



Vardhmān

53rd
ANNUAL REPORT
2 0 1 6 - 2 0 1 7



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. 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. Surinder Singh Bagai	<i>Independent Director</i>
Mr. Rajeev Kumar Mittal	<i>Director</i>
Mr. Vikas Kumar	<i>Director</i>

CHIEF FINANCIAL OFFICER

Ms. Poorva Bhatia

COMPANY SECRETARY

Mr. Amrender Kumar Yadav

AUDITORS

M/s. R. Dewan & Company, 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 THIRD ANNUAL GENERAL MEETING** of members of Vardhman Holdings Limited will be held on Friday, the 22nd day of September, 2017 at 4.00 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 of the Company for the Financial Year ended 31st March, 2017 together with Report of Board of Directors and Auditors thereon.

Item No. 2 – Declaration of Final Dividend

To declare a final dividend of ₹ 5/- per share for the year ended 31st March, 2017.

Item No. 3 – Re-appointment of Mrs. Shakun Oswal as a director liable to retire by rotation

To appoint a Director in place of Mrs. Shakun Oswal (holding DIN: 00121915), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.

Item No. 4 – Ratification of appointment of Statutory Auditor

To consider and ratify the appointment of Statutory Auditors of the Company for the Financial Year 2017-18 and to fix their remuneration and in this regard 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 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, the appointment of M/s. R. Dewan & Co., (Firm Registration No. 017883N) Chartered Accountants, as the Statutory Auditors of the Company for a term of consecutive five (5) years starting from conclusion of the 50th Annual General Meeting till the conclusion of 55th Annual General Meeting of the Company be and is hereby ratified at the 53rd Annual General Meeting of the Company at such remuneration as may be finalized by the Chairman & Managing Director in consultation with auditors plus applicable taxes and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit.”

SPECIAL BUSINESS:

Item No. 5 – To consider to appoint Mr. Shri Paul Oswal as Managing Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and subject to the approval of Members of the Company, Mr. Shri Paul Oswal, be and is hereby appointed as a Managing Director of the Company for a period of three (3) years w.e.f. 9th August 2016, at remuneration as detailed below:-

SR. NO.	REMUNERATION	DETAILS
I.	Basic Salary	₹ 150,000 – 10,000 – ₹ 170,000 per month.
II.	Special Allowance	₹ 25,000/- p.m.
III.	Perquisites	The following perquisites shall be allowed in addition to the basic salary and special allowance.
a)	Car & Telephone	Free use of Company's car for official work as well as for personal purposes along with driver and telephone at Company's cost.
b)	Club Fees	Fees of club subject to a maximum of two clubs. This will not include admission and life membership fees.
c)	Medical Reimbursement	Reimbursement of medical expenses incurred by the appointee (including medi-claim insurance premium) on self and his family, on actual basis.

Explanation: “Family” means the spouse, the dependent children and dependent parents of the appointee.

RESOLVED FURTHER THAT Mr. Sachit Jain, Director, be and is hereby authorised to execute an agreement on behalf of the Company with Mr. Shri Paul Oswal subject to such changes and modifications as may be approved by the Members and agreed to by the Board of Directors and Mr. Shri Paul Oswal.

RESOLVED FURTHER THAT Common Seal of the Company, if required, be affixed on the said Agreement, in the presence of any of the Director and Mr. Amrender Kumar Yadav, Company Secretary, who shall countersign the same in token thereof.

RESOLVED FURTHER Mr. Amrender Kumar Yadav, Company Secretary, Ms. Ruchita Vij, Authorised Signatory, be and are severally hereby authorised to take all necessary steps as may be deemed necessary to comply with other legal formalities in this regard.”

Item No. 6 – Re-appointment of Mr. Sat Pal Kanwar, Independent Director

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and any 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. Sat Pal Kanwar (DIN: 01504398), Independent Director, whose period of office is expiring at this Annual General Meeting and who has submitted a declaration confirming that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible

for re-appointment for a second term in accordance with the provisions of the Companies Act, 2013, rules made thereunder and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company not liable to retire by rotation for a term of five (5) consecutive years starting from the date of this Annual General Meeting to the conclusion of the 58th Annual General Meeting of the Company."

Item No. 7 – Re-appointment of Mr. Jagdish Rai Singal, Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and any 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. Jagdish Rai Singal (DIN: 00699341), Independent Director, whose period of office is expiring at this Annual General Meeting and who has submitted a declaration confirming that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment for a second term in accordance with the provisions of the Companies Act, 2013, rules made thereunder and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company not liable to retire by rotation for a term of five (5) consecutive years starting from the date of this Annual General Meeting to the conclusion of the 58th Annual General Meeting of the Company."

Item No. 8 – Re-appointment of Mrs. Apinder Sodhi, Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and any 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), Mrs. Apinder Sodhi (DIN: 06642994), Independent Director, whose period of office is expiring at this Annual General Meeting and who has submitted a declaration confirming that she meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment for a second term in accordance with the provisions of the Companies Act, 2013, rules made thereunder and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the

Company not liable to retire by rotation for a term of five (5) consecutive years starting from the date of this Annual General Meeting to the conclusion of the 58th Annual General Meeting of the Company."

Item No. 9 – Re-appointment of Mr. Om Parkash Sharma, Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and any 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. Om Parkash Sharma (DIN: 02721270), Independent Director, whose period of office is expiring at this Annual General Meeting and who has submitted a declaration confirming that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment for a second term in accordance with the provisions of the Companies Act, 2013, rules made thereunder and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company not liable to retire by rotation for a term of five (5) consecutive years starting from the date of this Annual General Meeting to the conclusion of the 58th Annual General Meeting of the Company."

Item No. 10 – Appointment of Mr. Rajeev Kumar Mittal 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 Sections 149, 152 read with Schedule IV and any 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. Rajeev Kumar Mittal (DIN: 00765697), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and Articles of Association of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation for a term of five (5) consecutive years starting from the date of this Annual General Meeting to the conclusion of the 58th Annual General Meeting of the Company."

Item No. 11 – Appointment of Mr. Vikas Kumar as 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 Sections 149, 152 read with Schedule IV and any 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. Vikas Kumar (DIN: 07650988), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and Articles of Association of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as Director of the Company liable to retire by rotation.”

BY ORDER OF THE BOARD

PLACE: Ludhiana
DATE: August 12, 2017

Sd/-
(Amrender Kumar Yadav)
Company Secretary

NOTES:

1. **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.

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
4. 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.
5. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2008-09, 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 5th September, 2016 (date of last Annual General Meeting) on the website of the Company (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 25th September, 2017.

6. 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 to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/Alankit Assignments Limited.
7. **The Register of Members and the Share Transfer Books of the Company shall remain closed from 11th September, 2017 to 22nd September, 2017 (both days inclusive).**
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 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.
10. 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.
11. 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.
12. 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.
13. 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 Director's 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).

14. 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 and on the website of CDSL and will be communicated to the stock exchanges.
15. The Annual Report 2016-17 is being sent through electronic mode only to the members whose email addresses are registered with the Company/Depository Participant(s), unless any member who have not registered their email addresses, physical copies of the Annual Report 2016-17 are being sent by permitted mode.
16. 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.
17. 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) Regulations 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.
18. **The instructions for shareholders voting electronically are as under:**
 - (i) The e-voting period commences on 19th September, 2017 (9.00 a.m.) and ends on 21st September, 2017 (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 15th September, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after end of voting period. 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) - Members who have not updated their PAN with the Company/Depository Participant are requested to use 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. - 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
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. 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).
 - (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: **170819045** 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) 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/-
(Amrender Kumar Yadav)
Company Secretary
- PLACE: Ludhiana
DATE: August 12, 2017

ANNEXURE TO THE NOTICE:

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:
(For Item No. 5 to 11)

ITEM NO. 5

During the Financial Year 2016-17, Mrs. Shakun Oswal, conveyed her inability to continue as an Executive Director of the Company. Further, pursuant to the provisions of Section 203 of the Companies Act, 2013, the Board of Directors in its meeting held on 9th August, 2016, based on recommendation of Nomination & Remuneration Committee, appointed Mr. Shri Paul Oswal as Managing Director, of the Company for a period of three (3) years w.e.f. 9th August, 2016.

The said appointment of Mr. Shri Paul Oswal is subject to the approval of the members. Accordingly, your approval is solicited.

Memorandum of Interest:

Except Mr. Shri Paul Oswal, being appointee and Mrs. Shakun Oswal, Mr. Sachit Jain and Mrs. Suchita Jain, being relatives of appointee, 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 set out at Item No. 5 of the Notice.

ITEM NO. 6 TO 9:

Mr. Sat Pal Kanwar, Mr. Surinder Singh Bagai, Mr. Jagdish Rai Singal, Mrs. Apinder Sodhi and Mr. Om Parkash Sharma, were appointed as Independent Directors of the Company for a term of three (3) consecutive years, pursuant to approval of the Members under the provisions of the Companies Act, 2013 through resolutions passed at the 50th Annual General Meeting held on 25th September, 2014. As per the said resolutions, the term of appointment of all these Independent Directors expires at 53rd Annual General Meeting.

Considering the rich experience, knowledge, skills, valuable contributions to the Company and overall performance evaluation of these Independent Directors, the Board of Directors of the Company in its meeting held on 12th August, 2017 had approved and recommended the re-appointment of Mr. Sat Pal Kanwar, Mr. Jagdish Rai Singal, Mrs. Apinder Sodhi and Mr. Om Parkash Sharma as Independent Directors for a second term of five (5) consecutive years up to 58th Annual General Meeting to the Members of the Company for their approval.

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013, an Independent Director shall hold office for a term up to five (5) consecutive years on the Board of Directors of the Company and shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in Board's report.

Mr. Sat Pal Kanwar, Mr. Jagdish Rai Singal, Mrs. Apinder Sodhi and Mr. Om Parkash Sharma individually have given a declaration to the Board that they meet the criteria of

independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, they fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director.

The Company has received notice in writing from a member along with a requisite deposit proposing the candidature of Mr. Sat Pal Kanwar, Mr. Jagdish Rai Singal, Mrs. Apinder Sodhi and Mr. Om Parkash Sharma to be re-appointed as Independent Directors of the Company in accordance with the provisions of the Companies Act, 2013.

Brief Profile, Qualifications, Experience, Date of Appointment on Board, Shareholding in the Company along with Directorship, Membership/ Chairmanship of Committees held in other Listed Companies of Mr. Sat Pal Kanwar, Mr. Jagdish Rai Singal, Mrs. Apinder Sodhi and Mr. Om Parkash Sharma, are enclosed along with explanatory statement.

The Board of Directors recommends the Special Resolution as set out at Item Nos. 6 to 9 for approval of the Members. Accordingly, your approval is solicited.

Memorandum of Interest:

Except Mr. Sat Pal Kanwar, Mr. Jagdish Rai Singal, Mrs. Apinder Sodhi and Mr. Om Parkash Sharma, being appointees, 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 resolutions set out at Item Nos. 6 to 9 of the Notice.

ITEM NO. 10 & 11:

Pursuant to the provisions of Section 161 of the Companies Act, 2013, the Board of Directors in its meeting held on 11th November 2016, based on recommendation of Nomination & Remuneration Committee, appointed Mr. Rajeev Kumar Mittal and Mr. Vikas Kumar as additional directors w.e.f. 11th November 2016 to hold office till the date of 53rd Annual General Meeting of the Company. Therefore, it is proposed to appoint Mr. Rajeev Kumar Mittal as Independent director and Mr. Vikas Kumar as Director of the Company subject to approval of the members of the Company at this Annual General Meeting.

The Board of Directors recommends an Ordinary Resolution as set out at Item No. 10 & 11 for approval of the Members. Accordingly, your approval is solicited:-

Memorandum of Interest:

None of the Directors and 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. 10 & 11 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.

