.53
	-	266.53

## Notes to Standalone Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>12 CURRENT INVESTMENTS</b>		
<b>(AT LOWER OF COST AND FAIR VALUE)</b>		
<b>Investment in Equity instruments of other entities (quoted)</b>		
Nil (Previous Year 553,755) Equity Shares of ₹ 10/- each of Trident Limited	-	266.46
1,059,890 (Previous Year 1,059,890) Equity Shares of ₹ 1/- each of Welspun India Limited	<b>773.07</b>	773.07
Less : Provision for Diminution in value of Investments	<b>157.80</b>	-
25,714 (Previous Year 28,650) Equity Shares of ₹ 5/- (previous year ₹ 10/-) each of Infosys Limited	<b>270.33</b>	301.19
Less : Provision for Diminution in value of Investments	-	8.32
* Nil (Previous Year 5,123) Equity Shares of ₹ 2/- each of Lupin Limited	-	80.76
Less : Provision for Diminution in value of Investments	-	6.74
* Nil (Previous Year 11,531) Equity Shares of ₹ 1/- each of Sun Pharmaceutical Industries Limited	-	72.36
* 119,566 (Previous Year Nil) Equity Shares of ₹ 2/- each of TV18 Broadcast Ltd	<b>64.69</b>	-
* 10,442 (Previous Year 12,391) Equity Shares of ₹ 2/- each of Bajaj Finance Limited	<b>25.99</b>	42.12
* 2,355 (Previous Year 3,011) Equity Shares of ₹ 5/- each of Bajaj Finserve Limited	<b>62.69</b>	75.16
* 250 (Previous Year Nil) Equity Shares of ₹ 10/- each of Bayer Cropscience Limited	<b>11.72</b>	-
Less : Provision for Diminution in value of Investments	<b>1.15</b>	-
* 10,569 (Previous Year Nil) Equity Shares of ₹ 10/- each of Central Depository Services (india) Ltd	<b>38.24</b>	-
Less : Provision for Diminution in value of Investments	<b>8.37</b>	-
* 5,845 (Previous Year Nil) Equity Shares of ₹ 2/- each of Divis Laboratories	<b>63.01</b>	-
* 26,000 (Previous Year Nil) Equity Shares of ₹ 2/- each of Titagarh Wagons Ltd	<b>32.96</b>	-
Less : Provision for Diminution in value of Investments	<b>4.44</b>	-
* 3,540 (Previous Year Nil) Equity Shares of ₹ 2/- each of Ratnamani Metals & Tubes Ltd	<b>30.08</b>	-
* 7,100 (Previous Year Nil) Equity Shares of ₹ 10/- each of Narayana Hrudayalaya Ltd	<b>22.03</b>	-
Less : Provision for Diminution in value of Investments	<b>2.20</b>	-
* 1,159 (Previous Year Nil) Equity Shares of ₹ 2/- each of Minda Industries Ltd	<b>14.13</b>	-
Less : Provision for Diminution in value of Investments	<b>1.66</b>	-
* 2,044 (Previous Year Nil) Equity Shares of ₹ 5/- each of General Insurance Corporation Of india	<b>14.40</b>	-
* 11,210 (Previous Year Nil) Equity Shares of ₹ 10/- each of Surya Roshni Ltd	<b>30.97</b>	-
* 30,705 (Previous Year Nil) Equity Shares of ₹ 2/- each of Jindal saw Ltd	<b>32.06</b>	-

## Notes to Standalone Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

Particulars	As at 31.03.2018		As at 31.03.2017	
* 7,904 (Previous Year 6,801) Equity Shares of ₹ 1/- each of Havells India Limited		24.13		18.51
* 746 (Previous Year 825) Equity Shares of ₹ 10/- each of Page Industries Limited	100.48		109.57	
Less : Provision for Diminution in value of Investments	-	100.48	0.50	109.07
* 33,668 (Previous Year 23,927) Equity Shares of ₹ 1/- each of Motherson Sumi Systems Limited		45.05		55.43
* 4,076 (Previous Year 4,076) Equity Shares of ₹ 2/- each of HDFC Bank Limited		41.23		41.23
* 7,620 (Previous Year 6,676) Equity Shares of ₹ 1/- each of Asian Paints Limited		63.56		51.75
* Nil (Previous Year 891) Equity Shares of ₹ 10/- each of Blue Dart express Limited	-		54.80	
Less : Provision for Diminution in value of Investments	-	-	8.67	46.13
* Nil (Previous Year 3,054) Equity Shares of ₹ 2/- each of Ajanta Pharma Limited		-		30.37
* Nil (Previous Year 8,646) Equity Shares of ₹ 1/- each of Amara Raja Batteries Limited		-		73.79
* 2,083 (Previous Year 2,083) Equity Shares of ₹ 2/- each of Cummins India Limited	24.39		24.38	-
Less : Provision for Diminution in value of Investments	9.80	14.59	4.61	19.78
* 14,229 (Previous Year 14,229) Equity Shares of ₹ 2/- each of Gruh Finance Limited		36.99		36.99
* 11,080 (Previous Year 11,080) Equity Shares of ₹ 1/- each of P I Industries Limited		62.61		62.61
* 99 (Previous Year 160) Equity Shares of ₹ 10/- each of Shree Cements Limited		12.96		18.59
* 33,705 (Previous Year 35,440) Equity Shares of ₹ 1/- each of Welspun India Ltd.	30.27		31.78	
Less : Provision for Diminution in value of Investments	10.74	19.53	0.72	31.06
* 8,120 (Previous Year 8,120) Equity Shares of ₹ 1/- each of K R B L Ltd.		21.46		21.46
* 13,200 (Previous Year 12,200) Equity Shares of ₹ 10/- each of Deepak Fertilisers Petrochemicals Corpn. Ltd.		24.81		21.07
* 6,799 (Previous Year 6,000) Equity Shares of ₹ 10/- each of Lumax Auto Technologies Ltd.		27.92		23.35
* Nil (Previous Year 25,122) Equity Shares of ₹ 2/- each of Graphite India Ltd.		-		26.99
* Nil (Previous Year 3,750) Equity Shares of ₹ 2/- each of Gulf Oil Lubricants India Limited	-		27.01	
Less : Provision for Diminution in value of Investments	-	-	0.59	26.42
* Nil (Previous Year 8,000) Equity Shares of ₹ 2/- each of Mahindra and Mahindra Financial Services Ltd.	-		25.58	
Less : Provision for Diminution in value of Investments	-	-	0.39	25.19
* 1,780 (Previous Year 2,750) Equity Shares of ₹ 10/- each of Bharat Bijlee Ltd.		14.25		21.94
* 12,740 (Previous Year 10,290) Equity Shares of ₹ 1/- each of Exide Industries Ltd.		22.34		17.22

## Notes to Standalone Financial Statements for the year ended March 31, 2018

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
* 18,600 (Previous Year 18,600) Equity Shares of ₹ 1/- each of Time Technoplast Ltd.	<b>11.88</b>	11.88
* 1,800 (Previous Year 1,400) Equity Shares of ₹ 10/- each of S R F Ltd.	<b>25.29</b>	18.62
* 3,085 (Previous Year 3,085) Equity Shares of ₹ 10/- each of Garware-Wall Ropes Ltd.	<b>11.05</b>	11.05
* 25,536 (Previous Year 15,000) Equity Shares of ₹ 1/- each of Balrampur Chini Mills Ltd.	<b>38.29</b>	21.44
Less : Provision for Diminution in value of Investments	<b>18.97</b>	-
* Nil (Previous Year 5,641) Equity Shares of ₹ 10/- each of Dewan Housing Finance Corpn. Ltd.	-	21.44
* 5,670 (Previous Year 3,000) Equity Shares of ₹ 1/- each of Shilpa Medicare Ltd	<b>32.31</b>	15.21
Less : Provision for Diminution in value of Investments	<b>6.02</b>	-
* Nil (Previous Year 1,110) Equity Shares of ₹ 10/- each of Siyaram Silk Mills Ltd.	-	13.60
* Nil (Previous Year 21,915) Equity Shares of ₹ 1/- each of Orient Paper Inds. Ltd.	-	10.18
* 27,100 (Previous Year 17,500) Equity Shares of ₹ 10/- each of Prism Cement Ltd.	<b>27.03</b>	16.17
* Nil (Previous Year 10,000) Equity Shares of ₹ 2/- each of Bodal Chemicals Ltd.	-	13.58
* 4,150 (Previous Year 4,150) Equity Shares of ₹ 2/- each of Balaji Amines Ltd.	<b>9.61</b>	9.61
* 43,670 (Previous Year 29,020) Equity Shares of ₹ 5/- each of Pennar Industries Ltd.	<b>21.56</b>	13.18
Less : Provision for Diminution in value of Investments	-	1.30
* 16,183 (Previous Year 16,183) Equity Shares of ₹ 5/- each of Tech Mahindra Ltd.	<b>75.44</b>	75.44
Less : Provision for Diminution in value of Investments	-	1.14
* 23,623 (Previous Year 23,623) Equity Shares of ₹ 2/- each of Simplex Infrastructures Ltd.	<b>74.24</b>	74.24
Less : Provision for Diminution in value of Investments	-	1.47
* 37,275 (Previous Year 37,275) Equity Shares of ₹ 10/- each of Mahindra CIE Automotive Ltd.	<b>70.00</b>	70.00
* 91,650 (Previous Year 91,650) Equity Shares of ₹ 5/- each of Kirloskar Ferrous Industries	<b>70.98</b>	70.98
* 53,447 (Previous Year 55,527) Equity Shares of ₹ 2/- each of KEC International	<b>77.88</b>	80.80
* 29,225 (Previous Year 37,225) Equity Shares of ₹ 2/- each of Kalpataru POWER Transmission	<b>75.56</b>	95.54
* 34,446 (Previous Year 34,446) Equity Shares of ₹ 1/- each of Carborundum Universal	<b>86.74</b>	86.74
* 7,137 (Previous Year 7,137) Equity Shares of ₹ 1/- each of Aegis Logistics Ltd.	<b>9.61</b>	9.61
* 1,721 (Previous Year 1,721) Equity Shares of ₹ 2/- each of L&T Technology Services Ltd.	<b>15.88</b>	15.88
Less : Provision for Diminution in value of Investments	-	2.48

Notes to Standalone Financial Statements for the year ended March 31, 2018

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
* 4,529 (Previous Year 2,348) Equity Shares of ₹ 1/- each of Godrej Industries	22.94	11.31
* 3,450 (Previous Year 2,610) Equity Shares of ₹ 10/- each of Cholamandalam Investment and Finance Company	34.19	25.61
Less : Provision for Diminution in value of Investments	-	0.44
* 154 (Previous Year 56) Equity Shares of ₹ 10/- each of M R F Ltd.	91.72	29.55
* 1,169 (Previous Year 1488) Equity Shares of ₹ 2/- each of Dalmia Bharat Ltd.	34.35	26.74
Less : Provision for Diminution in value of Investments	0.62	-
* 6,892 (Previous Year 6,892) Equity Shares of ₹ 1/- each of Ramco Cements Ltd.	39.54	39.54
* 757 (Previous Year 881) Equity Shares of ₹ 5/- each of Maruti Suzuki India Ltd.	43.32	50.46
* 4,908 (Previous Year 4,908) Equity Shares of ₹ 1/- each of Astral Poly Technik Limited	19.71	19.71
* 2,592 (Previous Year 3,471) Equity Shares of ₹ 1/- each of Pidilite Industries Limited	14.90	19.49
* 18,299 (Previous Year 19,284) Equity Shares of ₹ 5/- each of Kotak Mahindra Bank Limited	125.39	129.57
* 6,672 (Previous Year 2,643) Equity Shares of ₹ 10/- each of Indusind Bank Limited	91.79	23.93
* 482 (Previous Year 482) Equity Shares of ₹ 10/- each of Eicher Motors Limited	82.12	82.12
* 31,345 (Previous Year 27,776) Equity Shares of ₹ 10/- each of Hindustan Petroleum Corporation Limited	55.63	72.30
* 20,821 (Previous Year 29,581) Equity Shares of ₹ 10/- each of National Buildings Construction Limited	21.27	40.54
* 7,960 (Previous Year 7,960) Equity Shares of ₹ 2/- each of Kajaria Ceramics Limited	38.25	38.25
* 3,592 (Previous Year 1,796) Equity Shares of ₹ 2/- each of Bharat Forge Limited	16.32	16.32
* 908 (Previous Year 1034) Equity Shares of ₹ 2/- each of Britannia Industries Limited	28.30	32.46
* 148 (Previous Year 148) Equity Shares of ₹ 10/- each of Bosch Limited	38.79	38.79
Less : Provision for Diminution in value of Investments	12.12	5.12
* 16,005 (Previous Year 12,854) Equity Shares of ₹ 2/- each of Max Financial Services Limited	81.49	60.83
Less : Provision for Diminution in value of Investments	14.18	-
* 16,822 (Previous Year 15,293) Equity Shares of ₹ 1/- each of City Union Bank Limited	15.40	15.40
* 10,183 (Previous Year 10,183) Equity Shares of ₹ 10/- each of Development Credit Bank Limited	14.18	14.18
* 9,715 (Previous Year 9,715) Equity Shares of ₹ 1/- each of Jammu & Kashmir Bank Ltd.	10.71	10.71
Less : Provision for Diminution in value of Investments	4.85	3.42
* 10,293 (Previous Year 10,293) Equity Shares of ₹ 1/- each of Voltas Limited	32.20	32.20

## Notes to Standalone Financial Statements for the year ended March 31, 2018

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
* 3,918 (Previous Year 3,918) Equity Shares of ₹ 5/- each of Engineers India Limited	4.59	4.59
* 226 (Previous Year 226) Equity Shares of ₹ 10/- each of Glaxo Smithkline Consumer Healthcare Limited	14.34	14.34
Less : Provision for Diminution in value of Investments	0.55	2.69
* 1,925 (Previous Year 1,925) Equity Shares of ₹ 1/- each of Emami Limited	23.69	23.69
Less : Provision for Diminution in value of Investments	3.11	3.20
* 1,301 (Previous Year 1,301) Equity Shares of ₹ 1/- each of Colgate Palmolive (India) Limited	6.51	6.51
* 841 (Previous Year 673) Equity Shares of ₹ 10/- each of Container Corporation of India Limited	11.03	11.03
Less : Provision for Diminution in value of Investments	0.56	2.46
* 2,145 (Previous Year 2,145) Equity Shares of ₹ 2/- each of IPCA Laboratories Limited	16.56	16.56
Less : Provision for Diminution in value of Investments	2.50	3.18
* 775 (Previous Year 775) Equity Shares of ₹ 2/- each of Alkem Laboratories Limited	10.68	10.68
<b>Total</b>	<b>3,552.44</b>	<b>4,015.12</b>
<b>Investment in Bonds/Debentures/Certificate of Deposits (Unquoted)</b>		
* 1,497 (Previous Year 12,845) 3 % Debentures of ₹ 100/- each of Prabal Traders and Advisors Pvt Ltd	1.50	12.85
* Nil (Previous Year 15,851) 8.25% Debentures of ₹ 100/- each of Sherin Advisors & Traders Pvt Ltd	-	15.85
* 72,261 (Previous year 72,261) 10% Convertible Debentures of ₹ 100 each of Ambojini Property Developers Private Limited	72.26	72.26
* Nil (Previous Year 14,954) Convertible Debentures of ₹ 100 each of Godrej Landmark Redevelopers P. Ltd	-	14.95
	<b>73.76</b>	<b>115.91</b>
<b>Investment in Equity Fund/Liquid Funds/Debt Funds/ Monthly Income Plans (quoted)</b>		
25,156,988.35 (Previous Year Nil) Units of ₹ 10/- each of Aditya Birla Sun Life Enhanced Arbitrage Advantage Fund Dividend-Direct Investment	2,788.36	-
Less : Provision for Diminution in value of Investments	10.75	-
58,287.80 (Previous Year Nil) Units of ₹ 10/- each of Aditya Birla Sun Life Equity Fund Growth- Direct	391.83	-
Nil (Previous Year 46,457,176) Units of ₹ 10/- each of Reliance Arbitrage Advantage Fund-Direct Monthly Dividend Plan Reinvestment	-	5,000.00
Nil (Previous Year 2,154) Units of ₹ 1,000/- Each of DSP Liquidity Fund Direct Plan-Growth	-	50.00
Nil (Previous Year 2,669) Units of ₹ 1,000/- Each of L&T Liquid Fund Direct Plan-Growth	-	59.08
11,48,052.35 (Previous Year 2,88,596) Units of ₹ 10/- Each of L&T India Value Fund	399.30	91.30

## Notes to Standalone Financial Statements for the year ended March 31, 2018

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
12,189,374 (Previous Year 12,189,374) Units of ₹ 10/- each of L&T Resurgent India Corporate Bond Fund Direct Growth	<b>1,500.00</b>	1,500.00
51,486.68 (Previous Year 383,282) Units of ₹ 10/- each of Mirae Asset Emerging Bluechip Fund - Direct Plan - Growth	<b>20.78</b>	150.78
Nil (Previous Year 96,841) Units of ₹ 1,000/- each of Kotak Floater Short Term-Direct Plan-Growth	-	2,553.91
Nil (Previous Year 21,094,637) Units of ₹ 10/- each of Kotak Equity Arbitrage Fund-Direct Plan-Fortnight Dividend	-	5,008.51
1,046,795.39 (Previous Year 2,74,038) Units of ₹ 10/- each of Kotak Emerging Equity Scheme-Direct Plan-Growth	<b>391.00</b>	94.00
Nil (Previous Year 15,206) Units of ₹ 100/- each of Birla Sun Life Equity Fund-Growth-Direct	-	94.83
Nil (Previous Year 2,567) Units of ₹ 100/- each of Birla Sun Life Floating Rate Fund Systematic Transfer Plan Growth-Direct	-	5.53
8,098.96 (Previous Year 2) Units of ₹ 1000/- each of HDFC Cash Management Fund - Savings Plan-Daily Dividend Option	<b>86.14</b>	0.02
Nil (Previous Year 31,23,985) Units of ₹ 10/- each of IDFC Dynamic Bond Fund - Growth - (Regular Plan)	-	500.00
Nil (Previous Year 16,37,830) Units of ₹ 10/- each of IDFC Dynamic Bond Fund - Growth - (Direct Plan)	-	250.00
Nil (Previous Year 90,44,535) Units of ₹ 10/- each of Edelweiss Government Securities Fund - Regular Plan Growth	-	1,000.00
Nil (Previous Year 9,486) Units of ₹ 1,000/- each of SBI Premier Liquid Fund Dir Plan Growth	-	240.50
Nil (Previous Year 24,889) Units of ₹ 1,000/- each of SBI Ultra Short term debt fund Direct Plan Growth	-	514.37
Nil (Previous Year 7,15,884) Units of ₹ 10/- each of BNP Paribas Equity Fund -Direct Plan Growth Option	-	485.93
Nil (Previous Year 6,69,037) Units of ₹ 10/- each of IDFC Premier Equity Fund -Growth Direct Plan	-	495.02
Nil (Previous Year 41,48,364) Units of ₹ 10/- each of Reliance Dynamic bond Fund Growth Plan Growth Option	-	750.00
Nil (Previous Year 25,00,000) Units of ₹ 10/- each of Reliance Capital Builder Fund II Series A Growth Plan Option	-	250.00
Nil (Previous Year 4,19,938) Units of ₹ 10/- each of ICICI Value Discovery Fund- Direct Plan Growth	-	501.58
2,000 (Previous Year Nil) Units of ₹ 1,00,000/- each of Ecap Equity Fund	<b>2,014.68</b>	-
4,94,730.64 (Previous Year Nil) Units of ₹ 10/- each of DSP Small & Mid Cap Fund -Direct Plan Growth	<b>264.00</b>	-
Nil (Previous Year 4,00,091) Units of ₹ 10/- each of DSP Micro Cap Fund Regular Growth	-	125.55
Nil (Previous Year 29,866) Units of ₹ 1000/- each of DSP Black Rock Strategic Bond Fund-Institutional Plan - Growth	-	500.00
5,23,809.34 (Previous Year 20,87,273) Units of ₹ 10/- each of Kotak Select Focus Fund Direct plan Growth	<b>168.00</b>	506.20



## Notes to Standalone Financial Statements for the year ended March 31, 2018

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
5,00,000 (Previous Year 5,00,000) Units of ₹ 10/- each of Kotak India Growth Fund Series-1 - Growth (Regular Plan)	50.00	50.00
Nil (Previous Year 35,28,159) Units of ₹ 10/- each of SBI Bluechip Fund Regular Plan Growth	-	950.00
Nil (Previous Year 1,77,100) Units of ₹ 10/- each of SBI Bluechip Fund Direct Plan Growth	-	50.00
24,420.38 (Previous Year Nil) Units of ₹ 10/- each of SBI Premier Liquid Fund Direct Plan Growth	657.27	-
22,80,356 (Previous Year 22,80,356) Units of ₹ 10/- each of IDFC Money Manager Fund-Investment Plan-Growth-Direct Plan	500.00	500.00
	<b>9,220.61</b>	<b>22,277.11</b>
<b>Investment in Equity Fund/Liquid Funds/Debt Funds/Monthly Income Plans (Unquoted)</b>		
Nil (Previous Year 48,99,324) Units of ₹ 10/- each of IIFL National Development agenda fund	-	425.00
62,78,781 (Previous Year 66,93,938) Units of ₹ 1,00,000/- each of Zodiac Technology Fund	671.28	670.00
1,20,000 (Previous Year 1,20,000) Units of ₹ 100/- each of IVY Cap Venture Fund	120.00	120.00
207.69 (Previous Year 335) Units of ₹ 1,00,000/- each of India Venture Trust fund	207.69	334.81
* 97 (Previous Year 97) Units of ₹ 1,00,000/- each of Shambhavi Reality Pvt. Ltd.	96.75	98.21
* Nil (Previous Year 48) Units of ₹ 1,00,000/- each of Avigna Properties Pvt. Ltd.	-	48.96
* 80 (Previous Year 80) Units of ₹ 1,00,000/- each of Sutlej Housing Pvt. Ltd.	80.00	80.26
* 68 (Previous Year 68) Units of ₹ 1,00,000/- each of ASP Infraprojects Pvt. Ltd.	66.30	68.07
* Nil (Previous Year 54) Units of ₹ 1,00,000/- each of Spenta Enclave Pvt. Ltd.	-	54.72
* 35 (Previous Year 35) Units of ₹ 1,00,000/- each of Midcity Infrastructure Pvt. Ltd.	35.00	36.54
* 62 (Previous Year 62) Units of ₹ 100,000/- each of Gulam Mustafa Enterprises Pvt. Ltd.	52.35	63.55
36,85,317 (Previous Year 26,59,247) Units of ₹ 10/- each of IIFL Seed Venture Fund 1	450.00	300.00
9,77,528 (Previous Year 9,77,528) Units of ₹ 100/- each (paid up- ₹ 93/- each) (Previous Year paid up 65/- each) of ICICI Prudential Real Estate fund AIF-I	977.53	907.53
1,85,47,493 (Previous Year 1,85,47,493) Units of ₹ 10/- each of IIFL Real Estate Fund Series-2	1,531.06	1,977.53
* 2,515 (Previous Year 2,077.50) Units of ₹ 1,00,000/- each of ASK Real Estate Fund	2,131.51	1,694.01
500 (Previous Year Nil) Units of ₹ 1,00,000/- each of Baring Private Equity India Aif	500.00	
Less : Provision for Diminution in value of Investments	53.52	-
	<b>6,865.95</b>	<b>6,879.19</b>

## Notes to Standalone Financial Statements for the year ended March 31, 2018

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
<b>Investment in Equity Shares (Unquoted)</b>		
* 15,011 (Previous Year 15,011) Equity Shares of ₹ 1/- each fully paid up of Vahin Advisors and Traders Pvt Ltd	0.15	0.15
* 14,975 (Previous Year 14,975) Equity Shares of ₹ 1/- each fully paid up of Prabal Traders and Advisors Pvt Ltd	0.15	0.15
* Nil (Previous Year 14,919) Equity Shares of ₹ 1/- each fully paid up of Sherin Advisors & Traders Pvt Ltd	-	0.15
* 7,870 (Previous Year 7,870) Equity Shares of ₹ 10/- each fully paid up of Ambojini Property Developers Private Limited	0.79	0.79
* Nil (Previous Year 15) Equity Shares of ₹ 10/- each fully paid up of Mantri Hamlet Private Limited	-	0.01
* NIL (Previous Year 266) Equity Shares of ₹ 100/- each fully paid up of Godrej Landmark Redevelopers P Ltd	-	21.73
	<b>1.09</b>	<b>22.98</b>
<b>Total</b>	<b>19,713.85</b>	<b>33,310.31</b>
<b>Notes:</b>		
1. Aggregate amount of quoted investments (Gross)	<b>13,096.96</b>	26,349.67
2. Aggregate amount of unquoted investments (Gross)	<b>6,940.80</b>	7,018.08
3. Market value of quoted investments	<b>14,686.60</b>	29,130.12
4. Aggregate Provision for diminution in value of Investments	<b>323.91</b>	57.44
* Investments are purchased through Portfolio Management Services		
<b>13 CASH AND BANK BALANCES</b>		
Cash and cash equivalents		
a) Balances with banks		
- On current accounts	<b>158.57</b>	120.74
b) Cash on hand	<b>0.01</b>	0.01
c) Other Bank Balances		
- Earmarked balances with banks (Dividend accounts)	<b>9.45</b>	10.21
	<b>168.03</b>	<b>130.96</b>
<b>14 SHORT TERM LOANS AND ADVANCES</b>		
Others:		
- Loans and advances to employees	<b>0.08</b>	-
	<b>0.08</b>	-
<b>15 OTHER CURRENT ASSETS</b>		
(unsecured, considered good)		
Interest Receivable	<b>442.85</b>	354.68
Mat Credit Recoverable	<b>4,044.01</b>	3,714.49
Prepaid Expenses	<b>3.17</b>	2.88
Other recoverable	<b>182.19</b>	139.30
Security Deposit	<b>4.25</b>	-
	<b>4,676.47</b>	<b>4,211.35</b>

## Notes to Standalone Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

Particulars	For the year ended 31st March 2018	For the year ended 31st March, 2017
<b>16 REVENUE FROM OPERATIONS</b>		
Interest Income	504.57	632.05
Dividend Income from long term trade investments:		
- Associates	2,145.47	-
- others	23.40	-
Dividend income from current investments	524.61	134.74
Net Gain on sale of Non-Current Investments	85.43	16,838.21
Net Gain on sale of Current Investments	3,034.46	1,088.87
<b>Revenue from operations (net)</b>	<b>6,317.94</b>	<b>18,693.87</b>
<b>17 OTHER INCOME</b>		
Receipt against License agreement	126.72	123.15
Adjustment in carrying amount of investment		
- Reversal of reduction in the carrying amount of current investments	-	178.04
Provisions no longer required written back	-	0.08
Rent received	2.96	3.11
Prior Period Income (Refer Note 26)	-	52.63
Miscellaneous	0.04	0.01
Profit on sales of fixed asset	6.42	-
	<b>136.14</b>	<b>357.02</b>
<b>18 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages and Bonus	40.49	24.17
	<b>40.49</b>	<b>24.17</b>
<b>19 OTHER EXPENSES</b>		
Professional charges	187.07	124.48
Insurance	2.88	0.38
Rates and Taxes	1.54	0.07
Auditors Remuneration:		
Audit Fee	0.59	0.57
Adjustment to in carrying amount of investment		
- Reduction in the carrying amount of current investments	266.47	-
Charity and Donation (Refer Note 27)	51.00	50.00
Other Financial Charges	31.58	32.87
Prior Period Expenses (Refer Note 26)	10.13	-
Loss on sale of fixed asset	-	4.10
Miscellaneous	25.42	16.47
	<b>576.68</b>	<b>228.94</b>

**20. Contingent Liabilities (to the extent not provided for) :**

The Company has contested the additional demand in respect of income tax amounting to ₹ 15.12 Lakhs (Previous Year ₹ 9.74 Lakhs) . Pending appeal with appellate authorities, no provision has been made in the books of account as the company is hopeful to get the desired relief in appeal.