Name of the Director	Shakun Oswal	S.P. Oswal	Sat Pal Kanwar	Apinder Sudhi	Om Parkash Sharma	Jagdish Rai Singal	Rajeev Kumar Mittal	Vikas Kumar
Date of Birth	18.08.1946	08.04.1942	28.05.1939	21.11.1962	26.12.1939	03.01.1946	13.04.1962	17.12.1978
Date of Appointment	23.07.2005	12.04.1971	13.05.2008	27.07.2013	27.07.2009	17.10.2005	11.11.2016	11.11.2016
Expertise in specific functional area	Investment Activities	Rich business experience of more than 50 years in Textiles industry	Trading and Manufacturing Textiles	Management Professional	Business Executive for 42 years	Rich business experience of more than 43 years in International Trade	Experience of more than 36 years in steel industry	Business Executive with experience of more than 16 years in General Management
Qualifications	B.A.	M.Com (Gold Medalist)	F.SC (Faculty of Science)	MBA	M.A. Public Administration	B.A.	B.Com	MBA - Finance, Diploma in Organizational Leadership from Oxford, GM from IIM Ahmedabad
Directorships in Other Listed Companies as on 31 st March, 2017	NIL	1. Vardhman Textiles Limited 2. Vardhman Acrylics Limited	NIL	NIL	NIL	NIL	NIL	NIL
Chairman/Member of Committees of Other Listed Companies as on 31 st March, 2017	Audit Committee: NIL Stakeholders Relationship Committee: NIL	Audit Committee: NIL Stakeholders Relationship Committee: NIL	Audit Committee: NIL Stakeholders Relationship Committee: NIL	Audit Committee: NIL Stakeholders Relationship Committee: NIL	Audit Committee: NIL Stakeholders Relationship Committee: NIL	Audit Committee: NIL Stakeholders Relationship Committee: NIL	Audit Committee: NIL Stakeholders Relationship Committee: NIL	Audit Committee: NIL Stakeholders Relationship Committee: NIL
No. of shares held	19,084	56,880	1,312	NIL	NIL	10	NIL	NIL
Relationship with other Director(s)	Related to Mr. Shri Paul Oswal, Mr. Sachit Jain and Mrs. Suchita Jain.	Related to Mrs. Shakun Oswal, Mr. Sachit Jain, and Mrs. Suchita Jain.	Not related to any Director.	Not related to any Director.	Not related to any Director.	Not related to any Director.	Not related to any Director.	Not related to any Director.

NOTE:

1. The particulars of Directors are as on 31.03.2017.
2. Mr. Shri Paul Oswal has been appointed as a Managing Director w.e.f. 09.08.2016.

DIRECTORS' REPORT

Dear Members,

The Directors of your Company have pleasure in presenting their 53rd Annual Report of the business and operations of the Company along with the Audited Financial Statements for the year ended, 31st March, 2017.

1. FINANCIAL RESULTS:

The financial performance of your Company for the year ended 31st March, 2017 is as under:—

	(₹ in Lakhs)	
PARTICULARS	2016-17	2015-16
Revenue from operations (Net)	18,693.87	5,183.95
Other Income	357.02	125.16
Profit before Depreciation, Interest & Tax (PBDIT)	18,797.78	4,950.41
Interest and Financial expenses	—	—
Profit before Depreciation and Tax (PBDT)	18,797.78	4,950.41
Depreciation	3.95	4.06
Profit before Tax (PBT)	18,793.83	4,946.35
Provision for Tax – Current	4,079.00	252.00
– Deferred Tax	51.08	(71.62)
– MAT Credit Entitlement	(3,500.69)	(51.00)
Profit after tax (PAT)	18,164.44	4,816.97
Balance brought forward	13,197.90	9,460.17
Profit available for appropriation	31,362.34	14,277.14
Appropriations:		
Proposed Dividend on Equity shares	159.58	95.75
Corporate Dividend Tax	32.49	19.49
Transfer to General Reserve	—	—
Transfer to Statutory Reserve	3,633.00	964.00
Closing Balance of surplus i.e. Balance in statement of Profit & Loss	27,537.28	13,197.90
Earnings per share (₹)		
– Basic	569.14	150.93
– Diluted	569.14	150.93
Dividend per share (₹)	5.00	3.00

2. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

A. FINANCIAL ANALYSIS :

During the year under review, your Company has registered Revenue from Operations of ₹ 18,693.87 Lakhs as compared to ₹ 5,183.95 Lakhs in the previous year. The Company earned other income of ₹ 357.02 Lakhs during the year as against ₹ 125.16 Lakhs during last year.

PROFITABILITY:

The Company earned profit before depreciation, interest and tax of ₹ 18,797.78 Lakhs as against ₹ 4,950.41 Lakhs in the previous year. After providing for depreciation of ₹ 3.95 Lakhs (Previous Year ₹ 4.06 Lakhs), provision for current tax ₹ 4,079 Lakhs (Previous Year ₹ 252 Lakhs), deferred tax ₹ 51.08 Lakhs [Previous Year ₹ (71.62 Lakhs)], the net profit from operations worked out to ₹ 18,164.44 Lakhs as compared to ₹ 4,816.97 Lakhs in the previous year, which is mainly on account of buyback of shares by Vardhman Textiles Ltd as your Company has tendered 1,510,652 shares and has earned a net gain of ₹ 16,643 Lakhs thereon.

The balance available for appropriation after adding balance in surplus account is ₹ 31,362.34 Lakhs. Out of this, a sum of ₹ 159.58 Lakhs and ₹ 32.49 Lakhs have been appropriated towards proposed dividend and corporate dividend tax respectively thereon, ₹ 3,633 Lakhs is proposed to be transferred to Special reserve and the balance of ₹ 27,537.28 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, 2017 was ₹ 82.14 Lakhs as compared to ₹ 97.56 Lakhs in the previous year.

b) Current Assets:

The current assets as on 31st March, 2017 were ₹ 37,652.62 Lakhs as against ₹ 19,170.27 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:—

	(₹ in Lakhs)	
	2016-17	2015-16
Cash and Cash equivalents:		
Beginning of the year	62.38	54.24
End of the year	130.97	62.38
Net cash provided (used) by:		
Operating Activities	(3,435.25)	3,762.58
Investing Activities	3,617.37	(3,640.47)
Financial Activities	(113.54)	(113.97)

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, real estate. The investment is made in accordance with the asset allocation model approved 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 Company registered with RBI and mainly engaged in investment business. 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, 2017, there are no outstanding/unclaimed deposits from the public.

4. DIVIDEND:

The Board of Directors in its meeting held on 16th May, 2017 has declared 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 completion. The shareholders whose dividends have been transferred to the IEPF Authority can claim their dividend from the Authority. The unclaimed or unpaid dividend relating to the Financial Year 2009-10 is due for remittance by the end of September, 2017 to the Investor Education and Protection Fund established by the Central Government.

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

The details of these shares is provided on the website of Company, at 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 2016-17 are given below:-

Vardhman Textiles Limited (VTXL)

Vardhman Textiles Limited (VTXL) is an Associate Company of the Company. The Company holds 24.51% shares of VTXL as on 31st March, 2017. It is a Company engaged in manufacturing of world class textiles. During the year, the Revenue from Operations of the Company was ₹ 5,728.29 crore as compared to ₹ 5,613.96 crore in the previous year. The Company has earned a net profit of ₹ 1,001.38 crore as against a net profit of ₹ 676.36 crore in the 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, 2017. It is a trading Company dealing in trading of Cotton and Fibre. During the year, the Company has not traded any goods. So, the Revenue from Operations is NIL for the Financial Year 2016-17. The Company incurred a net loss of ₹ 6,851 as against a net loss of ₹ 27, 292 in the previous year.

8. DIRECTORS:

Liable to retire by rotation: In accordance with the provisions of the Articles of Association of the Company, Mrs. Shakun Oswal, Director of the Company, retires by rotation at the conclusion of the forthcoming Annual General Meeting and being eligible, offers herself for re-appointment. The Board recommended her appointment for the consideration of the members of the Company at the ensuing Annual General Meeting.

Appointment of Managing Director (KMP): During the year under review, Mrs. Shakun Oswal, conveyed her inability to continue office as Executive Director. Further, the Board of Directors in its meeting held on 9th August, 2016 has appointed Mr. Shri Paul Oswal as Managing Director of the Company for period of three years. The said appointment is subject to the approval of the members at the ensuing Annual General Meeting.

Additional Directors: During the year, Mr. Rajeev Kumar Mittal and Mr. Vikas Kumar, were appointed as Additional Directors of the Company by the Board of Directors in its

meeting held on 11th November, 2016. Their appointment is to be approved by the members in ensuing Annual General Meeting.

Declaration under Section 149(6):

Mr. Jagdish Rai Singal, Mr. Sat Pal Kanwar, Mr. Om Parkash Sharma & Mrs. 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 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 forms 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

Annual Evaluation of the Board Performance:

The meeting of Independent Directors of the Company for the Calendar Year 2016 was held on 11th November, 2016 to evaluate the performance of Non-Independent Directors, Chairman 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 and the minutes of the meeting were submitted to the Chairman of the Company.

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 the provisions of Section 203 of the Companies Act, 2013, the following KMPs were appointed/designated/ceased during the year.

Whole Time Key Managerial Personnel of the Company	Designation	Date of Appointment/ Designated by Board	Date of cessation
Shakun Oswal	Whole-Time Director (WTD)	21 st May 2011	20 th May 2016
S.P. Oswal	Chairman & Managing Director (CMD)	9 th August 2016	–
Poorva Bhatia	Chief Financial Officer (CFO)	12 th February 2015	–
Amrender Kumar Yadav	Company Secretary (CS)	10 th February 2016	–

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 forms part of this Annual Report.

11. AUDITORS AND AUDITORS REPORT:

Statutory Auditors:

At the Annual General Meeting held on 25th September, 2014, M/s. R. Dewan & Co., were appointed as Statutory Auditors of the Company to hold office till the conclusion of 55th Annual General Meeting of the Company. In terms of provisions of Section 139 (1) of the Companies Act, 2013, the appointment of Statutory Auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. R. Dewan & Co. as Statutory Auditors is placed for ratification by the members.

Further, the Statutory Auditors of the Company have submitted Auditors' Report on the accounts of the Company for the accounting year ended 31st March, 2017. This Auditors' Report is self-explanatory and requires no comments.

Secretarial Auditors:

M/s. Khanna Ashwani & Associates, Company Secretary in Practice, were appointed as Secretarial Auditors of the Company by the Board of Directors of the Company in its meeting held on 20th May, 2016 for the Financial Year 2016–17.

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 31st March, 2017. This Report is self-explanatory and requires no comments. The Report forms part of this report as **Annexure II**.

12. AUDIT COMMITTEE & VIGIL MECHANISM:

Composition of Audit Committee:

The Audit Committee consists of three Directors i.e. Mr. Om Parkash Sharma, Mr. Sat Pal Kanwar and Mrs. Apinder Sodhi, Independent Directors. Mrs. Apinder Sodhi is the Chairperson of the Committee and Mr. Amrender Kumar Yadav is the Secretary of the Committee. All the recommendations made by the Audit Committee were accepted by the Board.

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/5a743d3b9b143130ad8cc8ffbb5845a504d81_a531436265717.pdf

13. 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.

14. 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.

The Company has identified following focus areas for CSR:–

- **Promoting Education:** Promoting education by setting up schools, colleges etc. in order to deliver high quality education besides augmenting infrastructure of existing

educational institutions. This may include initiatives like grant of scholarships to poor & meritorious students in our schools & colleges.

- **Environment Protection and energy conservation:** Activities to protect environment and to sustain and continuously improve standards of Environment, Health and Safety through the collective endeavour of Company and its employees at all levels towards attaining world class standards. Also to contribute in conservation and development of natural resources including forest resources
- **Human capital development:** To encourage the development of human capital through skills development, vocational training programmes.
- **Rural development:** To contribute to development in rural areas near by unit of the Company and knowledge sharing and other social practices such as soil and moisture conservation and watershed management etc.
- **Other Initiatives:**
 - To contribute to empowering women economically, supplementing primary and secondary education and participating in rural capacity building programmes and such other schemes.
 - To respond to emergency situations & disasters by providing timely help to affected victims and their families.
 - Any other project/programme pertaining to activities listed in Companies (Corporate Social Responsibility) Rules, 2014.

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/d2741c4bbc072fc76df0539a029aeab5b86073411436265583.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**.

15. 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

16. INTERNAL FINANCIAL CONTROLS & ITS ADEQUACY:

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 to the Independent Auditor's Report on Consolidated Financial Statements as **Annexure B**.

17. 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. 24 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

18. 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 Statements (Please refer to Note 10, 11 and 12 to the Standalone Financial Statements).

19. 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, are NIL.

20. ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92, 134 and Rule 12 of the Companies (Management and administration) Rules, 2014 for the financial year 2016-17 in Form No. MGT-9 is annexed hereto and forms part of this report as **Annexure IV**.

21. HUMAN RESOURCES /INDUSTRIAL RELATIONS:

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

22. 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 2016-17. Accordingly, no particulars of employees are required to be given as per Rule 5 (2) and 5 (3) Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

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.

23. MATERIAL CHANGES AND COMMITMENT, IF ANY, 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 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 on the date of this report.

24. DIRECTORS RESPONSIBILITY STATEMENT:

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- 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 31st March, 2017 and of the profit of the Company for the year ended on 31st March, 2017;
- 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;
- the annual accounts have been prepared on a going concern basis;
- 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. a proper system has been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

25. 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. No change in nature of Business of the Company.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

26. ACKNOWLEDGEMENT:

Your Directors are pleased to place on record their sincere gratitude to the Government, Financial Institutions, 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 at all levels of the operations of the Company during the year.

BY ORDER OF THE BOARD

PLACE: Ludhiana
DATE: August 12, 2017

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 2016-17.
III	CSR Activities – Annual Report FY 2016-17.
IV	Extract of Annual Return – MGT 9.
V	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 11th November, 2014.

Upon the recommendations of Nomination and Remuneration Committee, the Board of Directors of Vardhman Holdings Limited (VHL) in their meeting held on 23rd 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 23rd 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 31.03.2017.

[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 **31.03.2017** 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 **31.03.2017** 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 1st 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) Listing Agreement and SEBI (**Listing Obligations and Disclosure Requirements**) **Regulations 2015** (effective 1st December 2015)
- (iii) NBFC Reporting Compliances as per Circular No. **DNBS (PD).CC.No.03/03.02.02/2015-16** issued on 26th 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.

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

Place: Ludhiana
Date: 29th April, 2017

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: 29th April, 2017

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

ANNEXURE-III

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2016-17

Sr. No.	Particulars	Details
1.	Brief outline of CSR Policy	Broad contours of CSR Policy of the Company: - Promotion of Education - Rural Development - Human Capital Development - Environment protection & energy Conservation - Contribution in empowering women - Economically, supplementing primary and secondary education and participating in rural capacity building programmes. - To respond to emergency situations & disasters by providing timely help to affected victims and their families. - 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: - Mrs. Suchita Jain- Chairperson - Mrs. Apinder Sodhi- Member - Mr. C.L. Jain- Member
3.	Average net profit of the Company for last three financial years	₹ 32.90 Crores
4.	Prescribed CSR Expenditure	₹ 65.80 Lakhs
5.	Details of CSR spent during the year:	
	Total amount spent for the financial year	₹ 50.00 Lakhs
	Amount unspent, if any	₹ 15.80 Lakhs
	Manner in which the amount spent during the financial year	ANNEXURE - A
6.	In case the Company has failed to spend two percent, reason thereof.	The Company has spent ₹ 50 Lakhs in the Financial Year 2016-17 on activities as provided in Annexure A. The Company has been examining for projects and initiatives which are consistent with its stated CSR policy. All pending CSR proposals, if any, are expected to be taken up in the next 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	ANNEXURE - B

ANNEXURE A

(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 preventive 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 preventive health care	Ludhiana, Punjab	25,00,000	25,00,000	25,00,000	Direct

ANNEXURE- B

RESPONSIBILITY STATEMENT

I, Suchita Jain, Chairperson of the CSR Committee of Vardhman Holdings Limited, undertake that the implementation and monitoring of CSR policy, is in compliance with CSR objectives.

Date: May 16, 2017
Place: Ludhiana

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

Sd/-
Suchita Jain
(Chairperson of CSR Committee)

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the Financial Year ended on 31st March 2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN:-	L17111PB1962PLC002463
ii)	Registration Date	27 th December, 1962
iii)	Name of the Company	VARDHMAN HOLDINGS LIMITED
iv)	Category / Sub-Category of the Company	Company limited by shares
v)	Address of the Registered office and contact details	Vardhman Premises, Chandigarh Road, Ludhiana - 141010
vi)	Whether listed company	Listed at the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Alankit Assignments Limited Address: 1E/13, Alankit Heights, Jhandewalan Extension, New Delhi-110055. Phone: 011-42541234 & 23541234, Fax:011-41543474, E-mail: rta@alankit.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products /services	NIC Code of the Product/service	% to total turnover of the Company
1	Investment Business	6430	98.13%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate Company	% of shares held by Vardhman Holdings Ltd.	Applicable Section
1	Vardhman Textiles Limited, Vardhman Premises, Chandigarh Road, Ludhiana-141010	L17111PB1973 PLC003345	Associate Company	24.51%	2(6)
2	Vardhman Spinning & General Mills Limited, Vardhman Premises, Chandigarh Road, Ludhiana-141010	U17121PB2007 PLC030853	Associate Company	50.00%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1,06,830	0	1,06,830	3.35	1,06,830	0	1,06,830	3.35	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt (s).	0	0	0	0.00	0	0	0	0.00	0.0
d) Bodies Corporate*	12,34,841	0	12,34,841	38.69	12,34,841	0	12,34,841	38.69	0.00
e) Banks/Fis	0	0	0	0.00	0	0	0	0.00	0.00
(e-i) Limited Liability Partnership	10,48,770	0	10,48,770	32.86	10,48,770	0	10,48,770	32.86	0.00
f) Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1):-	23,90,441	0	23,90,441	74.90	23,90,441	0	23,90,441	74.90	0.00
(2) Foreign									
a) NRIs – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other– Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/Fis	0	0	0	0.00	0	0	0	0.00	0.00
e) Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoters (A)= (A)(1)+(A)(2)	23,90,441	0	23,90,441	74.90	23,90,441	0	23,90,441	74.90	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1,860	20	1,880	0.06	1,860	20	1,880	0.06	0.00
b) Banks/Fis	31,412	260	31,672	0.99	31,412	248	31,660	0.99	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt (s).	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Institutional Investors	95,312	70	95,382	2.99	97,065	70	97,135	3.04	0.05
i) Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B)(1):-	1,28,584	350	1,28,934	4.04	1,30,337	338	1,30,675	4.09	0.05
2. Non Institutions									
a) Bodies Corporate									
i) Indian	1,67,409	3046	1,70,455	5.34	30,695	3546	34,241	1.07	(4.27)
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals	0	0	0	0.00	0	0	0	0.00	0.00
i) Individual shareholders holding nominal share capital up to ₹ 2 lakh	2,31,385	85848	3,17,233	9.94	2,33,910	81752	3,15,662	9.89	(0.05)
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh.	1,83,737	0	1,83,737	5.76	3,19,591	0	3,19,591	10.01	4.26
c) Any Other (specify)									
i) Non-Resident Indians	584	142	726	0.02	684	142	826	0.03	0.00
ii) Trusts & Foundations	10	0	10	0.00	100	0	100	0.00	0.00
Sub-Total (B)(2)	5,83,125	89,036	6,72,161	21.06	5,84,980	85,440	6,70,420	21.01	(0.05)
Total Public Shareholding (B)= (B)(1)+(B)(2)	7,11,709	89,386	8,01,095	25.10	7,15,317	85,778	8,01,095	25.10	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	31,02,150	89,386	31,91,536	100.00	31,05,758	85,778	31,91,536	100.00	0.00

ii) Shareholding of Promoters

Name of Shareholders	Shareholding at the beginning of the Year (01.04.2016)				Shareholding at the end of the Year (31.03.2017)		% Change in Shareholding during the year
	No. of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total Shares	
Adishwar Enterprises LLP	10,48,770	32.86	0.00	10,48,770	32.86	0.00	0
Devakar Investment & Trading Company Private Limited*	8,06,353	25.27	0.00	10,94,330	34.29	0.00	9.02
Flamingo Finance & Investment Company Limited	50,671	1.59	0.00	50,671	1.59	0.00	0
Anklesh Investments Private Limited*	11,698	0.37	0.00	0	0.00	0.00	(0.37)
Marshall Investment and Trading Company Private Limited*	22,331	0.70	0.00	0	0.00	0.00	(0.70)
Ramaniya Finance and Investment Company Limited	29,343	0.92	0.00	29,343	0.92	0.00	0
Santon Finance and Investment Company Limited	12,266	0.38	0.00	12,266	0.38	0.00	0
Plaza Trading Company Private Limited*	140	0.00	0.00	0	0.00	0.00	(0.00)
Pradeep Mercantile Company Private Limited*	2,49,072	7.80	0.00	0	0.00	0.00	(7.80)
Srestha Holdings Limited*	133	0.00	0.00	0	0.00	0.00	(0.00)
Syracuse Investment & Trading Company Private Limited*	4,603	0.14	0.00	0	0.00	0.00	(0.14)
Mahavir Spinning Mills Private Limited	10,332	0.32	0.00	10,332	0.32	0.00	0
Mr. S.P. Oswal	56,880	1.78	0.00	56,880	1.78	0.00	0
Shakun Oswal	19,084	0.60	0.00	19,084	0.60	0.00	0
Suchita Jain	28,416	0.89	0.00	28,416	0.89	0.00	0
Sachit Jain	2,330	0.07	0.00	2,330	0.07	0.00	0
Soumya Jain	80	0.00	0.00	80	0.00	0.00	0
Sagrika Jain	40	0.00	0.00	40	0.00	0.00	0
Eastern Trading Company	9,840	0.31	0.00	9,840	0.31	0.00	0
Ambar Syndicate	6,689	0.21	0.00	6,689	0.21	0.00	0
Northern Trading Company	13,760	0.43	0.00	13,760	0.43	0.00	0
Paras Syndicate	7,610	0.24	0.00	7,610	0.24	0.00	0
TOTAL	23,90,441	74.90	0.00	23,90,441	74.90	0.00	0.00

* Hon'ble Punjab & Haryana High Court, Chandigarh, vide its order no. 229 of 2015 (O & M) dated 1st August, 2016 had sanctioned the scheme of amalgamation of Anklesh Investments Private Limited, Marshall Investment and Trading Company Private Limited, Plaza Trading Company Private Limited, Pradeep Mercantile Company Private Limited, Srestha Holdings Private Limited and Syracuse Investment and Trading Company Private Limited with Devakar Investment and Trading Company Private Limited.

(iii) **Change of Promoters' Shareholding (Please specify, if there is no change)** : Hon'ble Punjab & Haryana High Court, Chandigarh, vide its order no. 229 of 2015 (O & M) dated 1st August, 2016 had sanctioned the scheme of amalgamation of Anklesh Investments Private Limited, Marshall Investment and Trading Company Private Limited, Plaza Trading Company Private Limited, Pradeep Mercantile Company Private Limited, Srestha Holdings Private Limited and Syracuse Investment and Trading Company Private Limited with Devakar Investment and Trading Company Private Limited.