**21.** The Company has only one reportable business segment and therefore, no separate disclosure is required in accordance with Accounting Standard 17 on "Segment Reporting" prescribed under section 133 of Companies Act,,2013 read with rule 7 of The Companies (Accounts) rules, 2014.

**22.** The calculation of Earning per Share (EPS) as disclosed in the Profit and Loss Account, has been made in accordance with Accounting Standard (AS) -20 on 'Earning per Share' prescribed under section 133 of Companies Act, 2013 read with rule 7 of The Companies (Accounts) rules, 2014.

**Notes to Standalone Financial Statements for the year ended March 31, 2018**

23. In accordance with the Accounting Standard (AS) -28 on "Impairment of Assets", the Company has assessed as on the balance sheet date, whether there are any indications (listed in paragraphs 8 to 10 of the Standard) with regard to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of account.

**24. Employee Benefits :**

i) The summarized position of Post-employment benefits and long term employee benefits recognized in the Profit and Loss Account and Balance Sheet as required in accordance with Accounting Standard – 15 (Revised) are as under:-

(a) Changes in the present value of the obligation: (₹ in Lakhs)

Particulars	Leave (Unfunded)		Gratuity (Funded)	
	Current Year	Previous year	Current Year	Previous year
Present value of obligation as at beginning of the year	0.47	0.13	0.77	0.51
Interest cost	0.03	0.01	0.06	0.04
Current service cost	0.08	0.12	0.26	0.18
Benefits paid / transferred	-	-	(0.06)	-
Actuarial (gain)/ loss on Obligations	(0.13)	0.21	0.05	0.04
Present value of obligation as at end of the year	0.45	0.47	1.07	0.77

(b) Change in Fair Value of Plan Asset: (₹ in Lakhs)

Particulars	Leave (Unfunded)		Gratuity (Funded)	
	Current Year	Previous year	Current Year	Previous year
Fair value of Plan Assets as at beginning of the year	-	-	0.98	0.99
Expected return on Plan Assets	-	-	0.04	0.08
Contributions	-	-	-	-
Withdrawal	-	-	-	-
Benefits Paid	-	-	(0.06)	-
Actuarial gain/ (loss) on Obligations	-	-	-	(0.09)
Fair value of Plan Assets as at end of the year	-	-	0.96	0.98

(c) Amount recognized in Balance Sheet: (₹ in Lakhs)

Particulars	Leave (Unfunded)		Gratuity (Funded)	
	Current Year	Previous year	Current Year	Previous year
Present value of funded obligation as at end of the year	-	-	1.07	0.77
Fair value of Plan Assets as at end of the year	-	-	0.96	0.98
Unfunded Liability	-	-	(0.11)	0.21
Present value of unfunded obligation as at end of the year	0.45	0.47	-	-
Unfunded Actuarial (gains)/ losses	-	-	-	-
Unfunded Net Asset/ (Liability) recognised in Balance Sheet.	(0.45)	(0.47)	(0.11)	0.21

(d) Expenses Recognized in Profit and Loss (₹ in Lakhs)

Particulars	Leave (Unfunded)		Gratuity (Funded)	
	Current Year	Previous year	Current Year	Previous year
Current service cost	0.08	0.12	0.26	0.18
Interest cost	0.03	0.01	0.06	0.04
Expected return on Plan Assets	-	-	(0.07)	(0.07)
Actuarial (gain)/ loss on Obligations	(0.13)	0.21	0.08	0.12
Total expense recognised in Profit and Loss Account	(0.02)	0.34	0.33	0.27

Notes to Standalone Financial Statements for the year ended March 31, 2018

(e) Investment details of Fund: Fund consists of cash balance & Bank Balance.

(f) Principal actuarial assumptions at the Balance Sheet Date (expressed as weighted average)

Particulars	Leave (Unfunded)		Gratuity (Funded)	
	Current Year	Previous year	Current Year	Previous year
Discount Rate (per annum)	7.71%	7.35%	7.71%	7.35%
Rate of increase in compensation levels (per annum)	6.00%	6.00%	6.00%	6.00%
Rate of return on Plan Assets (per annum)	N.A.	N.A.	7.50%	7.50%
Expected Average remaining working lives of employees (years)	29.96	31.61	29.96	31.61
Method Used	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit

(g) Other Short term employee's benefits (₹ in Lakhs)

Particulars	Leave		LTA Encashment		Ex-Gratia	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Liability as at beginning of the year	0.03	0.02	0.16	0.08	0.11	0.17
Liability as at end of the year	0.04	0.03	0.21	0.16	0.14	0.11
Contribution paid or written off	-	-	0.13	-	0.11	0.17
Amount debited to Profit & Loss Account	0.01	0.01	0.18	0.08	0.14	0.11

(h) Contribution to Provident Fund : ₹ Nil (Previous Year ₹ Nil)

25. Related Party Disclosure:

(a) Disclosure of related parties with whom business transactions took place during the year:

- Associates Vardhman Textiles Limited
- Key Management Personnel Mr S.P. Oswal (Chairman and Managing Director)  
Mrs. Poorva Bhatia (Chief Financial Officer)  
Mr. Amrender Yadav (Company Secretary)

(b) Details of transactions entered into with related parties during the year as required by Accounting Standard (AS) -18 on "Related Party Disclosures" notified by The Companies (Accounts) rules, 2014 are as under:

(₹ in Lakhs)

Particulars	Associates		Key Management Personnel (KMP)		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Receipt against licence agreement (excluding service tax)	88.58	85.65	-	-	88.58	85.65
Rent Received	1.80	1.80	-	-	1.80	1.80
Managerial Remuneration	-	-	35.84	24.17	35.84	24.17

26. Prior period items are as follows :-

(₹ in Lakhs)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
a) Prior Period Income	0.61	80.96
b) Prior Period Expense	10.74	28.33

27. In accordance with the provisions of Section 135 of the Companies Act, 2013 the company has contributed a sum of ₹ 51.00 Lakhs (Previous year ₹ 50 Lakhs) towards approved CSR activities. The said amount stands debited under the head "other expenses".

Notes to Standalone Financial Statements for the year ended March 31, 2018

28. Other Disclosures:-

(a) CRAR

S.N. Particulars	Current year	Previous year
1 CRAR (%)	98.54	99.14
2 CRAR-Tier I Capital (%)	98.54	99.14
3 CRAR-Tier II Capital (%)	-	-
4 Amount of subordinated debt raised as Tier-II capital	-	-
5 Amount raised by issue of Perpetual Debt Instruments	-	-

(b) Investments

(₹ in Lakhs)

S.N. Particulars	Current year	Previous year
1 Value of Investments		
Gross Value of Investments		
(a) In India	46,667.24	41,625.74
(b) Outside India	-	-
Provisions for Depreciation		
(a) In India	(323.91)	(57.44)
(b) Outside India	-	-
Net Value of Investments		
(a) In India	46,343.33	41,568.29
(b) Outside India	-	-
2 Movement of provisions held towards depreciation on investments		
(a) Opening balance	(57.44)	(235.47)
(b) Add: Provisions made during the year	(266.47)	-
(c) Less:- Write off/ write back of excess provisions during the year	-	178.04
(d) Closing balance	(323.91)	(57.44)

(c) Exposures

(i) Exposure to Real Estate Sector

(₹ in Lakhs)

S.N. Category	Current year	Previous year
1 (a) Direct exposure		
(i) Residential mortgages -	-	-
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented: (Individual housing loans up to H 15 lakh may be shown separately)		
(ii) Commercial real estate -	-	-
Lending secured by mortgages on commercial real estate (office building, retail space, multipurpose commercial premises, multi-family residential buildings, multitenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure would also include non-fund based (NFB) limits		
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
(a) Residential	-	-
(b) Commercial real estate	-	-

Notes to Standalone Financial Statements for the year ended March 31, 2018

(ii) Exposure to Capital Market

(₹ in Lakhs)

S.N. Category	Current year	Previous year
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	46,343.33	41568.29
(ii) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures and units of equity-oriented mutual funds;	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/ convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) Loans sanctioned to corporates against the security of shares bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) Bridge loans to companies against expected equity flows/issues;	-	-
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	-	-

**Break up of 'Provisions and Contingencies' shown under the head expenditure in Profit & Loss Account**

S.N. Particulars	Current year	Previous year
1 Provisions for depreciation on investment.	266.47	-
2 Provision towards NPA	-	-
3 Provision made towards income-tax	232.27	179.86
4 Other provision and contingencies	-	-
5 Provision for standard assets	-	-

(d) Asset Liability Management

Maturity pattern of certain items of assets and liabilities

(₹ in Lakhs)

	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
<b>Liabilities</b>									
Borrowings from banks	-	-	-	-	-	-	-	-	-
Market Borrowings	-	-	-	-	-	-	-	-	-
<b>Assets</b>									
Advances	-	-	-	-	-	-	-	-	-
Investments	-	-	3,521	500	-	8,752	6,941	26,629	46,343

## Notes to Standalone Financial Statements for the year ended March 31, 2018

### (e) Break-up of Investments (Net of Provisions)

(₹ in Lakhs)

	Current year	Previous year
<b>Current Investments :</b>		
<b>1. Quoted :</b>		
(i) Shares :		
(a) Equity	3,552.44	4,015.12
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	9,220.61	22,277.11
(iv) Government Securities	-	-
(v) Others	-	-
<b>2. Unquoted :</b>		
(i) Shares :		
(a) Equity	1.09	22.98
(b) Preference	-	-
(ii) Debentures and Bonds	73.76	115.91
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	6,865.95	6,879.19
<b>TOTAL (A=1+2)</b>	<b>19,713.85</b>	<b>33,310.31</b>
<b>Long Term investments :</b>		
<b>1. Quoted :</b>		
(i) Shares :		
(a) Equity	26,626.98	8,255.49
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
<b>2. Unquoted :</b>		
(i) Shares :		
(a) Equity	2.50	2.50
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds / Fixed Maturity Plans	-	-
(iv) Government Securities	-	-
(v) Others	-	-
<b>TOTAL (B=1+2)</b>	<b>26,629.48</b>	<b>8,257.99</b>
<b>GRAND TOTAL (A+B)</b>	<b>46,343.33</b>	<b>41,568.30</b>

(f) The information required by paragraph 5 of general instructions for preparation of the statement of profit and loss as per Schedule-III of the Companies Act, 2013 is not applicable to the Company.

29. Previous year figures in financial statements, including the notes thereto, have been re-classified where ever required to confirm the current year presentation/classification.

As per our report of even date

For R. Dewan & Co.

Chartered Accountants

Firm Regn. No. 017883N

Rajiv Dewan  
Partner  
M. No. 084718

Amrender Yadav  
Company Secretary  
Membership No. 41946

Poorva Bhatia  
Chief Financial Officer

Suchita Jain  
Director  
DIN: 00746471

S.P. Oswal  
Chairman & Managing Director  
DIN: 00121737

For and on behalf of the board of directors

PLACE : LUDHIANA  
DATED : 22.05.2018



## INDEPENDENT AUDITORS' REPORT (CONSOLIDATED FINANCIALS)

To  
The Members of  
Vardhman Holdings Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of Vardhman Holdings Limited ("the Company") and its associates, comprising of the consolidated Balance Sheet as at 31<sup>st</sup> March 2018, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements") .

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports, referred to in paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at 31<sup>st</sup> March, 2018 and their consolidated profits and consolidated cash flows for the year ended on that date.

### Other Matters

We did not audit the Ind AS Financial Statements / Financial information of the two associates whose Ind AS Financial Statements / Financial statements reflect total assets of ₹ 8244.25 Crores as at 31<sup>st</sup> March, 2018, total revenue of ₹ 6445.63 Crores, total comprehensive income of ₹ 582.76 Crores for the year ended 31<sup>st</sup> March, 2018 as considered in the consolidated financial statements. These Ind AS financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and the disclosures included in respect of these associates and our report in terms of sub sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid associates, is based solely on the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The balance sheet, the Statement of Profit and Loss, and the cash flow statement dealt with by this Report are in agreement with the relevant books of account ;
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of the written representations received from the directors of the Company as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of sub-section (2) of section 164 of the Act; and
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure- A"; and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to explanations given to us;
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note No. 23 to the consolidated financial statements;
- (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

**For R. Dewan & Co;  
Chartered Accountants  
Firm Reg. No. 017883N**

**Sd/-  
(Rajiv Dewan)  
Partner  
M. No. 084718**

**Place: Ludhiana  
Date: 22<sup>nd</sup> May, 2018**

## **Annexure - A to the Auditors' Report**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of Vardhman Holdings Limited ("the

Company") and its associates which are companies incorporated in India, as of that date.

### **Management's Responsibility for Internal Financial Controls**

The Respective Board of Directors of the Company and its associates are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI') . These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note, issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports, referred to in paragraph 9 of the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting .

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding

the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting

may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company and its associates companies, which are companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Our aforesaid reports under Section 143 (3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to two associates, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

**For R. Dewan & Co;  
Chartered Accountants  
Firm Reg. No. 017883N**

**Sd/-  
(Rajiv Dewan)  
Partner  
M. No. 084718**

**Place: Ludhiana  
Date: 22<sup>nd</sup> May, 2018**

**CONSOLIDATED BALANCE SHEET As at 31<sup>st</sup> March, 2018**

(₹ in Lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	319.24	319.24
(b) Reserves and surplus	4	173,222.21	154,518.64
		<u>173,541.45</u>	<u>154,837.88</u>
<b>(2) Non-current liabilities</b>			
(a) Long-term borrowings		-	-
(b) Long-term provisions	5	0.53	0.47
		<u>0.53</u>	<u>0.47</u>
<b>(3) Current liabilities</b>			
(a) Short-term borrowings		-	-
(b) Trade payables		-	-
(c) Other current liabilities	6	66.51	103.32
(d) Short-term provisions	7	424.69	371.97
		<u>491.20</u>	<u>475.29</u>
<b>TOTAL</b>		<u><b>174,033.18</b></u>	<u>155,313.64</u>
<b>II ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	8	303.40	82.14
(ii) Intangible assets		-	-
		<u>303.40</u>	<u>82.14</u>
(b) Deferred tax assets (net)	9	113.64	20.10
(c) Non-current investments	10	149,057.71	117,292.25
(d) Long-term loans and advances	11	-	266.53
		<u>149,474.75</u>	<u>117,661.02</u>
<b>(2) Current assets</b>			
(a) Current investments	12	19,713.85	33,310.31
(b) Cash and bank balances	13	168.03	130.96
(c) Short-term loans and advances	14	0.08	-
(d) Other current assets	15	4,676.47	4,211.35
		<u>24,558.43</u>	<u>37,652.62</u>
<b>TOTAL</b>		<u><b>174,033.18</b></u>	<u>155,313.64</u>

Significant Accounting Policies & Notes to Accounts

1 to 32

As per our report of even date

For R. Dewan & Co.

Chartered Accountants

Firm Regn. No. 017883N

Rajiv Dewan  
Partner  
M. No. 084718

Amrender Kumar Yadav  
Company Secretary  
Membership No. 41946

Poorva Bhatia  
Chief Financial Officer

Suchita Jain  
Director  
DIN: 00746471

S.P. Oswal  
Chairman & Managing Director  
DIN: 00121737

PLACE : LUDHIANA  
DATED : 22.05.2018

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31<sup>st</sup> March, 2018**

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
i Revenue from operations	16	4,172.47	6,796.16
ii Other income	17	136.13	357.02
iii Income from associates		15,539.45	24,054.43
iii <b>Total Revenue (i + ii)</b>		<b>19,848.05</b>	<b>31,207.61</b>
iv Expenses :			
Employee benefits expense	18	40.49	24.17
Depreciation and amortization expenses	8	1.44	3.95
Other expenses	19	576.68	228.94
<b>Total Expenses</b>		<b>618.61</b>	<b>257.06</b>
v Profit before tax (iii - iv)		<b>19,229.44</b>	30,950.55
vi Tax expense :			
- Current Tax		756.56	4,079.00
- Deferred tax		(93.53)	51.08
- Mat Credit Entitlement		(329.53)	(3,500.69)
vii Profit for the year (v - vi)		<b>18,895.94</b>	<b>30,321.16</b>
Earnings per equity share			
[Earning per equity share '10/- (Previous Year: ₹ 10)]			
<b>Basic</b>		<b>592.06</b>	950.05
<b>Diluted</b>		<b>592.06</b>	950.05
<b>Earnings per equity share (Excluding extraordinary items)</b>			
[Earning per equity share ₹ 10/- (Previous Year: ₹ 10)]			
<b>Basic</b>		<b>592.06</b>	950.05
<b>Diluted</b>		<b>592.06</b>	950.05

Significant Accounting Policies &amp; Notes to Accounts

1 to 32

As per our report of even date  
For R. Dewan & Co.  
Chartered Accountants  
Firm Regn. No. 017883N

Rajiv Dewan  
Partner  
M. No. 084718

Amrender Kumar Yadav  
Company Secretary  
Membership No. 41946

Poorva Bhatia  
Chief Financial Officer

Suchita Jain  
Director  
DIN: 00746471

For and on behalf of the board of directors

S.P. Oswal  
Chairman & Managing Director  
DIN: 00121737

PLACE : LUDHIANA  
DATED : 22.05.2018

**CONSOLIDATED CASH FLOW STATEMENT for the year ended 31<sup>st</sup> March, 2018**

(₹ in Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items	<b>19,229.44</b>	30,950.55
Adjustments for :		
Depreciation and amortization	<b>1.44</b>	3.95
Income from Associates	<b>(15,539.45)</b>	(24,054.43)
Loss/ (Profit) on sale of fixed asset	<b>(6.42)</b>	4.10
Net Gain on sale of Current Investments	<b>(3,034.46)</b>	(1,088.87)
Net Gain on sale of Non-Current Investments	<b>(85.43)</b>	(4,940.50)
Adjustment to the carrying amount of investment	<b>266.47</b>	(178.04)
Provisions no longer required written Back	<b>(0.00)</b>	(0.08)
	<b>(18,397.85)</b>	(30,253.87)
Operating profit before working capital changes	<b>831.59</b>	696.68
Adjustments for :		
(Increase) /Decrease in trade receivables & Other assets	<b>130.85</b>	(254.44)
Increase/ (Decrease) in trade payables and other liabilities	<b>(35.98)</b>	24.09
	<b>94.87</b>	(230.35)
Cash Generation from Operations	<b>926.46</b>	466.33
Taxes Paid	<b>(704.15)</b>	(3,901.59)
<b>Net Cash flow from / (used in) Operating activities (A)</b>	<b>222.31</b>	(3,435.26)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	<b>(26,985.27)</b>	(20,613.84)
Sale of Investments	<b>27,209.15</b>	24,223.85
Purchase of Fixed Assets	<b>(262.28)</b>	(0.83)
Sale of Fixed Assets	<b>46.00</b>	8.20
<b>Net Cash flow from / (used in) investing activities (B)</b>	<b>7.60</b>	3,617.38
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend Paid (including tax thereon)	<b>(192.84)</b>	(113.54)
<b>Net Cash flow from / (used in) Financing Activities (C)</b>	<b>(192.84)</b>	(113.54)
<b>Net Increase in cash &amp; cash equivalents (A+B+C)</b>	<b>37.07</b>	68.58
<b>Cash &amp; cash equivalents as at the beginning</b>	<b>130.96</b>	62.38
<b>Cash &amp; cash equivalents as at the end</b>	<b>168.03</b>	130.96

Significant Accounting Policies & Notes to Accounts

1 to 32

As per our report of even date

For R. Dewan & Co.

Chartered Accountants

Firm Regn. No. 017883N

For and on behalf of the board of directors

Rajiv Dewan  
Partner  
M. No. 084718

Amrendra Kumar Yadav  
Company Secretary  
Membership No. 41946

Poorva Bhatia  
Chief Financial Officer

Suchita Jain  
Director  
DIN: 00746471

S.P. Oswal  
Chairman & Managing Director  
DIN: 00121737

PLACE : LUDHIANA  
DATED : 22.05.2018

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

### 1 CORPORATE INFORMATION :

Vardhman Holdings Limited ('the company') is registered as a Non-Banking Financial Company ('NBFC') as defined under section 45-IA of the Reserve Bank of India ('RBI') Act, 1934. The company is principally engaged in lending and investing activities.

### ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:

### 2 SIGNIFICANT ACCOUNTING POLICIES :

#### a) Accounting Convention:

The accounts are prepared in accordance with generally accepted accounting principles under the historical cost convention on accrual basis in accordance with the applicable accounting standards prescribed under section 133 of Companies Act, 2013 read with rule 7 of The Companies (Accounts) rules, 2014.

#### b) Use of Estimates:

The preparation of financial statements, in conformity with the generally accepted accounting principles, require estimates and assumptions to be made that affect the reported amount of assets and liabilities as of the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results materialize.

#### c) Revenue Recognition:

##### i) Income from Investments:

Dividend income is recognized when the company's right to receive payment is established. Profit and loss on sale of investments is recognized on the contract date.

##### ii) Interest Income:

Interest is recognized on a time proportion basis taking into account the amount outstanding and rate applicable.

##### iii) Receipt against License Agreement:

Revenue in respect of receipt against License Agreement is recognized on accrual basis in accordance with the terms of the relevant agreement.

##### iv) Rent

Rent is recognized on accrual basis.

#### d) Employee Benefits:

##### (a) Short Term Employee Benefits:

Short Term Employee Benefits are recognized as an expense on an undiscounted basis in the statement of Profit and Loss of the year in which the related service is rendered.

##### (b) Post Employment Benefits:

##### i) Defined Contribution Plans:

###### (1.1) Superannuation :

The liability in respect of eligible employees covered under the scheme is provided through a policy taken from Life Insurance Corporation of India by an approved trust formed for the purpose. The premium in respect of such policy is recognized as an expense in the period in which it falls due.

###### (1.2) Provident Fund :

Contribution to Provident Fund is made in accordance with the provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and is charged to the statement of profit and loss.

##### ii) Defined Benefit Plans

###### (1.1) Gratuity

Provision for gratuity liability to employees is made on the basis of actuarial valuation as at the close of the year.

**Notes to Consolidated Financial Statements for the year ended March 31, 2018**

**(1.2) Leave with Wages**

Provision for leave with wages is made on the basis of actuarial valuation as at the close of the year.

(c) The actuarial gain/loss is recognized in statement of profit and loss account.

**e) Fixed Assets (Tangible Assets) :**

Fixed Assets are stated at historical cost less accumulated depreciation.

**f) Depreciation:**

- i) Depreciation on tangible fixed assets is provided on Straight Line Method on the basis of useful lives of such assets specified in Schedule II to the Companies Act, 2013.
- ii) Depreciation on assets costing ₹ 5,000/- or below is charged @ 100% per annum on proportionate basis.

**g) Investments:**

Investments are classified as long term or current based on intention of the management at the time of purchase. Long term Investment is carried at cost less provision, for diminution, other than temporary in the value of investment. Current investments are carried at lower of cost and fair value.

**h) Accounting for Taxes on Income**

The accounting treatment followed for taxes on income is to provide for Current Tax and Deferred Tax. Current Tax is the amount of income-tax determined to be payable in respect of taxable income for a period. Deferred Tax is the tax effect of timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

**i) Earning per Share :**

Basic earning per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by taking into account the aggregate of the weighted average number of equity shares outstanding during the period and the weighted average number of equity shares which would be issued on conversion of all the dilutive potential equity shares into equity shares.

**j) Impairment of Assets:**

At each balance sheet date an assessment is made whether any indication exists that an asset has been impaired. If any such indication exists, an impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount is provided in the books of account.

**k) Provision and Contingent Liabilities :**

- i) Provision is recognized (for liabilities that can be measured by using a substantial degree of estimation) when:
  - a) the company has a present obligation as a result of a past event;
  - b) a probable outflow of resources embodying economic benefits is expected to settle the obligation; and
  - c) the amount of the obligation can be reliably estimated
- ii) Contingent liability is disclosed in case there is :
  - a) i) possible obligation that arises from past events and existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise; or
  - ii) a reliable estimate of the amount of the obligation cannot be made.
  - b) a present obligation arising from past events but is not recognised
    - i) when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
    - ii) a reliable estimate of the amount of the obligation cannot be made.



Notes to Consolidated Financial Statements for the year ended March 31, 2018

3 SHARE CAPITAL

Particulars	As at 31.03.2018		As at 31.03.2017	
	Number	₹ in Lakhs	Number	₹ in Lakhs
<b>Authorised</b>				
Equity Shares of ₹ 10/- each (Par Value)	30,000,000	3,000.00	30,000,000	3,000.00
Redeemable Cumulative Preference Shares of ₹ 10/- each (par value)	10,000,000	1,000.00	10,000,000	1,000.00
	<b>40,000,000</b>	<b>4,000.00</b>	<b>40,000,000</b>	<b>4,000.00</b>
<b>Issued</b>				
Equity Shares of ₹ 10/- each	3,191,536	319.15	3,191,536	319.15
	<b>3,191,536</b>	<b>319.15</b>	<b>3,191,536</b>	<b>319.15</b>
<b>Subscribed and fully Paid-up</b>				
Equity Shares of ₹ 10/- each	3,191,536	319.15	3,191,536	319.15
Add: Forfeited Shares (Amount originally paid-up)		0.09		0.09
<b>Total</b>	<b>3,191,536</b>	<b>319.24</b>	<b>3,191,536</b>	<b>319.24</b>

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	FY 2017-18		FY 2016-17	
	Number	₹ in Lakhs	Number	₹ in Lakhs
At the beginning of the reporting period	3,191,536	319.15	3,191,536	319.15
Add: Issued during the year	-	-	-	-
<b>Outstanding at the end of the reporting period</b>	<b>3,191,536</b>	<b>319.15</b>	<b>3,191,536</b>	<b>319.15</b>

b. Terms/ rights attached to equity shares

The company has one class of shares viz. Equity Shares having a par value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and then the equity shareholders are entitled for such dividend.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all Preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

The rate of dividend for redeemable cumulative preference shares is decided by the board of directors as and when issued.

c. Shares held by holding company or its ultimate holding company or subsidiaries or associates of the holding company or the ultimate holding company in aggregate.

There is no holding or ultimate holding company of the Company.

d. Aggregate number and class of shares allotted as fully paid up pursuant to contract (s) without payment being received in cash, bonus shares and shares bought back for the period of five years immediately preceding the reporting date.