Sr. No.	Name	Shareholding at the beginning of the year		Date	Increase/decrease in shareholding	Reason	Cumulative shareholding during the Year (01.04.2016 to 31.03.2017)	
		No. of share at the beginning (01.04.2016)/ end of the year (31.03.2017)	% of total shares of the Company				No. of share	% of total shares of the Company
1	Devakar Investment & Trading Company Private Limited	8,06,353	25.27	01.04.2016				
				19.10.2016	2,87,977	Amalgamation	10,94,330	34.29
		10,94,330	34.29	31.03.2017			10,94,330	34.29
2	Anklesh Investments Private Limited	11,698	0.37	01.04.2016				
				19.10.2016	-11,698	Amalgamation	0	0.00
		0	0.00	31.03.2017			0	0.00
3	Marshall Investment and Trading Company Private Limited	22,331	0.70	01.04.2016				
				19.10.2016	-22,331	Amalgamation	0	0.00
		0	0.00	31.03.2017			0	0.00
4	Plaza Trading Company Private Limited	140	0.00	01.04.2016				
				19.10.2016	-140.00	Amalgamation	0	0.00
		0	0.00	31.03.2017			0	0.00
5	Pradeep Mercantile Company Private Limited	2,49,072	7.80	01.04.2016				
				19.10.2016	-2,49,072	Amalgamation	0	0.00
		0	0.00	31.03.2017			0	0.00
6	Srestha Holdings Limited	133	0.00	01.04.2016				
				19.10.2016	-133	Amalgamation	0	0.00
		0	0.00	31.03.2017			0	0.00
7	Syracuse Investment & Trading Company Private Limited	4,603	0.14	01.04.2016				
				19.10.2016	-4,603	Amalgamation	0	0.00
		0	0.00	31.03.2017			0	0.00

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	Name	Shareholding at the beginning of the year		Date	Increase/decrease in shareholding	Reason of change	Cumulative shareholding during the Financial Year 2014-15	
		No. of share	% of total shares of the Company				No. of share	% of total shares of the Company
1	ANIL KUMAR GOEL	89,289	2.80	01.04.2016				
				08.04.2016	11	Purchase	89,300	2.80
				24.06.2016	300	Purchase	89,600	2.81
				08.07.2016	17	Purchase	89,617	2.81
				09.09.2016	383	Purchase	90,000	2.82
				16.09.2016	54	Purchase	90,054	2.82
				23.09.2016	829	Purchase	90,883	2.85
				30.09.2016	360	Purchase	91,243	2.86
				28.10.2016	550	Purchase	91,793	2.88
				04.11.2016	5	Purchase	91,798	2.88
				11.11.2016	1,236	Purchase	93,034	2.92
				18.11.2016	195	Purchase	93,229	2.92
				25.11.2016	162	Purchase	93,391	2.93
				09.12.2016	260	Purchase	93,651	2.93
				23.12.2016	16	Purchase	93,667	2.93
				30.12.2016	92	Purchase	93,759	2.94
		93,759	2.94	31.03.2017				
2	BARING INDIA PRIVATE EQUITY FUND III LISTED	71,484	2.24	01.04.2016				
					0	Nil Movement During the year	71,484	2.24
		71,484	2.24	31.03.2017				

Sr. No.	Name	Shareholding at the beginning of the year		Date	Increase/decrease in shareholding	Reason of change	Cumulative shareholding during the Financial Year 2014-15	
		No. of share	% of total shares of the Company				No. of share	% of total shares of the Company
3	ANAND NARESHBHAI SHAH	61,448	1.93	01.04.2016				
					0	Nil Movement During the year	61,448	1.93
		61,448	1.93	31.03.2017				
4	PRANAY CHANDRAVADAN DESAI*	0	0.00	01.04.2016				
				08.07.2016	26,707	Purchase	26,707	0.84
				15.07.2016	6,150	Purchase	32,857	1.03
				17.03.2017	4,976	Purchase	37,833	1.19
		37,833	1.19	31.03.2017				
5	SHELLY DESAI*	0	0.00	01.04.2016				
				17.06.2016	26,868	Purchase	26,868	0.84
				30.06.2016	7,549	Purchase	34,417	1.08
		34,417	1.08	31.03.2017				
6	CHANDRAVADAN DESAI*	0	0.00	01.04.2016				
				08.07.2016	29,980	Purchase	29,980	0.94
				15.07.2016	4,000	Purchase	33,980	1.06
		33,980	1.06	31.03.2017				
7	SEEMA GOEL	33,000	1.03	01.04.2016				
					0	Nil Movement During the year	33,000	1.03
		33 00	1.03	31.03.2017				
8	THE ORIENTAL INSURANCE COMPANY LIMITED	34,102	1.07	01.04.2016				
					0	Nil Movement During the year	34,102	1.07
		34,102	1.07	31.03.2017				
9	JYOTSNA DESAI*	0	0.00	01.04.2016				
				10.06.2016	24,999	Purchase	24,999	0.78
				28.10.2016	21	Purchase	25,020	0.78
				11.11.2016	54	Purchase	25,074	0.79
				09.12.2016	80	Purchase	25,154	0.79
		25,154	0.79	31.03.2017				
10	BARING INDIA PRIVATE EQUITY FUND II LISTED	23,828	0.75	01.04.2016				
					0	Nil Movement During the year	23,828	0.75
		23,828	0.75	31.03.2017				
11	CD EQUIFINANCE PRIVATE LIMITED**	1,31,251	4.11	01.04.2016				
				10.06.2016	-41,868	Sale	89,383	2.80
				17.06.2016	-10,000	Sale	79,383	2.49
				24.06.2016	-7,550	Sale	71,833	2.25
				30.06.2016	-26,707	Sale	45,126	1.41
				08.07.2016	-40,150	Sale	4,976	0.16
				10.03.2016	-4,976	Sale	0	0.00
		0	0.00	31.03.2017				
12	INDIAN SYNTANS INVESTMENTS (P) LTD.**	10,000	0.31	01.04.2016				
					0	Nil Movement During the year	10,000	0.31
		10,000	0.31	31.03.2017				
13	JAGDISH U THACKERSEY**	9,380	0.29	01.04.2016				
					0	Nil Movement During the year	9,380	0.29
		9,380	0.29	31.03.2017				
14	NAGDEVI TRADING & INVESTMENT CO. LTD.**	7,469	0.23	01.04.2016				
					0	Nil Movement During the year	7,469	0.23
		7,469	0.23	31.03.2017				

* Not in the Top 10 shareholders as on 01.04.2016. The same is reflected above since the Shareholder was one of the Top 10 shareholders as on 31.03.2017.

** Ceased to be in the list of Top 10 Shareholders as on 31.03.2017. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01.04.2016.

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Particulars	Shareholding at the beginning of the year		Date	Increase/decrease in shareholding	Reason of change	Cumulative Shareholding during the year	
		No. of share	% of total shares of the Company				No. of share	% of total shares of the Company
A	DIRECTORS							
1	Shakun Oswal	19,084	0.60	01.04.2016	Nil Movement			
		19,084	0.60	31.03.2017	During the year	NA	19,084	0.60
2	Sachit Jain	2,330	0.07	01.04.2016	Nil Movement			
		2,330	0.07	31.03.2017	During the year	NA	2,330	0.07
3	Suchita Jain	28,416	0.89	01.04.2016	Nil Movement			
		28,416	0.89	31.03.2017	During the year	NA	28,416	0.89
4	Chaman Lal Jain	05	0.00	01.04.2016	Nil Movement			
		05	0.00	31.03.2017	During the year	NA	05	0.00
5	Surinder Singh Bagai	770	0.02	01.04.2016	Nil Movement			
		770	0.02	31.03.2017	During the year	NA	770	0.02
6	Sat Pal Kanwar	1,312	0.04	01.04.2016	Nil Movement			
		1,312	0.04	31.03.2017	During the year	NA	1,312	0.04
7	Om Parkash Sharma	0	0.00	01.04.2016	Nil Movement			
		0	0.00	31.03.2017	During the year	NA	0	0.00
8	Apinder Sodhi	0	0.00	01.04.2016	Nil Movement			
		0	0.00	31.03.2017	During the year	NA	0	0.00
9	Jagdish Rai Singal	10	0.00	01.04.2016	Nil Movement			
		10	0.00	31.03.2017	During the year	NA	10	0.00
10	Rajeev Kumar Mittal	0	0.00	01.04.2016	Nil Movement			
	(Appointed as Additioonal Director on 11.11.2016)	0	0.00	31.03.2017	During the year	NA	0	0.00
11	Vikas Kumar	0	0.00	01.04.2016	Nil Movement			
	(Appointed as Additioonal Director on 11.11.2016)	0	0.00	31.03.2017	During the year	NA	0	0.00
B	KEY MANEGERIAL PERSONNEL							
1	Shri Paul Oswal (MD)	56,880	1.78	01.04.2016	Nil Movement			
		56,880	1.78	31.03.2017	During the year	NA	56,880	1.78
2	Poorva Bhatia (CFO)	0	0.00	01.04.2016	Nil Movement			
		0	0.00	31.03.2017	During the year	NA	0	0.00
3	Amrender Kumar Yadav (CS)	0	0.00	01.04.2016	Nil Movement			
		0	0.00	31.03.2017	During the year	NA	0	0.00

V. INDEBTEDNESS
Indebtedness of the Company including interest outstanding/accrued but not due for payment

Indebtedness at the beginning of the Financial Year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the Financial Year				
* Addition	Nil	Nil	Nil	Nil
* Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the Financial Year	Nil	Nil	Nil	Nil
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:
(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/Manager	Total Amount (in ₹)
		S.P. OSWAL	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	1,161,290.30 233,132.40 -	- - -
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify	- - -	- - -
5	Others, please specify	-	-
	Total (A)		1,394,422.70
	Ceiling as per the Act		93,969,167.65

B. Remuneration to other Directors:
(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
1	Independent Directors		Surinder Singh Bagai	Jagdish Rai Singal	Om Parkash Sharma	Apinder Sodhi	Sat Pal Kanwar	
	Fee for attending board/ committee meetings		10,000	30,000	77,500	1,07,500	1,00,000	3,25,000
	Commission		0	0	0	0	0	0
	Others, please specify		0	0	0	0	0	0
	Total (1)		10,000	30,000	77,500	1,07,500	1,00,000	3,25,000
2.	Other Non-Executive Directors	Chaman Lal Jain						
	Fee for attending board/ committee meetings	40,500	0	0	0	0	0	40,500
	Commission	0	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0	0
	Total (2)	40,500	0	0	0	0	0	0
	Total (B)=(1+2)	40,500	10,000	30,000	77,500	1,07,500	1,00,000	3,65,500
	Total Directors Remuneration	40,500	10,000	30,000	77,500	1,07,500	1,00,000	3,65,500
	Overall Ceiling as per the Act							20,67,32,169

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD
(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	CS	CFO	
1	Gross salary	NA	Amrender Kumar Yadav	Poorva Bhatia	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.00	3,13,084	6,71,145	9,84,229
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	0.00	0	0	0
2	Stock Option	0.00	0	0	0
3	Sweat Equity	0.00	0	0	0
4	Commission	0.00			
	– as % of profit	0.00	0	0	0
	– others, specify	0.00	0	0	0
5	Others, please specify	0.00	0	0	0
	Total		3,13,084	6,71,145	9,84,229

VII Penalties/Punishment/Compounding of offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

ANNEXURE-V

Particulars of employees and related disclosures:

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 2016-17 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2016-17 :

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for Financial Year 2016-17 (Amounts in ₹)	% increase in Remuneration in the Financial Year 2016-17	Ratio of remuneration of each Director/to median remuneration of employees
1	*S.P. Oswal Chairman & Managing Director	13,94,422.70	–	1.96
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	40,500	131.43%	0.06
6	J.R. Singal Non Executive and Independent Director	30,000	200.00%	0.04
7	S.S. Bagai Non Executive and Independent Director	10,000	0.00%	0.01
8	Apinder Sodhi Non Executive and Independent Director	107,500	7.23%	0.15
9	S.P. Kanwar Non Executive and Independent Director	100,000	20.85%	0.14
10	O.P. Sharma Non Executive and Independent Director	77,500	121.43%	0.11
11	Rajeev Kumar Mittal Non Executive and Independent Director (appointment to be approved by members at AGM)	–	–	–
12	Vikas kumar Non Executive Director (appointment to be approved by members at AGM)	–	–	–
13	Poorva Bhatia Chief Financial Officer	671,145	13.78%	0.99
14	**Amrender Kumar Yadav, Company Secretary	313,084	309.11%	0.46

*Mr. S.P. Oswal, Chairman & Managing Director, was appointed by the Board of Directors in their meeting held on 9th August, 2016.

**Amrender Kumar Yadav, Company Secretary, was appointed for part of FY 2015-16. In FY 2016-17 full remuneration is taken.

- The median remuneration of employees of the Company during the Financial Year was ₹ 7.10 Lakhs (previous year ₹ 3.34 Lakhs).
- The percentage increase in the median remuneration of employees in the Financial Year - 112.57%
- There were 3 permanent employees on the rolls of Company as on 31st March, 2017.
- Average percentage increase made in the salaries of employees other than the managerial personnel in the last Financial Year i.e. 2016-17 was 6.22%. Since, Mr. S.P. Oswal, Chairman & Managing Director, was appointed by the Board of Directors during part of Financial Year 2016-17, its not comparable with Financial Year 2015-16.
- It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

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 on 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 is hallmark 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 31st March, 2017:

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 Surinder Singh Bagai Sat Pal Kanwar Jagdish Rai Singal
Non- Executive Non-Independent Director	Chaman Lal Jain
Additional Directors Non-Executive	*Rajeev Kumar Mittal *Vikas Kumar

* Mr. Rajeev Kumar Mittal & Mr. Vikas Kumar were appointed as additional directors w.e.f. 11th November, 2016.

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 is related to any other director of the Company.

ii. Board Meetings:

During the Financial Year 2016-17, the Board met 4 times on the following dates:

- 20th May, 2016
- 9th August, 2016
- 11th November, 2016
- 14th February, 2017

- 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	Number of Board Meetings attended	Attendance at Last Annual General Meeting	Directorships in other Companies	Other Committee Memberships	Board Chairmanships in other companies	Committee Chairmanships in other companies
Shri Paul Oswal	4	No	7	Nil	3	Nil
Shakun Oswal	2	No	3	Nil	Nil	Nil
Sachit Jain	3	Yes	6	1	Nil	Nil
Suchita Jain	4	No	7	1	Nil	Nil
Chaman Lal Jain	3	No	Nil	Nil	Nil	Nil
Apinder Sodhi	4	Yes	2	1	Nil	1
Surinder Singh Bagai	1	No	2	Nil	Nil	Nil
Jagdish Rai Singal	3	No	5	Nil	Nil	Nil
Om Parkash Sharma	4	No	Nil	Nil	Nil	Nil
Sat Pal Kanwar	4	Yes	Nil	Nil	Nil	Nil
Rajeev Kumar Mittal*	0	Nil	1	Nil	Nil	Nil
Vikas Kumar*	1	Nil	Nil	Nil	Nil	Nil

* Mr. Rajeev Kumar Mittal & Mr. Vikas Kumar were appointed as Additional Directors of the Company w.e.f. 11th November, 2016.

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

3. 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	- 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. - 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
Nomination and Remuneration Committee	Apinder Sodhi (Chairperson) Sat Pal Kanwar Sachit Jain	- 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. - Formulated and recommended Nomination and Remuneration Policy. - The Nomination & 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. - Nomination and Remuneration Policy of the Company forms part of the Board Report as Annexure I.
Corporate Social Responsibility Committee	Suchita Jain (Chairperson) Apinder Sodhi Chaman Lal Jain	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 Rules, 2014. The CSR policy may be accessed on the Company's website at the link: https://www.vardhman.com/user_files/investor/d2741c4bbc072fc76df0539a029aeab5b86073411436265583.pdf - During the year, the Company has spent ₹ 50 Lakhs on CSR activities. - The Annual Report on CSR activities undertaken by the Company forms part of the Board Report as Annexure III.
Stakeholder Relationship Committee	Sachit Jain (Chairman) Sat Pal Kanwar Apinder Sodhi	- The Committee reviews and ensures redressal of investor grievances. - The Committee noted that during the year the Company had received 33 complaints from Investors. All complaints were duly resolved by the Company. There is no pendency in respect of shares received for transfer during the year 2016-2017 except those that are disputed/ sub-judice.

Mr. Amrender Kumar Yadav, Company Secretary and Compliance Officer, is the Secretary of all Board Committees constituted under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 .

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	3	1
Sachit Jain	N.A.	N.A.	Nil	Nil
Suchita Jain	N.A.	1	N.A.	N.A.
Apinder Sodhi	4	1	3	1
Om Parkash Sharma	4	N.A.	N.A.	N.A.
Chaman Lal Jain	N.A.	1	N.A.	N.A.
Sat Pal Kanwar	4	N.A.	3	1

N.A. - Not a member of the Committee

Note: 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.

iii. Meeting of Independent Directors:

The meeting of Independent Directors of the Company for the Calendar Year 2016 was held on 11th November, 2016 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 and the minutes of the meeting was submitted to the Chairman of the Company.

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 have 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

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

During the year under review, Mrs. Shakun Oswal, conveyed her inability to continue as Executive Director. Further, the Board of Directors in its meeting held on 9th August, 2016 has appointed Mr. Shri Paul Oswal as Managing Director of the Company for period of three (3) years. The said appointment is subject to the approval of the members at the ensuing Annual General Meeting.

A detail of remuneration paid to the Managing Director during the year 2016-17 is as given below:

(₹ in Lakhs)

Name	Designation	Salary	Perquisites & Allowances	Retirement Benefit	Commission	Gross remuneration
Shri Paul Oswal	Chairman & Managing Director	11.61	2.33	-	-	13.94

ii) Non-Executive Directors:

The Directors are paid sitting fees @ ₹ 10,000/- per Board Meeting and @ ₹ 7,500/- per Committee Meeting. The detail of sitting fees paid to the Directors during the Financial Year 2016-17 is given hereunder: -

S.No.	Name of The Director	Sitting fee (₹)
1.	Surinder Singh Bagai	10,000
2.	Jagdish Rai Singal	30,000
3.	Apinder Sodhi	107,500
4.	Om Parkash Sharma	77,500
5.	Chaman Lal Jain	40,500
6.	Sat Pal Kanwar	100,000

5. SHAREHOLDING DETAIL OF DIRECTORS AS ON 31.03.2017:

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	1,312

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	Number of Special Resolutions
52 nd Annual General Meeting for financial year ended 31 st March, 2016.	Monday, 5 th September, 2016 at 03.00 p.m	Regd. Office, Chandigarh Road, Ludhiana-141010.	NIL
51 st Annual General Meeting for financial year ended 31 st March, 2015.	Friday, 4 th September, 2015 at 05.00 p.m.	Regd. Office, Chandigarh Road, Ludhiana-141010.	NIL
50 th Annual General Meeting for financial year ended 31 st March, 2014.	Thursday, 25 th September, 2014 at 03.00 p.m	Regd. Office, Chandigarh Road, Ludhiana-141010.	2

ii. **Postal Ballot:** During the year no resolution was passed by way of Postal Ballot. There is no immediate proposal for passing any resolution through Postal Ballot in Financial Year 2017-18.

7. DISCLOSURES:

- There was no materially significant related party transaction that may have any potential conflict with interest of the Company at large.
- 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 and Exchange Board of India (SEBI) or any other Statutory Authority during the last three years.
- 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.
- 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.
- 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.
- During the year no case was filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- Further, the Company has complied with all mandatory requirements of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015. The Company may take up the non-mandatory requirements of the Listing Regulations in due course of time.

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.

GENERAL INFORMATION FOR SHAREHOLDERS

i) 53rd Annual General Meeting:

Date	: 22 nd September, 2017
Time	: 4.00 p.m.
Venue	: Regd. Office, Vardhman Premises, Chandigarh Road, Ludhiana-141 010.

ii) Financial Calendar 2017-18 (Tentative)

First Quarter Results	: August, 2017
Second Quarter Results	: October, 2017
Third Quarter Results	: February, 2018
Annual Results	: May, 2018

iii) Dates of Book Closure : 11th September, 2017 to 22nd September, 2017 (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 Bombay Stock Exchange Limited, Mumbai (BSE), 1st 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."

The Company has duly paid the listing fees to both the aforesaid Stock Exchanges for the Financial Year 2016-17.

vi) Stock Code:

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

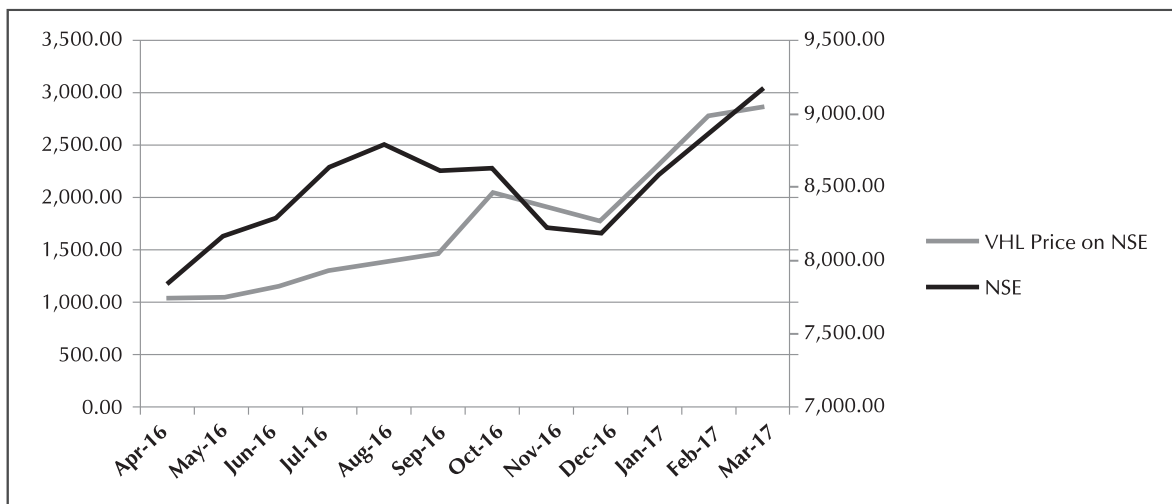
vii) Stock Market Data:

The month-wise highest and lowest and closing stock prices of NSE vis-a-vis BSE during the Financial Year 2016-17 are given below: -

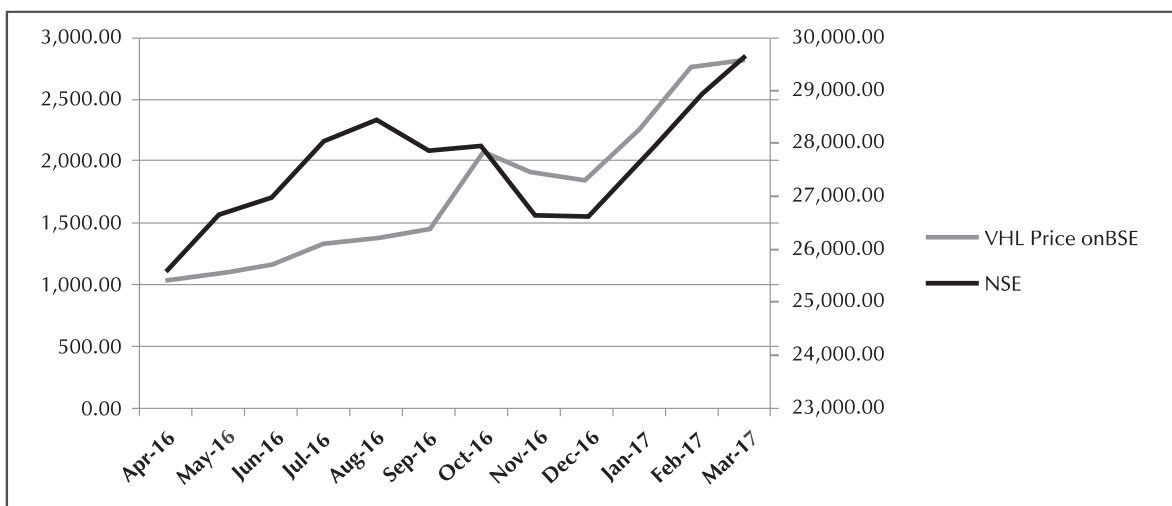
Financial Year 2016-17	Share Prices of the Company on NSE				Share prices of the Company on BSE			
	Highest (₹)	Lowest (₹)	Closing (₹)	Percent change over last month's closing	Highest	Lowest	Closing	Percent change over last month's closing
April	1055.30	855.00	1039.75	15.53	1069.50	848.00	1040.25	17.38
May	1192.00	1048.20	1048.20	0.81	1200.00	1030.00	1091.85	4.96
June	1197.50	1045.00	1139.25	4.94	1190.00	995.00	1170.00	7.16
July	1364.00	1094.00	1299.90	18.17	1340.00	1100.00	1325.00	13.25
August	1465.00	1217.40	1384.45	6.50	1460.00	1200.00	1379.35	4.10
September	1500.00	1300.05	1463.90	5.74	1500.00	1315.00	1454.95	5.48
October	2258.00	1489.00	2041.30	39.44	2210.00	1515.00	2070.50	42.31
November	2092.95	1659.50	1890.15	-7.40	2100.00	1659.95	1910.00	-7.75
December	1945.85	1639.70	1770.00	-6.36	1944.95	1692.00	1845.00	-3.40
January	2393.75	1725.10	2270.00	28.25	2350.00	1750.00	2270.20	23.05
February	2839.75	2240.00	2767.50	21.92	2827.85	2240.00	2757.95	21.48
March	2944.00	2602.00	2859.30	3.32	2902.00	2689.20	2820.00	2.25