Particulars	As at 31.03.2018		As at 31.03.2017	
	Number		Number	
Equity shares allotted as fully paid up by way of bonus shares	-		-	
Equity shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	-		-	
Equity Shares bought back	-		-	

e. Detail of shareholders holding more than 5% shares in the Company

Class of shares and Name of shareholder	As at 31.03.2018		As at 31.03.2017	
	Number	% of Shareholding	Number	% of Shareholding
Adishwar Enterprises LLP	1,048,770	32.86	1,048,770	32.86
Devakar Investment & Trading Company (P) Limited	1,094,330	34.29	1,094,330	34.29

f. Terms of securities convertible into equity/preference shares

N.A N.A

Notes to Consolidated Financial Statements for the year ended March 31, 2018

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
<b>4 RESERVES AND SURPLUS</b>		
Capital Reserves	0.11	0.11
Capital Redemption Reserve	70.00	70.00
Securities Premium Account	781.28	781.28
<b>Other Reserves :</b>		
General Reserve		
Balance as per the last financial statements	9,659.72	9,659.72
<b>Closing Balance</b>	<b>9,659.72</b>	9,659.72
<b>Statutory Reserve (u/s 45-IC of RBI Act, 1934)</b>		
Balance as per last financial statements	7,436.00	3,803.00
Add: Transferred from surplus balance in the statement of profit and loss	1,121.53	3,633.00
	<b>8,557.53</b>	7,436.00
<b>Surplus i.e. Balance in the Statement of Profit and Loss</b>		
Balance as per the last financial statements	136,571.53	110,075.43
Add: Profit for the period transferred from Statement of Profit and Loss	18,895.94	30,321.16
<b>Less: Appropriations</b>		
Proposed equity dividend (Previous Year: ₹ 5 per share.)	159.58	159.57
Tax on dividend	32.80	32.49
Transferred to Statutory Reserve	1,121.53	3,633.00
<b>Closing Balance</b>	<b>154,153.57</b>	136,571.53
<b>Total Reserves and Surplus</b>	<b>173,222.21</b>	154,518.64
<b>5 LONG TERM PROVISIONS</b>		
Provision for employee benefits :		
- Gratuity	0.12	-
- Leave encashment	0.41	0.47
	<b>0.53</b>	0.47
<b>6 OTHER CURRENT LIABILITIES</b>		
Unpaid dividends#	9.45	10.23
Other payables		
- Others	57.06	93.09
	<b>66.51</b>	103.32
# unpaid dividends do not include any amount due and outstanding required to be credited to the Investors' Education and Protection Fund		

Notes to Consolidated Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>7 SHORT TERM PROVISIONS</b>		
Provision for employee benefits :		
Leave encashment	0.04	0.03
Provision for Tax*	232.27	179.88
Other provisions :		
Provision for proposed equity dividend	159.58	159.57
Provision for tax on proposed dividend	32.80	32.49
	<b>424.69</b>	<b>371.97</b>

\* Provision for tax is net of Advance tax of ₹ 5760.18 Lakhs (Previous Year ₹ 5056.03 Lakhs)

**8 FIXED ASSETS**

(₹ in Lakhs)

Particulars	Original Cost			Balance as at 31.03.2018	DEPRECIATION			Balance as at 31.03.2018	NET BLOCK	
	Balance as at 01.04.2017	Additions	Disposal		Balance as at 01.04.2017	Depreciation during the year	Eliminated on disposal of assets		Balance as at 31.03.2018	Balance as at 31.03.2017
<b>TANGIBLE ASSETS</b>										
1. Freehold land*	1.14	262.28	-	263.42	-	-	-	-	263.42	1.14
2. Buildings	91.28	-	45.64	45.64	11.00	1.28	6.06	6.22	39.42	80.28
3. Vehicle	-	-	-	-	-	-	-	-	-	-
4. Office Equipment	0.82	-	-	0.82	0.10	0.16	-	0.26	0.56	0.72
Current Year	93.24	262.28	45.64	309.88	11.10	1.44	6.06	6.48	303.40	82.14
Previous Year	114.49	0.82	22.07	93.24	16.92	3.95	9.77	11.10	82.14	97.56

\* Freehold land includes ₹ 262.28 Lakhs (March 31, 2017 Nil) for the cost of land for which title deeds are yet to be executed in favor of the Company, though the possession thereof has been taken by the Company.

(₹ in Lakhs)

Particulars	Original Cost			Balance as at 31.03.2017	DEPRECIATION			Balance as at 31.03.2017	NET BLOCK	
	Balance as at 01.04.2016	Additions	Disposal		Balance as at 01.04.2016	Depreciation during the year	Eliminated on disposal of assets		Balance as at 31.03.2017	Balance as at 31.03.2017
<b>TANGIBLE ASSETS</b>										
1. Freehold land	1.14	-	-	1.14	-	-	-	-	1.14	1.14
2. Buildings	91.28	-	-	91.28	9.56	1.44	-	11.00	80.28	81.72
3. Vehicle	22.07	-	22.07	-	7.36	2.41	9.77	-	-	14.71
4. Office Equipment	-	0.82	-	0.82	-	0.10	-	0.10	0.72	-
Current Year	114.49	0.82	22.07	93.24	16.92	3.95	9.77	11.10	82.14	97.56
Previous Year	114.49	-	-	114.49	12.87	4.06	-	16.92	97.56	101.63

**9 Deferred tax assets (net)**

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>Deferred tax liabilities</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting period	-	-
Gross deferred tax liability	-	-
<b>Deferred tax assets</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowable for tax purposes on payment basis	113.64	20.10
Gross deferred tax asset	113.64	20.10
Deferred tax Assets (Net)	113.64	20.10

Notes to Consolidated Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>10 NON-CURRENT INVESTMENTS</b>		
<b>Long Term investments (at cost unless otherwise stated)</b>		
<b>I TRADE INVESTMENTS</b>		
<b>Investment in equity instruments</b>		
<b>a. of associates (Quoted)</b>		
1,53,14,517 (Previous Year 1,40,58,157) Equity Shares of ₹ 10/- each fully paid up of Vardhman Textiles Limited*	25,015.00	7,670.36
Add: Share of Profit from associate company during the year	15,539.30	35,095.74
Add: Accumulated income in associate company as on 01.04.2015	1,09,030.26	85,832.22
Less: Dividend received during the year from associate company	(2,145.47)	-
Less: Accumulated profit adjusted due to buy back		(11,897.70)
	<b>1,47,439.09</b>	<b>1,16,700.62</b>
* (Investment includes ₹ 7,457.68 Lakhs goodwill (previous year capital reserve of ₹ 381.62 Lakhs in the value of investment)		
<b>b. of associates (Unquoted)</b>		
25,000 (Previous Year 25,000) Equity Shares of ₹ 10/- each fully paid up of Vardhman Spinning & General Mills Limited**	2.50	2.50
Add: Share of Profit from associate company during the year	0.15	(0.17)
Add: Accumulated income in associate company as on 01.04.2015	4.00	4.17
	<b>6.65</b>	<b>6.50</b>
** (Investment includes 0.52 Lakhs capital reserve (previous year 0.52 Lakhs capital reserve in the value of investment)		
<b>c. of Other entities (Quoted)</b>		
7,33,762 (Previous Year 7,33,762) Equity Shares of ₹ 10/- each fully paid up of Vardhman Acrylics Limited	27.67	27.67
51,34,195 (Previous Year 30,80,519) Equity Shares of ₹ 10/- each fully paid up of Vardhman Special Steels Limited	1,584.29	557.45
<b>II OTHER THAN TRADE</b>		
<b>a Investment in equity instruments of other entities (quoted)</b>		
112 (Previous year 112) Equity shares of ₹ 10/- each fully paid-up of Garware Nylon Ltd.	0.01	0.01
Less : Provision for Diminution in value of Investments	0.01	0.01
1,150 (Previous year 1,150) Equity shares of ₹ 1/- each fully paid-up of Hindustan Unilever Ltd.	0.01	0.01
50 (Previous year 50) Equity shares of ₹ 10/- each fully paid-up of Vinod Paper Mills Limited	0.01	0.01
Less : Provision for Diminution in value of Investments	0.01	-
	<b>1,49,057.71</b>	<b>1,17,292.25</b>
1. Aggregate amount of Quoted Investments (Gross)	<b>26,627.00</b>	8,255.51
2. Market Value of Quoted Investments	<b>1,94,903.27</b>	1,88,995.35
3. Aggregate amount of Unquoted Investments (Gross)	<b>2.50</b>	2.50
4. Aggregate Provision for diminution in value of Investments	<b>0.02</b>	0.02

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>11 LONG-TERM LOANS AND ADVANCES</b>		
(unsecured, considered good)		
Other loans and advances		
Capital advances	-	266.53
Advance tax	-	-
	-	266.53
<b>12 CURRENT INVESTMENTS</b>		
<b>(AT LOWER OF COST AND FAIR VALUE)</b>		
Investment in Equity instruments of other entities (quoted)		
Nil (Previous Year 5,53,755) Equity Shares of ₹ 10/- each of Trident Limited	-	266.46
	-	-
10,59,890 (Previous Year 10,59,890) Equity Shares of ₹ 1/- each of Welspun India Limited	773.07	773.07
Less : Provision for Diminution in value of Investments	157.80	-
	615.27	773.07
25,714 (Previous Year 28,650) Equity Shares of ₹ 5/- (previous year ₹ 10/-) each of Infosys Limited	270.33	301.19
Less : Provision for Diminution in value of Investments	-	8.32
	270.33	292.87
* Nil (Previous Year 5,123) Equity Shares of ₹ 2/- each of Lupin Limited	-	80.76
Less : Provision for Diminution in value of Investments	-	6.74
	-	74.02
* Nil (Previous Year 11,531) Equity Shares of ₹ 1/- each of Sun Pharmaceutical Industries Limited	-	72.36
* 1,19,566 (Previous Year Nil) Equity Shares of ₹ 2/- each of TV18 Broadcast Ltd	64.69	-
* 10,442 (Previous Year 12,391) Equity Shares of ₹ 2/- each of Bajaj Finance Limited	25.99	42.12
* 2,355 (Previous Year 3,011) Equity Shares of ₹ 5/- each of Bajaj Finserve Limited	62.69	75.16
* 250 (Previous Year Nil) Equity Shares of ₹ 10/- each of Bayer Cropscience Limited	11.72	-
Less : Provision for Diminution in value of Investments	1.15	-
	10.57	-
* 10,569 (Previous Year Nil) Equity Shares of ₹ 10/- each of Central Depository Services (india) Ltd	38.24	-
Less : Provision for Diminution in value of Investments	8.37	-
	29.87	-
* 5,845 (Previous Year Nil) Equity Shares of ₹ 2/- each of Divis Laboratories	63.01	-
* 26,000 (Previous Year Nil) Equity Shares of ₹ 2/- each of Titagarh Wagons Ltd	32.96	-
Less : Provision for Diminution in value of Investments	4.44	-
	28.52	-
* 3,540 (Previous Year Nil) Equity Shares of ₹ 2/- each of Ratnamani Metals & Tubes Ltd	30.08	-

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

Particulars	As at 31.03.2018		As at 31.03.2017	
* 7,100 (Previous Year Nil) Equity Shares of ₹ 10/- each of Narayana Hrudayalaya Ltd	22.03		-	
Less : Provision for Diminution in value of Investments	2.20	19.83	-	-
* 1,159 (Previous Year Nil) Equity Shares of ₹ 2/- each of Minda Industries Ltd	14.13	-	-	-
Less : Provision for Diminution in value of Investments	1.66	12.47	-	-
* 2,044 (Previous Year Nil) Equity Shares of ₹ 5/- each of General Insurance Corporation Of india		14.40		-
* 11,210 (Previous Year Nil) Equity Shares of ₹ 10/- each of Surya Roshni Ltd		30.97		-
* 30,705 (Previous Year Nil) Equity Shares of ₹ 2/- each of Jindal saw Ltd		32.06		-
* 7,904 (Previous Year 6,801) Equity Shares of ₹ 1/- each of Havells India Limited		24.13		18.51
* 746 (Previous Year 825) Equity Shares of ₹ 10/- each of Page Industries Limited	100.48		109.57	
Less : Provision for Diminution in value of Investments	-	100.48	0.50	109.07
* 33,668 (Previous Year 23,927) Equity Shares of ₹ 1/- each of Motherson Sumi Systems Limited		45.05		55.43
* 4,076 (Previous Year 4,076) Equity Shares of ₹ 2/- each of HDFC Bank Limited		41.23		41.23
* 7,620 (Previous Year 6,676) Equity Shares of ₹ 1/- each of Asian Paints Limited		63.56		51.75
* Nil (Previous Year 891) Equity Shares of ₹ 10/- each of Blue Dart express Limited	-		54.80	-
Less : Provision for Diminution in value of Investments	-	-	8.67	46.13
* Nil (Previous Year 3,054) Equity Shares of ₹ 2/- each of Ajanta Pharma Limited		-		30.37
* Nil (Previous Year 8,646) Equity Shares of ₹ 1/- each of Amara Raja Batteries Limited		-		73.79
* 2,083 (Previous Year 2,083) Equity Shares of ₹ 2/- each of Cummins India Limited	24.39		24.38	-
Less : Provision for Diminution in value of Investments	9.80	14.59	4.61	19.78
* 14,229 (Previous Year 14,229) Equity Shares of ₹ 2/- each of Gruh Finance Limited		36.99		36.99
* 11,080 (Previous Year 11,080) Equity Shares of ₹ 1/- each of P I Industries Limited		62.61		62.61
* 99 (Previous Year 160) Equity Shares of ₹ 10/- each of Shree Cements Limited		12.96		18.59
* 33,705 (Previous Year 35,440) Equity Shares of ₹ 1/- each of Welspun India Ltd.	30.27		31.78	
Less : Provision for Diminution in value of Investments	10.74	19.53	0.72	31.06
* 8,120 (Previous Year 8,120) Equity Shares of ₹ 1/- each of K R B L Ltd.		21.46		21.46

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
* 13,200 (Previous Year 12,200) Equity Shares of ₹ 10/- each of Deepak Fertilisers Petrochemicals Corpn. Ltd.	<b>24.81</b>	21.07
* 6,799 (Previous Year 6,000) Equity Shares of ₹ 10/- each of Lumax Auto Technologies Ltd.	<b>27.92</b>	23.35
* Nil (Previous Year 25,122) Equity Shares of ₹ 2/- each of Graphite India Ltd.	-	26.99
* Nil (Previous Year 3,750) Equity Shares of ₹ 2/- each of Gulf Oil Lubricants India Limited	-	27.01
Less : Provision for Diminution in value of Investments	-	0.59
* Nil (Previous Year 8,000) Equity Shares of ₹ 2/- each of Mahindra and Mahindra Financial Services Ltd.	-	25.58
Less : Provision for Diminution in value of Investments	-	0.39
* 1,780 (Previous Year 2,750) Equity Shares of ₹ 10/- each of Bharat Bijlee Ltd.	<b>14.25</b>	21.94
* 12,740 (Previous Year 10,290) Equity Shares of ₹ 1/- each of Exide Industries Ltd.	<b>22.34</b>	17.22
* 18,600 (Previous Year 18,600) Equity Shares of ₹ 1/- each of Time Technoplast Ltd.	<b>11.88</b>	11.88
* 1,800 (Previous Year 1,400) Equity Shares of ₹ 10/- each of S R F Ltd.	<b>25.29</b>	18.62
* 3,085 (Previous Year 3,085) Equity Shares of ₹ 10/- each of Garware-Wall Ropes Ltd.	<b>11.05</b>	11.05
* 25,536 (Previous Year 15,000) Equity Shares of ₹ 1/- each of Balrampur Chini Mills Ltd.	<b>38.29</b>	21.44
Less : Provision for Diminution in value of Investments	<b>18.97</b>	-
* Nil (Previous Year 5,641) Equity Shares of ₹ 10/- each of Dewan Housing Finance Corpn. Ltd.	-	15.85
* 5,670 (Previous Year 3,000) Equity Shares of ₹ 1/- each of Shilpa Medicare Ltd	<b>32.31</b>	15.21
Less : Provision for Diminution in value of Investments	<b>6.02</b>	-
* Nil (Previous Year 1,110) Equity Shares of ₹ 10/- each of Siyaram Silk Mills Ltd.	-	13.60
* Nil (Previous Year 21,915) Equity Shares of ₹ 1/- each of Orient Paper Inds. Ltd.	-	10.18
* 27,100 (Previous Year 17,500) Equity Shares of ₹ 10/- each of Prism Cement Ltd.	<b>27.03</b>	16.17
* Nil (Previous Year 10,000) Equity Shares of ₹ 2/- each of Bodal Chemicals Ltd.	-	13.58
* 4,150 (Previous Year 4,150) Equity Shares of ₹ 2/- each of Balaji Amines Ltd.	<b>9.61</b>	9.61
* 43,670 (Previous Year 29,020) Equity Shares of ₹ 5/- each of Pennar Industries Ltd.	<b>21.56</b>	13.18
Less : Provision for Diminution in value of Investments	-	1.30

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

Particulars	As at 31.03.2018		As at 31.03.2017	
* 16,183 (Previous Year 16,183) Equity Shares of ₹ 5/- each of Tech Mahindra Ltd.	<b>75.44</b>		75.44	-
Less : Provision for Diminution in value of Investments	-	<b>75.44</b>	1.14	74.30
* 23,623 (Previous Year 23,623) Equity Shares of ₹ 2/- each of Simplex Infrastructures Ltd.	<b>74.24</b>		74.24	-
Less : Provision for Diminution in value of Investments	-	<b>74.24</b>	1.47	72.77
* 37,275 (Previous Year 37,275) Equity Shares of ₹ 10/- each of Mahindra CIE Automotive Ltd.		<b>70.00</b>		70.00
* 91,650 (Previous Year 91,650) Equity Shares of ₹ 5/- each of Kirloskar Ferrous Industries		<b>70.98</b>		70.98
* 53,447 (Previous Year 55,527) Equity Shares of ₹ 2/- each of KEC International		<b>77.88</b>		80.80
* 29,225 (Previous Year 37,225) Equity Shares of ₹ 2/- each of Kalpataru POWER Transmission		<b>75.56</b>		95.54
* 34,446 (Previous Year 34,446) Equity Shares of ₹ 1/- each of Carborundum Universal		<b>86.74</b>		86.74
* 7,137 (Previous Year 7,137) Equity Shares of ₹ 1/- each of Aegis Logistics Ltd.		<b>9.61</b>		9.61
* 1,721 (Previous Year 1,721) Equity Shares of ₹ 2/- each of L&T Technology Services Ltd.	<b>15.88</b>		15.88	
Less : Provision for Diminution in value of Investments	-	<b>15.88</b>	2.48	13.40
* 4,529 (Previous Year 2,348) Equity Shares of ₹ 1/- each of Godrej Industries		<b>22.94</b>		11.31
* 3,450 (Previous Year 2,610) Equity Shares of ₹ 10/- each of Cholamandalam Investment and Finance Company	<b>34.19</b>		25.61	
Less : Provision for Diminution in value of Investments	-	<b>34.19</b>	0.44	25.17
* 154 (Previous Year 56) Equity Shares of ₹ 10/- each of M R F Ltd.		<b>91.72</b>		29.55
* 1,169 (Previous Year 1488) Equity Shares of ₹ 2/- each of Dalmia Bharat Ltd.	<b>34.35</b>		26.74	-
Less : Provision for Diminution in value of Investments	<b>0.62</b>	<b>33.73</b>	-	26.74
* 6,892 (Previous Year 6,892) Equity Shares of ₹ 1/- each of Ramco Cements Ltd.		<b>39.54</b>		39.54
* 757 (Previous Year 881) Equity Shares of ₹ 5/- each of Maruti Suzuki India Ltd.		<b>43.32</b>		50.46
* 4,908 (Previous Year 4,908) Equity Shares of ₹ 1/- each of Astral Poly Technik Limited		<b>19.71</b>		19.71
* 2,592 (Previous Year 3,471) Equity Shares of ₹ 1/- each of Pidilite Industries Limited		<b>14.90</b>		19.49
* 18,299 (Previous Year 19,284) Equity Shares of ₹ 5/- each of Kotak Mahindra Bank Limited		<b>125.39</b>		129.57
* 6,672 (Previous Year 2,643) Equity Shares of ₹ 10/- each of Indusind Bank Limited		<b>91.79</b>		23.93



## Notes to Consolidated Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

Particulars	As at 31.03.2018		As at 31.03.2017	
* 482 (Previous Year 482) Equity Shares of ₹ 10/- each of Eicher Motors Limited		<b>82.12</b>		82.12
* 31,345 (Previous Year 27,776) Equity Shares of ₹ 10/- each of Hindustan Petroleum Corporation Limited		<b>55.63</b>		72.30
* 20,821 (Previous Year 29,581) Equity Shares of ₹ 10/- each of National Buildings Construction Limited		<b>21.27</b>		40.54
* 7,960 (Previous Year 7,960) Equity Shares of ₹ 2/- each of Kajaria Ceramics Limited		<b>38.25</b>		38.25
* 3,592 (Previous Year 1,796) Equity Shares of ₹ 2/- each of Bharat Forge Limited		<b>16.32</b>		16.32
* 908 (Previous Year 1,034) Equity Shares of ₹ 2/- each of Britannia Industries Limited		<b>28.30</b>		32.46
* 148 (Previous Year 148) Equity Shares of ₹ 10/- each of Bosch Limited	<b>38.79</b>		38.79	
Less : Provision for Diminution in value of Investments	<b>12.12</b>	<b>26.67</b>	5.12	33.67
* 16,005 (Previous Year 12,854) Equity Shares of ₹ 2/- each of Max Financial Services Limited	<b>81.49</b>		60.83	-
Less : Provision for Diminution in value of Investments	<b>14.18</b>	<b>67.31</b>	-	60.83
* 16,822 (Previous Year 15,293) Equity Shares of ₹ 1/- each of City Union Bank Limited		<b>15.40</b>		15.40
* 10,183 (Previous Year 10,183) Equity Shares of ₹ 10/- each of Development Credit Bank Limited		<b>14.18</b>		14.18
* 9,715 (Previous Year 9,715) Equity Shares of ₹ 1/- each of Jammu & Kashmir Bank Ltd.	<b>10.71</b>		10.71	-
Less : Provision for Diminution in value of Investments	<b>4.85</b>	<b>5.86</b>	3.42	7.29
* 10,293 (Previous Year 10,293) Equity Shares of ₹ 1/- each of Voltas Limited		<b>32.20</b>		32.20
* 3,918 (Previous Year 3,918) Equity Shares of ₹ 5/- each of Engineers India Limited		<b>4.59</b>		4.59
* 226 (Previous Year 226) Equity Shares of ₹ 10/- each of Glaxo Smithkline Consumer Healthcare Limited	<b>14.34</b>		14.34	-
Less : Provision for Diminution in value of Investments	<b>0.55</b>	<b>13.79</b>	2.69	11.65
* 1,925 (Previous Year 1,925) Equity Shares of ₹ 1/- each of Emami Limited	<b>23.69</b>		23.69	-
Less : Provision for Diminution in value of Investments	<b>3.11</b>	<b>20.58</b>	3.20	20.49
* 1,301 (Previous Year 1,301) Equity Shares of ₹ 1/- each of Colgate Palmolive (India) Limited		<b>6.51</b>		6.51
* 841 (Previous Year 673) Equity Shares of ₹ 10/- each of Container Corporation of India Limited	<b>11.03</b>		11.03	
Less : Provision for Diminution in value of Investments	<b>0.56</b>	<b>10.47</b>	2.46	8.57
* 2,145 (Previous Year 2,145) Equity Shares of ₹ 2/- each of IPCA Laboratories Limited	<b>16.56</b>		16.56	
Less : Provision for Diminution in value of Investments	<b>2.50</b>	<b>14.06</b>	3.18	13.38

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
* 775 (Previous Year 775) Equity Shares of ₹ 2/- each of Alkem Laboratories Limited	10.68	10.68
<b>Total</b>	<b>3,552.44</b>	<b>4,015.12</b>
<b>Investment in Bonds/Debentures/Certificate of Deposits (Unquoted)</b>		
* 1,497 (Previous Year 12,845) 3 % Debentures of ₹ 100/- each of Prabal Traders and Advisors Pvt Ltd	1.50	12.85
* Nil (Previous Year 15,851) 8.25% Debentures of ₹ 100/- each of Sherin Advisors & Traders Pvt Ltd	-	15.85
* 72,261 (Previous year 72,261) 10% Convertible Debentures of ₹ 100 each of Ambojini Property Developers Private Limited	72.26	72.26
* Nil (Previous Year 14,954) Convertible Debentures of ₹ 100/- each of Godrej Landmark Redevelopers P Ltd	-	14.95
	<b>73.76</b>	<b>115.91</b>
<b>Investment in Equity Fund/Liquid Funds/Debt Funds/ Monthly Income Plans (Quoted)</b>		
2,51,56,988.35 (Previous Year Nil) Units of ₹ 10/- each of Aditya Birla Sun Life Enhanced Arbitrage Advantage Fund Dividend-Direct Investment	2,788.36	-
Less : Provision for Diminution in value of Investments	10.75	-
	<b>2,777.61</b>	-
58,287.80 (Previous Year Nil) Units of ₹ 10/- each of Aditya Birla Sun Life Equity Fund-Growth Direct	391.83	-
Nil (Previous Year 4,64,57,176) Units of ₹ 10/- each of Reliance Arbitrage Advantage Fund-Direct Monthly Dividend Plan Reinvestment	-	5,000.00
Nil (Previous Year 2,154) Units of ₹ 1,000/- each of DSP Liquidity Fund Direct Plan-Growth	-	50.00
Nil (Previous Year 2,669) Units of ₹ 1,000/- each of L&T Liquid Fund Direct Plan-Growth	-	59.08
11,48,052.35 (Previous Year 2,88,596) Units of ₹ 10/- each of L&T India Value Fund	399.30	91.30
1,21,89,374 (Previous Year 1,21,89,374) Units of ₹ 10/- each of L&T Resurgent India Corporate Bond Fund Direct Growth	1,500.00	1,500.00
51,486.68 (Previous Year 3,83,282) Units of ₹ 10/- each of Mirae Asset Emerging Bluechip Fund - Direct Plan - Growth	20.78	150.78
Nil (Previous Year 96,841) Units of ₹ 1,000/- each of Kotak Floater Short Term-Direct Plan-Growth	-	2,553.91
Nil (Previous Year 2,10,94,637) Units of ₹ 10/- each of Kotak Equity Arbitrage Fund-Direct Plan-Fortnight Dividend	-	5,008.51
10,467,95.39 (Previous Year 2,74,038) Units of ₹ 10/- each of Kotak Emerging Equity Scheme-Direct Plan-Growth	391.00	94.00
Nil (Previous Year 15,206) Units of ₹ 100/- each of Birla Sun Life Equity Fund-Growth-Direct	-	94.83
Nil (Previous Year 2,567) Units of ₹ 100/- each of Birla Sun Life Floating Rate Fund Systematic Transfer Plan Growth-Direct	-	5.53