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

NSE:



BSE:



ix) Information regarding Dividend Payment:

Dividends remaining unpaid/unclaimed up to the Financial Year 2008-09 has been transferred to the Investors' Education and Protection Fund (IEPF). The dividend declared from the Financial Year 2009-2010, which remained unpaid/unclaimed for a period of 7 years, will be transferred to the IEPF. It may be noted that any person claiming to be entitled to the amount of dividend may apply to the concerned authority constituted by Central Government in this regard. Members who have not claimed their dividend for the Financial Year 2010-2011 and onwards are requested to make their claim to the Company immediately.

The Company provides the facility of paying dividend through Electronic Clearing Service (ECS). Members who wish to avail this facility should give necessary directions to Depository Participants (in case shares are held in Demat form) or to the Registrar & Transfer Agent of the Company (in case shares are held in physical form).

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 Heights, Jhandewalan Extension, New Delhi - 110 055.

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

x) 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.

xi) Distribution of Shareholding as on 31st March, 2017:

Range of Number of Shares	SHAREHOLDERS		SHARES	
	Number	Percent	Number	Percent
Upto-500	7,159	98.24	234,003	7.33
501-1000	48	0.66	35,399	1.11
1001-5000	37	0.51	72,811	2.28
5001-10000	12	0.16	91,691	2.87
10001-50000	19	0.26	472,335	14.80
50001-above	12	0.17	2,285,297	71.61
Total	7,287	100.00	3,191,536	100.00

xii) Dematerialisation of shares:

As on 31st March, 2017, 97.31% of the capital comprising 3,105,758 shares, out of total of 3,191,536 shares, were dematerialized.

xiii) 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

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 31st March, 2017.

Place: Ludhiana
Dated: May 16, 2017

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

INDEPENDENT AUDITORS' 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 31 March 2017, 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 31st 2017.
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.

**For R. Dewan & Co.,
Chartered Accountants
Firm's Registration No. 017883N**

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

**Place: Ludhiana
Date: May 16, 2017**

INDEPENDENT AUDITORS' REPORT (STANDALONE FINANCIALS)

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, 2017, 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.

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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, 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 financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control 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, 2017;
- 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 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, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 :
 1. The Company does not have any pending litigations which would impact its financial position;

- II. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
- III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- IV. The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and are in accordance with the books of accounts maintained by the company.

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

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

**Place: Ludhiana
Date: May 16, 2017**

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2017, we report that:

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) According to 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 information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
- (ii) The company has not held any inventory during the year, therefore, the provisions 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 and 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 provisions 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, 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, there are no dues of duty of custom, which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of Income Tax has not deposited by the company on account of dispute:

Nature of Dues/ Name of Statute	Disputed Amount (in ₹)	Forum where dispute is pending
Income Tax Act, 1961	3,625,730/-	A.Y. 2013-14 CIT (Appeal)

- (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 or 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/provided for managerial remuneration in accordance with requisite approvals mandated by provisions of section 197 read with schedule V to the Act.
- (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 Companies Act, 2013 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: May 16, 2017**

Annexure - B 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")

1. We have audited the internal financial controls over financial reporting of Vardhman Holdings Limited ("the Company") as of 31st March 2017 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 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 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 2017, 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: May 16, 2017**

STANDALONE BALANCE SHEET As at 31st March, 2017

(₹ in Lakhs)

Particulars	Note No.	As at 31 st March 2017	As at 31 st March 2016
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	319.24	319.24
(b) Reserves and surplus	4	45,484.39	27,512.01
		45,803.63	27,831.25
(2) Non-current liabilities			
(a) Long-term borrowings		—	—
(b) Long-term provisions	5	0.47	0.21
		0.47	0.21
(3) Current liabilities			
(a) Short-term borrowings		—	—
(b) Trade payables		—	—
(c) Other current liabilities	6	103.32	77.88
(d) Short-term provisions	7	371.96	117.72
		475.28	195.60
TOTAL		46,279.38	28,027.06
II ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	82.14	97.56
(ii) Intangible assets		—	—
		82.14	97.56
(b) Deferred tax assets (net)	9	20.10	71.18
(c) Non-current investments	10	8,257.99	8,446.19
(d) Long-term loans and advances	11	266.53	241.86
		8,626.76	8,856.79
(2) Current assets			
(a) Current investments	12	33,310.31	18,627.01
(b) Cash and bank balances	13	130.96	62.38
(c) Short-term loans and advances		—	—
(d) Other current assets	14	4,211.35	480.88
		37,652.62	19,170.27
TOTAL		46,279.38	28,027.06

Significant Accounting Policies and 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 Kumar Yadav
Company Secretary

Poorva Bhatia
Chief Financial Officer

Suchita Jain
Director
DIN: 00746471

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

PLACE : LUDHIANA
DATED : 16-05-2017

STANDALONE STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2017

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31 st March 2017	For the year ended 31 st March 2016
i Revenue from operations	15	18,693.87	5,183.95
ii Other income	16	357.02	125.16
iii Total Revenue (i + ii)		19,050.89	5,309.11
iv Expenses :			
Employee benefits expense	17	24.17	13.07
Depreciation and amortization expenses	8	3.95	4.06
Other expenses	18	228.94	345.63
Total Expenses		257.06	362.76
v Profit before tax (iii – iv)		18,793.83	4,946.35
vi Tax expense :			
– Current Tax		4,079.00	252.00
– Deferred tax		51.08	(71.62)
– Mat Credit Entitlement		(3,500.69)	(51.00)
vii Profit for the year (v – vi)		18,164.44	4,816.97
Earnings per equity share			
[Earning per equity share ₹ 10/– (Previous Year: ₹ 10)]			
Basic		569.14	150.93
Diluted		569.14	150.93
Earnings per equity share (Excluding extraordinary items)			
[Earning per equity share ₹ 10/– (Previous Year: ₹ 10)]			
Basic		569.14	150.93
Diluted		569.14	150.93

Significant Accounting Policies and 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 Kumar Yadav
Company Secretary

Poorva Bhatia
Chief Financial Officer

Suchita Jain
Director
DIN: 00746471

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

PLACE : LUDHIANA
DATED : 16-05-2017

STANDALONE CASH FLOW STATEMENT for the year ended 31st March,2017

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2017	For the year ended 31 st March 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	18,793.83	4,946.35
Adjustments for :		
Depreciation and amortization	3.95	4.06
Loss on sale of fixed asset	4.10	—
Net Gain on sale of Current Investments	(1,088.87)	(885.93)
Net Gain on sale of Non-Current Investments	(16,838.21)	—
Adjustment to the carrying amount of investment	(178.02)	207.43
Provisions no longer required written Back	(0.08)	—
	(18,097.13)	(674.44)
Operating profit before working capital changes	696.70	4,271.91
Adjustments for :		
(Increase)/Decrease in trade receivables & Other assets	(254.44)	(283.18)
Increase/(Decrease) in trade payables and other liabilities	24.09	7.15
	(230.35)	(276.03)
Cash Generation from Operations	466.35	3,995.88
Taxes Paid	(3,901.61)	(233.30)
Net Cash flow from / (used in) Operating activities (A)	(3,435.26)	3,762.58
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments	(19,205.41)	(5,089.13)
Sale of Investments	22,815.42	1,448.66
Purchase of Fixed Assets	(0.83)	—
Sale of Fixed Assets	8.20	—
Net Cash flow from / (used in) investing activities (B)	3,617.38	(3,640.47)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid (including tax thereon)	(113.54)	(113.97)
Net Cash flow from / (used in) Financing Activities (C)	(113.54)	(113.97)
Net Increase in cash & cash equivalents (A+B+C)	68.58	8.14
Cash & cash equivalents as at the beginning	62.38	54.24
Cash & cash equivalents as at the end	130.96	62.38
Significant Accounting Policies and 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 Kumar Yadav
Company Secretary

Poorva Bhatia
Chief Financial Officer

Suchita Jain
Director
DIN: 00746471

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

PLACE : LUDHIANA
DATED : 16-05-2017

Notes to Standalone Financial Statements for the year ended March 31, 2017

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, 2017

(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 Standalone Financial Statements for the year ended March 31, 2017
3 SHARE CAPITAL

Particulars	As at 31.03.2017		As at 31.03.2016	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Authorised				
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
	40,000,000	4,000.00	40,000,000	4,000.00
Issued				
Equity Shares of ₹10/- each	3,191,536	319.15	3,191,536	319.15
	3,191,536	319.15	3,191,536	319.15
Subscribed and fully Paid-up				
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
Total	3,191,536	319.24	3,191,536	319.24

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

Equity shares	FY 2016-17		FY 2015-16	
	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	—	—	—	—
Outstanding at the end of the reporting period	3,191,536	319.15	3,191,536	319.15

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 31.03.2017 Number	As at 31.03.2016 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 31.03.2017		As at 31.03.2016	
	Number	% of shareholding	Number	% of shareholding
Adishwar Enterprises LLP (Formerly Adinath Investment and Trading Company)	1,048,770	32.86	1,048,770	32.86
Devakar Investment & Trading Company (P) Ltd.	1,094,330	34.29	806,353	25.27
Pradeep Mercantile Co.(P) Ltd. *	—	—	249,072	7.80

* Pardeep Mercantile Co (P) Ltd.has been merged into Devakar Investment & Trading Company (P) Limited

f. Terms of securities convertible into equity/preference shares

N.A

N.A

Notes to Standalone Financial Statements for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
4 RESERVES AND SURPLUS		
Capital Reserves	0.11	0.11
Capital Redemption Reserve	70.00	70.00
Securities Premium Account	781.28	781.28
Other Reserves :		
General Reserve		
Balance as per the last financial statements	9,659.72	9,659.72
Add: Transferred from surplus balance in the Statement of profit And loss	—	—
Closing Balance	9,659.72	9,659.72
Statutory Reserve (u/s 45-IC of RBI Act, 1934)		
Balance as per last financial statements	3,803.00	2,839.00
Add: Transferred from surplus balance in the statement of profit and loss	3,633.00	964.00
	7,436.00	3,803.00
Surplus i.e. Balance in the Statement of Profit and Loss		
Balance as per the last financial statements	13,197.90	9,460.17
Add: Profit for the period transferred from Statement of Profit and Loss	18,164.44	4,816.97
Less: Appropriations		
Proposed equity dividend amount per share ₹ 5 (Previous Year: ₹ 3 per share)	159.57	95.75
Tax on dividend	32.49	19.49
Transferred to general reserve	—	—
Transferred to Statutory Reserve	3,633.00	964.00
Closing Balance	27,537.28	13,197.90
Total Reserves and Surplus	45,484.39	27,512.01
5 LONG TERM PROVISIONS		
Provision for employee benefits :		
– Gratuity	—	0.08
– Leave encashment	0.47	0.13
	0.47	0.21