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
8,098.96 (Previous Year 2) Units of ₹ 1,000/- each of HDFC Cash Management Fund - Savings Plan-Daily Dividend Option	86.14	0.02
Nil (Previous Year 31,23,985) Units of ₹ 10/- each of IDFC Dynamic Bond Fund - Growth - (Regular Plan)	-	500.00
Nil (Previous Year 16,37,830) Units of ₹ 10/- each of IDFC Dynamic Bond Fund - Growth - (Direct Plan)	-	250.00
Nil (Previous Year 90,44,535) Units of ₹ 10/- each of Edelweiss Government Securities Fund - Regular Plan Growth	-	1,000.00
Nil (Previous Year 9,486) Units of ₹ 1,000/- each of SBI Premier Liquid Fund Direct Plan Growth	-	240.50
Nil (Previous Year 24,889) Units of ₹ 1,000/- each of SBI Ultra Short term debt fund Direct Plan Growth	-	514.37
Nil (Previous Year 7,15,884) Units of ₹ 10/- each of BNP Paribas Equity Fund -Direct Plan Growth Option	-	485.93
Nil (Previous Year 6,69,037) Units of ₹ 10/- each of IDFC Premier Equity Fund -Growth Direct Plan	-	495.02
Nil (Previous Year 41,48,364) Units of ₹ 10/- each of Reliance Dynamic bond Fund Growth Plan Growth Option	-	750.00
Nil (Previous Year 25,00,000) Units of ₹ 10/- each of Reliance Capital Builder Fund II Series A Growth Plan Option	-	250.00
Nil (Previous Year 4,19,938) Units of ₹ 10/- each of ICICI Value Discovery Fund- Direct Plan Growth	-	501.58
2,000 (Previous Year Nil) Units of ₹ 1,00,000/- each of Ecap Equity Fund	2,014.68	-
4,94,730.64 (Previous Year Nil) Units of ₹ 10/- each of DSP Small & Mid Cap Fund -Direct Growth	264.00	-
Nil (Previous Year 4,00,091) Units of ₹ 10/- each of DSP Micro Cap Fund Regular Growth	-	125.55
Nil (Previous Year 29,866) Units of ₹ 1000/- each of DSP Black Rock Strategic Bond Fund-Institutional Plan-Growth	-	500.00
5,23,809.34 (Previous Year 2,087,273) Units of ₹ 10/- each of Kotak Select Focus Fund Direct plan Growth	168.00	506.20
5,00,000 (Previous Year 5,00,000) Units of ₹ 10/- each of Kotak India Growth Fund Series-1 - Growth (Regular Plan)	50.00	50.00
Nil (Previous Year 35,28,159) Units of ₹ 10/- each of SBI Bluechip Fund Regular Plan Growth	-	950.00
Nil (Previous Year 1,77,100) Units of ₹ 10/- each of SBI Bluechip Fund Direct Plan Growth	-	50.00
24,420.38 (Previous Year Nil) Units of ₹ 10/- each of SBI Premier Liquid Fund Direct Plan Growth	657.27	-
22,80,356 (Previous Year 22,80,356) Units of ₹ 10/- each of IDFC Money Manager Fund-Investment Plan-Growth-Direct Plan	500.00	500.00
	<b>9,220.61</b>	<b>22,277.11</b>



Notes to Consolidated Financial Statements for the year ended March 31, 2018

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>Investment in Equity Fund/Liquid Funds/Debt Funds/ Monthly Income Plans (Unquoted)</b>		
500 (Previous Year Nil) Units of ₹ 1,00,000/- each of Baring Private Equity India Aif	500.00	-
Less : Provision for Diminution in value of Investments	53.52	446.48
* 62 (Previous Year Nil) Units of ₹ 1,00,000/- each of GM Infinite	52.35	-
* 80 (Previous Year Nil) Units of ₹ 1,00,000/- each of Narang (sutlej)	80.00	-
Nil (Previous Year 48,99,324) Units of ₹ 10/- each of IIFL National Development agenda fund	-	425.00
62,78,781 (Previous Year 66,93,938) Units of ₹ 1,00,000/- each of Zodiac Technology Fund	671.28	670.00
1,20,000 (Previous Year 1,20,000) Units of ₹ 100/- each of IVY Cap Venture Fund	120.00	120.00
207.69 (Previous Year 335) Units of ₹ 1,00,000/- each of India Venture Trust fund	207.69	334.81
* 97 (Previous Year 97) Units of ₹ 1,00,000/- each of Shambhavi Reality Pvt. Ltd.	96.75	98.21
* Nil (Previous Year 48) Units of ₹ 1,00,000/- each of Avigna Properties Pvt. Ltd.	-	48.96
* Nil (Previous Year 80) Units of ₹ 1,00,000/- each of Sutlej Housing Pvt. Ltd.	-	80.26
* 68 (Previous Year 68) Units of ₹ 1,00,000/- each of ASP Infraprojects Pvt. Ltd.	66.30	68.07
* Nil (Previous Year 54) Units of ₹ 1,00,000/- each of Spenta Enclave Pvt. Ltd.	-	54.72
* 35 (Previous Year 35) Units of ₹ 1,00,000/- each of Midcity Infrastructure Pvt. Ltd.	35.00	36.54
* Nil (Previous Year 62) Units of ₹ 1,00,000/- each of Gulam Mustafa Enterprises Pvt. Ltd.	-	63.55
36,85,317 (Previous Year 26,59,247) Units of ₹ 10/- each of IIFL Seed Venture Fund 1	450.00	300.00
9,77,528 (Previous Year 9,77,528) Units of ₹ 100/- each (paid up- ₹ 93/- each) (Previous Year paid up 65/- each) of ICICI Prudential Real Estate fund AIF-I	977.53	907.53
1,85,47,493 (Previous Year 1,85,47,493) Units of ₹ 10/- each of IIFL Real Estate Fund Series-2	1,531.06	1,977.53
* 2,515 (Previous Year 2,077.50) Units of ₹ 1,00,000/- each of ASK Real Estate Fund	2,131.51	1,694.01
	<b>6,865.95</b>	<b>6,879.17</b>
<b>Investment in Equity Shares (Unquoted)</b>		
* 15,011 (Previous Year 15,011) Equity Shares of ₹ 1/- each fully paid up of Vahin Advisors and Traders Pvt Ltd	0.15	0.15

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
* 14,975 (Previous Year 14,975) Equity Shares of ₹ 1/- each fully paid up of Prabal Traders and Advisors Pvt Ltd	0.15	0.15
* Nil (Previous Year 14,919) Equity Shares of ₹ 1/- each fully paid up of Sherin Advisors & Traders Pvt Ltd	-	0.15
* 7,870 (Previous Year 7,870) Equity Shares of ₹ 10/- each fully paid up of Ambojini Property Developers Private Limited	0.79	0.79
* Nil (Previous Year 15) Equity Shares of ₹ 10/- each fully paid up of Mantri Hamlet Private Limited	-	0.01
* NIL (Previous Year 266) Equity Shares of ₹ 100/- each fully paid up of Godrej Landmark Redevelopers P Ltd	-	21.73
	<b>1.09</b>	<b>22.98</b>
<b>Total</b>	<b>19,713.85</b>	<b>33,310.31</b>
<b>Notes:</b>		
1. Aggregate amount of quoted investments (Gross)	<b>13,096.96</b>	26,349.67
2. Aggregate amount of unquoted investments (Gross)	<b>6,940.80</b>	7,018.08
3. Market value of quoted investments	<b>14,686.60</b>	29,130.12
4. Aggregate Provision for diminution in value of Investments	<b>323.91</b>	57.44
* Investments are purchased through Portfolio Management Services		
<b>13 CASH AND BANK BALANCES</b>		
<b>Cash and cash equivalents</b>		
a) Balances with banks		
- On current accounts	<b>158.57</b>	120.74
b) Cash on hand	<b>0.01</b>	0.01
c) Other Bank Balances		
- Earmarked balances with banks (Dividend accounts)	<b>9.45</b>	10.21
	<b>168.03</b>	<b>130.96</b>
<b>14 SHORT TERM LOANS AND ADVANCES</b>		
(unsecured considered good)		
Loans and advances to related parties	-	-
Advance to Suppliers	-	-
Others:		
- Loans and advances to employees	<b>0.08</b>	-
	<b>0.08</b>	-
<b>15 OTHER CURRENT ASSETS</b>		
(unsecured, considered good)		
Interest Receivable	<b>442.85</b>	354.68
Mat Credit Recoverable	<b>4,044.01</b>	3,714.49
Prepaid Expenses	<b>3.17</b>	2.88
Other recoverable	<b>182.19</b>	139.30
Security Deposit	<b>4.25</b>	-
	<b>4,676.47</b>	<b>4,211.35</b>

Notes to Consolidated Financial Statements for the year ended March 31, 2018

PARTICULARS	(₹ in Lakhs)	
	For the year ended 31st Mar 2018	For the year ended 31st Mar 2017
<b>16 REVENUE FROM OPERATIONS</b>		
Interest Income	504.57	632.05
Dividend Income from long term trade investments:		
- Associates	-	-
- others	23.40	-
Dividend income from current investments	524.61	134.74
Net Gain on sale of Non-Current Investments	85.43	4,940.50
Net Gain on sale of Current Investments	3,034.46	1,088.87
Revenue from operations (net)	<u>4,172.47</u>	<u>6,796.16</u>
<b>17 OTHER INCOME</b>		
Receipt against License agreement	126.71	123.15
Adjustment to in carrying amount of investment		
- Reversal of reduction in the carrying amount of current investments	-	178.04
Excess Provision written back	-	-
Provisions no longer required written back	-	0.08
Rent received	2.96	3.11
Prior Period Income (Refer Note 29)	-	52.63
Miscellaneous	0.04	0.01
Profit on sales of fixed asset	6.42	-
	<u>136.13</u>	<u>357.02</u>
<b>18 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages and Bonus	40.49	24.17
	<u>40.49</u>	<u>24.17</u>
<b>19 OTHER EXPENSES</b>		
Rent	-	-
Professional charges	187.07	124.48
Insurance	2.88	0.38
Rates and Taxes	1.54	0.07
Auditors Remuneration:		
Audit Fee	0.59	0.57
Adjustment to in carrying amount of investment		
- Reduction in the carrying amount of current investments	266.47	-
Charity and Donation (Refer Note 30)	51.00	50.00
Other Financial Charges	31.58	32.87
Prior Period Expenses (Refer Note 29)	10.13	-
Loss on sale of fixed asset	-	4.10
Miscellaneous	25.42	16.47
	<u>576.68</u>	<u>228.94</u>

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

### 20 ASSOCIATES

The Consolidated Financial Statement present the Consolidated accounts of Vardhman Holding limited with its following associates:

Name of Associates	Extent of Parent Company's Share holding
a. Vardhman Textile Limited	26.66%
b. VSGM Limited	50.00%

### 21 Principles of Consolidation

- The consolidated financial statements comprise the financial statements of the parent company and its associates.
- Investment in an associates has been accounted for under the Equity Method from the date on which the investee fall within the definition of associates. On acquisition, the difference between the cost of acquisition and the share of the company in the equity of its associates has been described as a Capital Reserve/Goodwill in the consolidated accounts of the company and included in the carrying amount of investment in associates. The carrying amount of investments has also been adjusted thereafter to account for the share of the company in the net assets of the associates after the date of acquisition of such shares.
- The detail of investments in associates made by the company is given below:-

Name of Associate	Extent of Shareholding		Original Cost of Investments		Amount of (Goodwill)/ Capital Reserve included in original cost		Accumulated Profit/Loss at the year end		Carrying amount of Investment at the year end	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Vardhman Textiles Limited	26.66%	24.51%	25,015.00	7,670.36	(7,457.68)	381.62	1,29,881.76	1,08,648.64	1,47,439.08	1,16,700.62
Vardhman Spinning & General Mills Limited	50.00%	50.00%	2.50	2.50	0.52	0.52	3.63	3.48	6.65	6.50

- Company's share of contingencies and capital commitments of its associates, for which company is also contingently liable, is ₹ Nil (Previous year :Nil)

**22** The company is currently governed by Accounting Standards issued by MCA. Indian Accounting Standards (Ind-AS) issued by MCA will be applicable on the company w.e.f. 1st April 2018 (transition date being 1st April 2017) . However Vardhman Textiles Limited, associate of the company, has already adopted Ind-AS w.e.f. 1st April 2016 (transition date being 1st April 2015) as VTXL was covered in 1st phase of Ind-AS transition. Since it was impracticable to convert VTXL consolidated financial statements from Ind-AS to Indian GAAP, the company has considered Ind-AS consolidated financial statements of VTXL for the purpose of preparing its own consolidated financial statements.

### 23 Contingent Liabilities (to the extent not provided for) :

The Company has contested the additional demand in respect of income tax amounting to ₹ 15.12 Lakhs (Previous Year ₹ 9.74 Lakhs). Pending appeal with appellate authorities, no provision has been made in the books of account as the company is hopeful to get the desired relief in appeal.

**24** The Company has only one reportable business segment and therefore, no separate disclosure is required in accordance with Accounting Standard 17 on "Segment Reporting" prescribed under section 133 of Companies Act, 2013 read with rule 7 of The Companies (Accounts) rules, 2014.

**25** The calculation of Earning per Share (EPS) as disclosed in the Profit and Loss Account, has been made in accordance with Accounting Standard (AS) -20 on 'Earning per Share' prescribed under section 133 of Companies Act, 2013 read with rule 7 of The Companies (Accounts) rules, 2014.

**26** In accordance with the Accounting Standard (AS) -28 on "Impairment of Assets", the Company has assessed as on the balance sheet date, whether there are any indications (listed in paragraphs 8 to 10 of the Standard) with regard to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of account.

**Notes to Consolidated Financial Statements for the year ended March 31, 2018**
**27 Employee Benefits :**

- i) The summarized position of Post-employment benefits and long term employee benefits recognized in the Profit and Loss Account and Balance Sheet as required in accordance with Accounting Standard – 15 (Revised) are as under:-

- (a) Changes in the present value of the obligation:

Particulars	Leave (Unfunded)		Gratuity (Funded)	
	Current Year	Previous Year	Current Year	Previous Year
Present value of obligation as at beginning of the year	0.47	0.13	0.77	0.51
Interest cost	0.03	0.01	0.06	0.04
Current service cost	0.08	0.12	0.26	0.18
Benefits paid / transferred	-	-	(0.06)	-
Actuarial (gain) / loss on Obligations	(0.13)	0.21	0.05	0.04
Present value of obligation as at end of the year	0.45	0.47	1.07	0.77

(₹ in Lakhs)

- (b) Change in Fair Value of Plan Asset:

Particulars	Leave (Unfunded)		Gratuity (Funded)	
	Current Year	Previous Year	Current Year	Previous Year
Fair value of Plan Assets as at beginning of the year	-	-	0.98	0.99
Expected return on Plan Assets	-	-	0.04	0.08
Contributions	-	-	-	-
Withdrawal	-	-	-	-
Benefits Paid	-	-	(0.06)	-
Actuarial gain/ (loss) on Obligations	-	-	-	(0.09)
Fair value of Plan Assets as at end of the year	-	-	0.96	0.98

(₹ in Lakhs)

- (c) Amount recognized in Balance Sheet:

Particulars	Leave (Unfunded)		Gratuity (Funded)	
	Current Year	Previous Year	Current Year	Previous Year
Present value of funded obligation as at end of the year	-	-	1.07	0.77
Fair value of Plan Assets as at end of the year	-	-	0.96	0.98
Unfunded Liability	-	-	(0.11)	0.21
Present value of unfunded obligation as at end of the year	0.45	0.47	-	-
Unfunded Actuarial (gains) / losses	-	-	-	-
Unfunded Net Asset/ (Liability) recognised in Balance Sheet.	(0.45)	(0.47)	(0.11)	0.21

(₹ in Lakhs)



## Notes to Consolidated Financial Statements for the year ended March 31, 2018

(d) Expenses Recognized in Profit and Loss

(₹ in Lakhs)

Particulars	Leave (Unfunded)		Gratuity (Funded)	
	Current Year	Previous Year	Current Year	Previous Year
Current service cost	0.08	0.12	0.26	0.18
Interest cost	0.03	0.01	0.06	0.04
Expected return on Plan Assets	-	-	(0.07)	(0.07)
Actuarial (gain) / loss on Obligations	(0.13)	0.21	0.08	0.12
Total expense recognised in Profit and Loss Account	(0.02)	0.34	0.33	0.27

(e) Investment details of Fund: Fund consists of cash balance & Bank Balance.