Notes to Standalone Financial Statements for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
6 OTHER CURRENT LIABILITIES		
Unpaid dividends#	10.23	8.53
Other payables		
– Others	93.09	69.35
	103.32	77.88

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

7 SHORT TERM PROVISIONS		
Provision for employee benefits :		
Leave encashment	0.03	0.02
Provision for Tax*	179.86	2.46
Other provisions :		
Provision for proposed equity dividend	159.58	95.75
Provision for tax on proposed dividend	32.49	19.49
	371.96	117.72

* Provision for tax is net of Advance tax of ₹ 5,056.03 Lakhs (Previous Year ₹ 1,154.44 Lakhs)

8 FIXED ASSETS

(₹ 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 31.03.2016
TANGIBLE ASSETS										
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	–	–	14.70
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 31.03.2017	As at 31.03.2016
Deferred tax liabilities		
Fixed assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting period	–	–
Gross deferred tax liability	–	–
Deferred tax assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowable for tax purposes on payment basis	20.10	71.18
Gross deferred tax asset	20.10	71.18
Deferred tax Assets (Net)	20.10	71.18

Notes to Standalone Financial Statements for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
10 NON-CURRENT INVESTMENTS		
Long Term investments (at cost unless otherwise stated)		
I TRADE INVESTMENTS		
Investment in equity instruments		
a. of associates (Quoted)		
14,058,157 (Previous Year 15,483,895) Equity Shares of ₹ 10/- each fully paid up of Vardhman Textiles Limited	7,670.36	7,355.47
b. of associates (Unquoted)		
25,000 (Previous Year 25,000) Equity Shares of ₹10/- each fully paid up of Vardhman Spinning & General Mills Limited	2.50	2.50
c. of Other entities (Quoted)		
733,762 (Previous Year 815,561) Equity Shares of ₹10/- each fully paid up of Vardhman Acrylics Limited	27.68	30.76
3,080,519 (Previous Year 3,080,519) Equity Shares of ₹10/- each fully paid up of Vardhman Special Steels Limited	557.44	557.45
II OTHER THAN TRADE		
a Investment in equity instruments of other entities (quoted)		
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	0.01
b Investment (quoted)		
Fixed maturity plans		
Nil (Previous Year 50,00,000) Units of ₹10/- each of Birla Sun Life Fixed Term Plan Series GI (1185 Days)	—	500.00
	8,257.99	8,446.19
1.Aggregate amount of Quoted Investments (Gross)	8,255.51	8,443.71
2.Market Value of Quoted Investments	309,394.11	122,294.26
3.Aggregate amount of Unquoted Investments (Gross)	2.50	2.50
4.Aggregate Provision for diminution in value of Investments	0.02	0.02
11 LONG-TERM LOANS AND ADVANCES		
(unsecured, considered good)		
Capital advances	266.53	241.86
	266.53	241.86

Notes to Standalone Financial Statements for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
12 CURRENT INVESTMENTS		
(AT LOWER OF COST AND FAIR VALUE)		
Investment in Equity instruments of other entities (quoted)		
553,755 (Previous Year 93,803) Equity Shares of ₹10/- each of Trident Limited	266.46	7.82
1,059,890 (Previous Year Nil) Equity Shares of ₹1/- each of Welspun India Limited	773.07	—
28,650 (Previous Year 28,650) Equity Shares of ₹10/- (previous year ₹10/-) each of Infosys Limited	301.19	
Less : Provision for Diminution in value of Investments	8.32	—
* 5,123 (Previous Year 6,258) Equity Shares of ₹2/- each of Lupin Limited	80.76	97.25
Less : Provision for Diminution in value of Investments	6.74	4.62
* 11,398 (Previous Year 11,531) Equity Shares of ₹1/- each of Sun Pharmaceutical Industries Limited	72.36	97.87
Less : Provision for Diminution in value of Investments	—	3.38
* 12,391 (Previous Year 2,958) Equity Shares of ₹10/- each of Bajaj Finance Limited	42.12	133.68
* 3,011 (Previous Year 676) Equity Shares of ₹10/- each of Bajaj Finserv Limited	75.16	13.33
Less : Provision for Diminution in value of Investments	—	1.82
* 6,801 (Previous Year 27,881) Equity Shares of ₹1/- each of Havells India Limited	18.51	75.90
* 825 (Previous Year 1,162) Equity Shares of ₹10/- each of Page Industries Limited	109.57	154.06
Less : Provision for Diminution in value of Investments	0.50	13.79
* 23,927 (Previous Year 32,814) Equity Shares of ₹1/- each of Motherson Sumi Systems Limited	55.43	98.66
Less : Provision for Diminution in value of Investments	—	11.08
* 4,076 (Previous Year 6,048) Equity Shares of ₹2/- each of HDFC Bank Limited	41.23	60.33
* 6,676 (Previous Year 10,030) Equity Shares of ₹1/- each of Asian Paints Limited	51.75	76.57
* 891 (Previous Year 1002) Equity Shares of ₹10/- each of Blue Dart Express Limited	54.80	63.00
Less : Provision for Diminution in value of Investments	8.67	2.22
* 3,054 (Previous Year 5,401) Equity Shares of ₹2/- each of Ajanta Pharma Limited	30.37	52.26
* 8,646 (Previous Year 9,116) Equity Shares of ₹1/- each of Amara Raja Batteries Limited	73.79	76.97
* 2,083 (Previous Year 9,324) Equity Shares of ₹2/- each of Cummins India Limited	24.38	87.96
Less : Provision for Diminution in value of Investments	4.61	9.45
* 14,229 (Previous Year 25,694) Equity Shares of ₹2/- each of Gruh Finance Limited	36.99	67.48
Less : Provision for Diminution in value of Investments	—	6.03
* 11,080 (Previous Year 17,108) Equity Shares of ₹1/- each of P I Industries Limited	62.61	95.34

Notes to Standalone Financial Statements for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
* 160 (Previous Year 122) Equity Shares of ₹10/- each of Shree Cements Limited	18.59	12.10
* 35,440 (Previous Year Nil) Equity Shares of ₹1/- each of Welspun India Ltd.	31.78	
Less : Provision for Diminution in value of Investments	0.72	
* 8,120 (Previous Year Nil) Equity Shares of ₹1/- each of K R B L Ltd.	21.46	
* 12,200 (Previous Year Nil) Equity Shares of ₹10/- each of Deepak Fertilisers Petrochemicals Corpn. Ltd.	21.07	
* 6,000 (Previous Year Nil) Equity Shares of ₹10/- each of Lumax Auto Technologies Ltd.	23.35	
* 25,122 (Previous Year Nil) Equity Shares of ₹2/- each of Graphite India Ltd.	26.99	
* 3,750 (Previous Year Nil) Equity Shares of ₹2/- each of Gulf Oil Lubricants India Limited	27.01	
Less : Provision for Diminution in value of Investments	0.59	
* 8000 (Previous Year Nil) Equity Shares of ₹2/- each of Mahindra and Mahindra Financial Services Ltd.	25.58	
Less : Provision for Diminution in value of Investments	0.39	
* 2,750 (Previous Year Nil) Equity Shares of ₹10/- each of Bharat Bijlee Ltd.	21.94	
* 10,290 (Previous Year Nil) Equity Shares of ₹1/- each of Exide Industries Ltd.	17.22	
* 18,600 (Previous Year Nil) Equity Shares of ₹1/- each of Time Technoplast Ltd.	11.88	
* 1,400 (Previous Year Nil) Equity Shares of ₹10/- each of S R F Ltd.	18.62	
* 3,085 (Previous Year Nil) Equity Shares of ₹10/- each of Garware-Wall Ropes Ltd.	11.05	
* 15,000 (Previous Year Nil) Equity Shares of ₹1/- each of Balrampur Chini Mills Ltd.	21.44	
* 5,641 (Previous Year Nil) Equity Shares of ₹10/- each of Dewan Housing Finance Corpn. Ltd.	15.85	
* 3,000 (Previous Year Nil) Equity Shares of ₹1/- each of Shilpa Medicare Ltd	15.21	
* 1,110 (Previous Year Nil) Equity Shares of ₹10/- each of Siyaram Silk Mills Ltd.	13.60	
* 21,915 (Previous Year Nil) Equity Shares of ₹1/- each of Orient Paper Inds. Ltd.	10.18	
* 17,500 (Previous Year Nil) Equity Shares of ₹10/- each of Prism Cement Ltd.	16.17	
* 10,000 (Previous Year Nil) Equity Shares of ₹2/- each of Bodal Chemicals Ltd.	13.58	
* 4,150 (Previous Year Nil) Equity Shares of ₹2/- each of Balaji Amines Ltd.	9.61	
* 29,020 (Previous Year Nil) Equity Shares of ₹5/- each of Pennar Industries Ltd.	13.18	
Less : Provision for Diminution in value of Investments	1.30	

Vardhman Holdings Limited

Notes to Standalone Financial Statements for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	As at 31.03.2017		As at 31.03.2016	
* 16,183 (Previous Year Nil) Equity Shares of ₹5/- each of Tech Mahindra Ltd.	75.44		—	
Less : Provision for Diminution in value of Investments	1.14	74.30	—	
* 23,623 (Previous Year Nil) Equity Shares of ₹2/- each of Simplex Infrastructures Ltd.	74.23		—	
Less : Provision for Diminution in value of Investments	1.46	72.77	—	
* 37,275 (Previous Year Nil) Equity Shares of ₹10/- each of Mahindra CIE Automotive Ltd.		70.00	—	
* 91,650 (Previous Year Nil) Equity Shares of ₹5/- each of Kirloskar Ferrous Industries		70.98	—	
* 55,527 (Previous Year Nil) Equity Shares of ₹2/- each of KEC International		80.80	—	
* 37,225 (Previous Year Nil) Equity Shares of ₹2/- each of Kalpataru Power Transmission		95.54	—	
* 34,446 (Previous Year Nil) Equity Shares of ₹1/- each of Carborundum Universal		86.74	—	
* 7,137 (Previous Year Nil) Equity Shares of ₹1/- each of Aegis Logistics Ltd.		9.61	—	
* 1,721 (Previous Year Nil) Equity Shares of ₹2/- each of L&T Technology Services Ltd.	15.88		—	
Less : Provision for Diminution in value of Investments	2.48	13.40	—	
* 2,348 (Previous Year Nil) Equity Shares of ₹1/- each of Godrej Industries		11.31	—	
* 2,610 (Previous Year Nil) Equity Shares of ₹10/- each of Cholamandalam Investment and Finance Company	25.61		—	
Less : Provision for Diminution in value of Investments	0.44	25.17	—	
* 56 (Previous Year Nil) Equity Shares of ₹10/- each of M R F Ltd.		29.55	—	
* 1,488 (Previous Year Nil) Equity Shares of ₹2/- each of Dalmia Bharat Ltd.		26.74	—	
* 6,892 (Previous Year Nil) Equity Shares of ₹1/- each of Ramco Cements Ltd.		39.54	—	
* 881 (Previous Year Nil) Equity Shares of ₹5/- each of Maruti Suzuki India Ltd.		50.46	—	
* 4,908 (Previous Year 14,736) Equity Shares of ₹1/- each of Astral Poly Technik Limited		19.71	58.11	
* 3,471 (Previous Year 4,685) Equity Shares of ₹1/- each of Pidilite Industries Limited		19.49	25.81	
* 19,284 (Previous Year 7,758) Equity Shares of ₹5/- each of Kotak Mahindra Bank Limited	129.57		51.83	
Less : Provision for Diminution in value of Investments	—	129.57	0.89	50.94
* 2,643 (Previous Year 3,011) Equity Shares of ₹10/- each of Indusind Bank Limited		23.93		27.26
* 482 (Previous Year 881) Equity Shares of ₹10/- each of Eicher Motors Limited	82.12		155.12	
Less : Provision for Diminution in value of Investments	—	82.12	5.75	149.37
* 27,776 (Previous Year 17,354) Equity Shares of ₹10/- each of Hindustan Petroleum Corporation Limited	72.30		131.52	
Less : Provision for Diminution in value of Investments	—	72.30	7.05	124.47