(f) Principal actuarial assumptions at the Balance Sheet Date (expressed as weighted average)

(₹ in Lakhs)

Particulars	Leave (Unfunded)		Gratuity (Funded)	
	Current Year	Previous Year	Current Year	Previous Year
Discount Rate (per annum)	7.71%	7.35%	7.71%	7.35%
Rate of increase in compensation levels (per annum)	6.00%	6.00%	6.00%	6.00%
Rate of return on Plan Assets (per annum)	N.A.	N.A.	7.50%	7.50%
Expected Average remaining working lives of employees (years)	29.96	31.61	29.96	31.61
Method Used	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit

(g) Other Short term employee's benefits

(₹ in Lakhs)

Particulars	Leave		LTA Encashment		Ex-Gratia	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Liability as at beginning of the year	0.03	0.02	0.16	0.08	0.11	0.17
Liability as at end of the year	0.04	0.03	0.21	0.16	0.14	0.11
Contribution paid or written off	-	-	0.13	-	0.11	0.17
Amount debited to Profit & Loss Account	0.01	0.01	0.18	0.08	0.14	0.11

(h) Contribution to Provident Fund : ₹ Nil (Previous Year ₹ Nil)

## 28 Related Party Disclosure:

(a) Disclosure of related parties with whom business transactions took place during the year:

1. Associates Vardhman Textiles Limited
2. Key Management Personnel  
Mr. S.P. Oswal (Chairman and Managing Director)  
Mrs. Poorva Bhatia (Chief Financial Officer)  
Mr. Amrender Yadav (Company Secretary)

## Notes to Consolidated Financial Statements for the year ended March 31, 2018

- (b) Details of transactions entered into with related parties during the year as required by Accounting Standard (AS) -18 on "Related Party Disclosures" notified by The Companies (Accounts) rules, 2014 are as under:

(₹ in Lakhs)

Particulars	Associates		Key Management Personnel (KMP)		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Receipt against licence agreement (excluding service tax)	88.58	85.65			88.58	85.65
Rent Received	1.80	1.80			1.80	1.80
Managerial Remuration	-	-	35.84	24.17	35.84	24.17

### 29 Prior period items are as follows :-

(₹ in Lakhs)

	For the year ended 31.03.2018	For the year ended 31.03.2017
a) Prior Period Income	0.61	80.96
b) Prior Period Expense	10.74	28.33

30 In accordance with the provisions of Section 135 of the Companies Act, 2013 the company has contributed a sum of ₹ 51.00 Lakhs (Previous year ₹ 50 Lakhs) towards approved CSR activities. The said amount stands debited under the head "other expenses".

31 The information required by paragraph 5 of general instructions for preparation of the statement of profit and loss as per Schedule-III of the Companies Act, 2013 is not applicable to the Company.

32 Previous year figures in financial statements, including the notes thereto, have been re-classified where ever required to confirm the current year presentation/classification.

As per our report of even date

For R. Dewan & Co.

Chartered Accountants

Firm Regn. No. 017883N

Rajiv Dewan  
Partner  
M. No. 084718

Amrender Kumar Yadav  
Company Secretary  
Membership No. 41946

Poorva Bhatia  
Chief Financial Officer

Suchita Jain  
Director  
DIN: 00746471

S.P. Oswal  
Chairman & Managing Director  
DIN: 00121737

PLACE : LUDHIANA

DATED : 22.05.2018

For and on behalf of the board of directors

**VARDHMAN HOLDINGS LIMITED**

Vardhman Premises, Chandigarh Road,  
Ludhiana, Punjab, 141010

Phone : 0161-2228943-48, & Fax : 0161-2601048

E-mail:secretarial.lud@vardhman.com & Website: www.vardhman.com

CIN: L17111PB1962PLC002463

August 30, 2018

Dear Shareholder(s),

In order to facilitate payment of dividends, the Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, as amended vide Circular dated July 16, 2018, has mandated the Company/RTA to obtain copy of PAN Card and Bank account details from all the shareholders holding shares in physical form.

Accordingly, you are requested to furnish self-attested copy of your PAN card and original cancelled cheque leaf / attested bank passbook showing the name of account holder along with the details mentioned in Annexure 'A' enclosed herewith.

You may send the above details latest by September 24, 2018 to the M/s. Alankit Assignments Limited at 1E/13, Alankit Heights, Jhandewalan Extension, New Delhi-110055.

Thanking you,

Yours faithfully,

FOR VARDHMAN HOLDINGS LIMITED

Sd/-  
Chief Financial Officer

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**Annexure-A**

To  
M/s. Alankit Assignments Limited,  
1E/13, Alankit Heights, Jhandewalan Extension,  
New Delhi-110055.

Dear Sir,

I/We hereby furnishing the following details as required by you. Kindly update the same in your records:

Name of Shareholder (s)	
Folio No.	
Pan (Enclose self-attested copy of Pan card/s of all holders)	
Bank Account No. (Enclose name printed original cancelled cheque / attested copy of passbook)	
Name of Bank	
Branch Address	
IFSC No.	
MICR No.	
Email ID	
Mobile / Telephone number	

Signature of Shareholder (s)

Name \_\_\_\_\_

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**Vardhmān**

Registered Office: Chandigarh Road, Ludhiana, Punjab - 141 010, India.  
Tel.: +91-161-2228943-48 • Fax: +91-161-2601048 • Email: [secretarial.lud@vardhman.com](mailto:secretarial.lud@vardhman.com)

**VARDHMAN HOLDINGS LIMITED**

CIN: L17111PB1962PLC002463

Registered Office: Chandigarh Road, Ludhiana 141 010 (Punjab), India.

Phone No.: 0161-2228943-48, Fax: 0161-2601048

E-mail: [secretarial.lud@vardhman.com](mailto:secretarial.lud@vardhman.com); Website: [www.vardhman.com](http://www.vardhman.com)**ATTENDANCE SLIP  
E-VOTING PARTICULARS****54<sup>TH</sup> ANNUAL GENERAL MEETING****2018**

I/We hereby record my/our presence at the 54<sup>th</sup> Annual General Meeting of Vardhman Holdings Limited held at the Registered Office of the Company situated at Chandigarh Road, Ludhiana 141 010 on Thursday, the 27<sup>th</sup> September, 2018 at 04:00 p.m.

Member's Folio/DP ID-Client ID No. ....

Member's /Proxy's name in Block Letters .....

Member's/Proxy's Signature .....

**Note:**

1. Please complete the Folio/ DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the entrance of meeting place.
2. Electronic copy of the Annual Report for 2017-18 and Notice of the Annual General Meeting (AGM) alongwith Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company/Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of Annual Report for 2017-18 alongwith Attendance Slip and Proxy Form is sent in permitted mode(s) to all members whose email is not registered or have requested for a hard copy.

**ELECTRONIC VOTING PARTICULARS**

EVSN (E-Voting Sequence Number)	USER ID / Folio No. / DP / Client ID	SEQUENCE NO.

**NOTE:** Please read instructions given at Point No. 21 of the Notice of 54<sup>th</sup> Annual General Meeting annexed in the Annual Report for 2017-18 of the Company, carefully before voting electronically.

**VARDHMAN HOLDINGS LIMITED**

CIN: L17111PB1962PLC002463

Registered Office: Chandigarh Road, Ludhiana 141 010 (Punjab), India.

Phone No.: 0161-2228943-48, Fax: 0161-2601048

E-mail: [secretarial.lud@vardhman.com](mailto:secretarial.lud@vardhman.com); Website: [www.vardhman.com](http://www.vardhman.com)**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

I/We being the holder(s) of ..... shares of the above named Company bearing Folio No. .... hereby appoint:

1. Name : ..... Address : .....  
E-mail Id : ..... Signature: ..... or failing him;
2. Name : ..... Address : .....  
E-mail Id : ..... Signature: ..... or failing him;
3. Name : ..... Address : .....  
E-mail Id : ..... Signature: ..... or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 54<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, the 27<sup>th</sup> September, 2018 at 04:00 p.m. at Registered Office of the Company Situated at Chandigarh Road, Ludhiana 141 010 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	
<b>Ordinary Business</b>	
1.	Adoption of Financial Statements for the Financial Year ended 31 <sup>st</sup> March, 2018.
2.	Declaration of Dividend on Equity Shares.
3.	Appointment of Mr. Chaman Lal Jain as a Director liable to retire by rotation.
<b>Special Business</b>	
4.	Appointment of Mr. Sanjeev Jain as an Independent Director
5.	To approve continuation of directorship of Mr. Sat Pal Kanwar as a non-executive director of the Company.
6.	To approve continuation of directorship of Mr. Chaman Lal Jain as a non-executive director of the Company.
7.	To approve continuation of directorship of Mr. Om Parkash Sharma as a non-executive director of the Company.

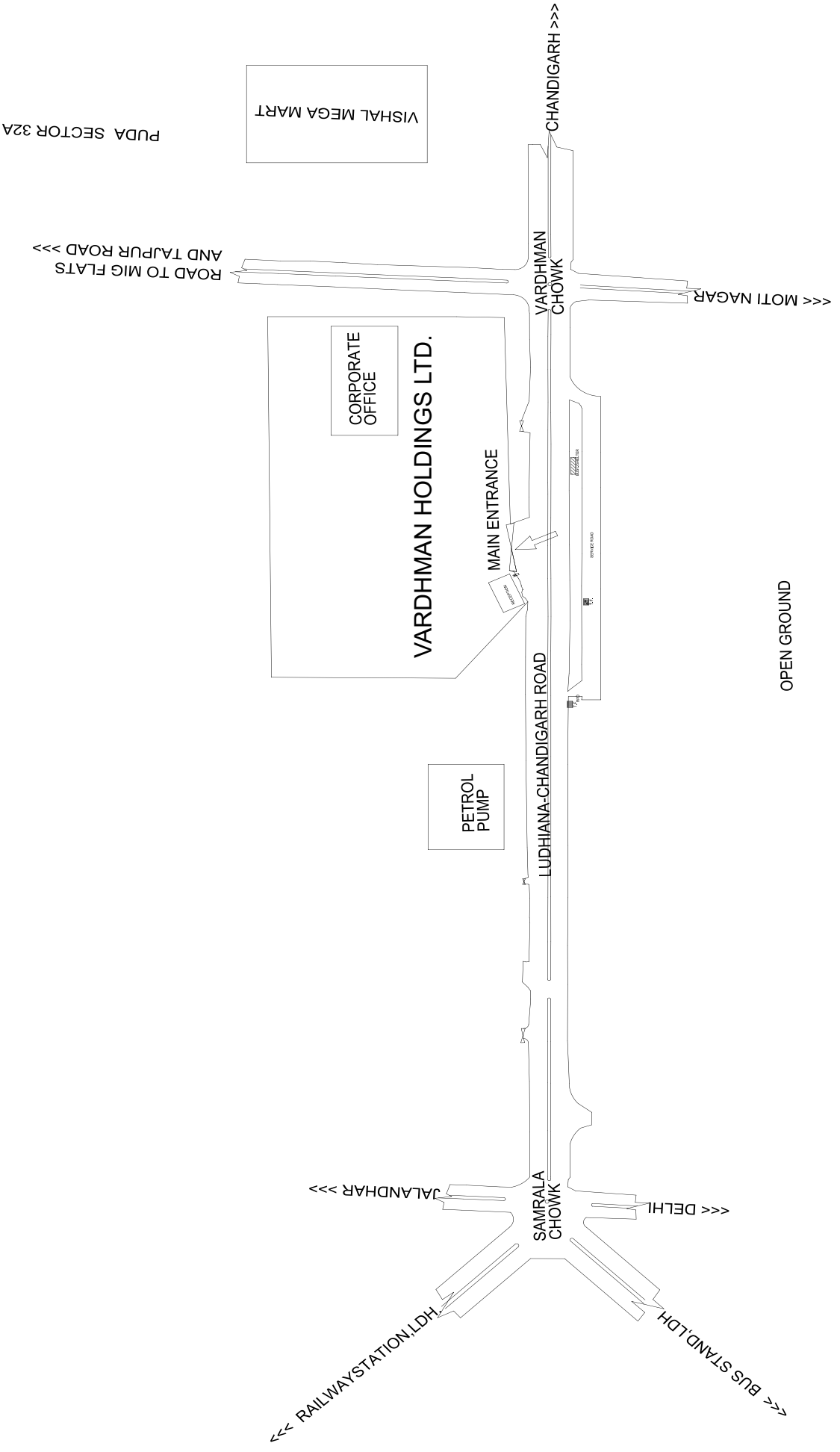
Sign this ..... day of ..... 2018.

Signature of shareholder ..... Signature of Proxy holder(s) .....

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Affix Revenue  
Stamp not  
less than  
Rs. 0.15





PUDA SECTOR 32A