Notes to Standalone Financial Statements for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	As at 31.03.2017		As at 31.03.2016	
* 29,581 (Previous Year 6,206) Equity Shares of ₹10/- each of National Buildings Construction Limited	40.54		64.15	
Less : Provision for Diminution in value of Investments	–	40.54	5.76	58.39
* 7,960 (Previous Year 4,947) Equity Shares of ₹2/- each of Kajaria Ceramics Limited		38.25		46.60
* Nil (Previous Year 1,585) Equity Shares of ₹2/- each of Symphony Limited		–		34.28
* Nil (Previous Year 8,668) Equity Shares of ₹2/- each of Dabur India Limited	–		24.88	
Less : Provision for Diminution in value of Investments	–	–	3.28	21.60
* 1,796 (Previous Year 4,425) Equity Shares of ₹2/- each of Bharat Forge Limited	16.32		42.97	
Less : Provision for Diminution in value of Investments	–	16.32	4.34	38.63
* 1,034 (Previous Year 736) Equity Shares of ₹2/- each of Britannia Industries Limited	32.46		24.03	
Less : Provision for Diminution in value of Investments	–	32.46	4.34	19.69
* 148 (Previous Year 241) Equity Shares of ₹10/- each of Bosch Limited	38.78		60.67	
Less : Provision for Diminution in value of Investments	5.11	33.67	10.58	50.09
* 12,854 (Previous Year 7,494) Equity Shares of ₹2/- each of Max Financial Services Limited		60.83		19.23
* 15,293 (Previous Year 24,926) Equity Shares of ₹1/- each of City Union Bank Limited	15.40		25.18	
Less : Provision for Diminution in value of Investments	–	15.40	1.55	23.63
* 10,183 (Previous Year 16,599) Equity Shares of ₹10/- each of Development Credit Bank Limited	14.18		23.02	
Less : Provision for Diminution in value of Investments	–	14.18	9.87	13.15
* 9,715 (Previous Year 15,834) Equity Shares of ₹1/- each of Jammu & Kashmir Bank Ltd.	10.72		17.27	
Less : Provision for Diminution in value of Investments	3.43	7.29	7.69	9.58
* 10,293 (Previous Year 14,619) Equity Shares of ₹1/- each of Voltas Limited	32.20		46.41	
Less : Provision for Diminution in value of Investments	–	32.20	5.75	40.66
* 3,918 (Previous Year 3,193) Equity Shares of ₹5/- each of Engineers India Limited	4.59		7.16	
Less : Provision for Diminution in value of Investments	–	4.59	1.73	5.43
* 226 (Previous Year 368) Equity Shares of ₹10/- each of Glaxo Smithkline Consumer Healthcare Limited	14.33		23.34	
Less : Provision for Diminution in value of Investments	2.68	11.65	1.12	22.22
* 1,925 (Previous Year 2,342) Equity Shares of ₹1/- each of Emami Limited	23.69		28.36	
Less : Provision for Diminution in value of Investments	3.20	20.49	6.53	21.83
* 1,301 (Previous Year 1,610) Equity Shares of ₹1/- each of Colgate Palmolive (India) Limited	6.51		16.37	
Less : Provision for Diminution in value of Investments	–	6.51	2.99	13.38
* 673 (Previous Year 1,097) Equity Shares of ₹10/- each of Container Corporation of India Limited	11.02		18.49	
Less : Provision for Diminution in value of Investments	2.45	8.57	4.85	13.64

Notes to Standalone Financial Statements for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
* Nil (Previous Year 7,494) Equity Shares of ₹2/- each of Max India – Taurus Venture Limited	–	18.98
Less : Provision for Diminution in value of Investments	–	10.70
		8.28
* Nil (Previous Year 1,498) Equity Shares of ₹10/- each of Max Venture & Industries Limited	–	2.15
Less : Provision for Diminution in value of Investments	–	1.21
		0.94
* 2,145 (Previous Year 3,496) Equity Shares of ₹2/- each of IPCA Laboratories Limited	16.55	25.69
Less : Provision for Diminution in value of Investments	3.17	5.34
	13.38	20.35
* 775 (Previous Year 1,264) Equity Shares of ₹2/- each of Alkem Laboratories Limited	10.68	17.41
Less : Provision for Diminution in value of Investments	–	0.26
	10.68	17.15
* Nil (Previous Year 2,574) Equity Shares of ₹10/- each of Speciality Restaurants Limited	–	4.23
Less : Provision for Diminution in value of Investments	–	2.04
		2.19
Total	4,015.12	2,456.28
Investment in Mutual Funds/Fixed Maturity Plans (quoted)		
Investment in Bonds/Debentures (unquoted)		
Nil (Previous Year 500) Non convertible debentures of ₹ 1,00,000/- each of India Infoline Finance Ltd.	–	500.00
	–	500.00
Investment in Preference Shares (quoted)		
Nil (Previous Year 70,00,000) 9.25% Non Convertible Redeemable cumulative Preference Shares of ₹ 10/- each fully paid of India Infoline Finance Ltd	–	702.31
	–	702.31
Investment in Bonds/Debentures/Certificate of Deposits (Unquoted)		
* Nil (Previous Year 6,273) 3% Debentures of ₹ 100/- each of Marwar Consultancy Pvt Ltd	–	6.27
* Nil (Previous Year 4,887) 3% Debentures of ₹ 100/- each of Vahin Advisors and Traders Pvt Ltd	–	4.89
* Nil (Previous Year 6,334) 3% Debentures of ₹ 100/- each of Jade Stone Development and Holding Pvt Ltd	–	6.33
* 12,845 (Previous Year 12,845) 3 % Debentures of ₹ 100/- each of Prabal Traders and Advisors Pvt Ltd	12.85	12.85
* 15,851 (Previous Year 15,851) 8.25% Debentures of ₹ 100/- each of Sherin Advisors & Traders Pvt Ltd	15.85	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 37,584) 10% Convertible Debentures of ₹ 100 each of Mantri Hamlet Private Limited	–	37.59
* 14,954 (Previous Year 43,122) Convertible Debentures of ₹ 100 each Godrej Landmark Redevelopers P Ltd	14.95	43.12
* Nil (Previous Year 9,714) Convertible Debentures of ₹ 100 each Suryanagari Trading And Consultancy Pvt Ltd.	–	9.71
	115.91	208.87

Notes to Standalone Financial Statements for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Investment in Equity Fund/Liquid Funds/Debt Funds/Monthly Income Plans (Unquoted)		
* Nil (Previous Year 247) Units of ₹10/- each of Reliance Medium Term Fund	—	0.03
46,457,176 (Previous Year Nil) Units of ₹10/- each of Reliance Arbitrage Advantage Fund–Direct Monthly Dividend Plan Reinvestment	5,000.00	—
2,154 (Previous Year Nil) Units of ₹1,000/- each of Dsp Liquidity Fund Direct Plan–Growth	50.00	—
2,669 (Previous Year Nil) Units of ₹1,000/- each of L&T Liquid Fund Direct Plan–Growth	59.08	—
2,88,596 (Previous Year Nil) Units of ₹10/- each of L&T India Value Fund	91.30	—
12,189,374 (Previous Year Nil) Units of ₹10/- each of L&T Resurgent India Corporate Bond Fund Direct Growth	1,500.00	—
383,282 (Previous Year Nil) Units of ₹10/- each of Mirae Asset Emerging Bluechip Fund – Direct Plan–Growth	150.78	—
96,841 (Previous Year Nil) Units of ₹1,000/- each of Kotak Floater Short Term–Direct Plan–Growth	2,553.91	—
21,094,637 (Previous Year Nil) Units of ₹10/- each of Kotak Equity Arbitrage Fund–Direct Plan–Fortnight Dividend	5,008.51	—
274,038 (Previous Year Nil) Units of ₹10/- each of Kotak Emerging Equity Scheme–Direct Plan–Growth	94.00	—
15,206 (Previous Year Nil) Units of ₹100/- each of Birla Sun Life Equity Fund–Growth–Direct	94.83	—
2,567 (Previous Year Nil) Units of ₹100/- each of Birla Sun Life Floating Rate Fund Short Term Plan – Growth – Direct	5.53	—
2 (Previous Year Nil) Units of ₹1,000/- each of HDFC Cash Management Fund – Savings Plan–Daily Dividend Option	0.02	—
31,23,985 (Previous Year 31,23,985) Units of ₹10/- each of IDFC Dynamic Bond Fund – Growth – (Regular Plan)	500.00	500.00
16,37,830 (Previous Year 16,37,830) Units of ₹10/- each of IDFC Dynamic Bond Fund – Growth – (Direct Plan)	250.00	250.00
90,44,535 (Previous Year 90,44,535) Units of ₹10/- each of Edelweiss Government Securities Fund – Regular Plan Growth	1,000.00	1,000.00
Nil (Previous Year 3,74,195) Units of ₹10/- each of Principal Smart Equity Fund–Direct Plan Half Yearly Dividend–Reinvestment	—	60.78
Less : Provision for Diminution in value of Investments	—	0.15
Nil (Previous Year 99,315) Units of ₹1,000/- each of SBI Premier Liquid Fund Regular Plan Growth	—	2,351.39
9,486 (Previous Year 44) Units of ₹1,000/- each of SBI Premier Liquid Fund Direct Plan Growth	240.50	1.02
24,889 (Previous Year 122) Units of ₹1,000/- each of SBI Ultra Short term debt fund Direct Plan Growth	514.36	2.33
Nil (Previous Year 2,12,594) Units of ₹10/- each of Mirae Asset Great Consumer fund – Direct Plan – Growth	—	50.00
Less : Provision for Diminution in value of Investments	—	4.83
7,15,884 (Previous Year 2,71,803) Units of ₹10/- each of BNP Paribas Equity Fund –Direct Plan Growth Option	485.93	175.39
6,69,037 (Previous Year 2,31,874) Units of ₹10/- each of IDFC Premier Equity Fund –Growth Direct Plan	495.02	162.02
Less : Provision for Diminution in value of Investments	—	0.41
	495.02	161.61

Notes to Standalone Financial Statements for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
41,48,364 (Previous Year 41,48,364) Units of ₹10/- each of Reliance Dynamic bond Fund Growth Plan Growth Option	750.00	750.00
Nil (Previous Year 65,279) Units of ₹10/- each of Reliance Equity Oppurtunity Fund Growth Plan Growth Option	—	50.00
Less : Provision for Diminution in value of Investments	—	6.65
25,00,000 (Previous Year 25,00,000) Units of ₹10/- each of Reliance Capital Builder Fund II Series A Growth Plan Growth Option	250.00	250.00
Less : Provision for Diminution in value of Investments	—	30.56
Nil (Previous Year 1,64,420) Units of ₹10/- each of ICICI Focused Bluechip Equity- Direct Growth	—	50.00
Less : Provision for Diminution in value of Investments	—	3.50
Nil (Previous Year 42,234) Units of ₹10/- each of ICICI Value Discovery Fund- Growth	—	50.01
Less : Provision for Diminution in value of Investments	—	4.06
Nil (Previous Year 7,96,973) Units of ₹10/- each of ICICI Focused Bluechip Equity- Regular Growth	—	230.00
Less : Provision for Diminution in value of Investments	—	10.67
4,19,938 (Previous Year 1,57,877) Units of ₹10/- each of ICICI Value Discovery Fund – Direct Plan Growth	501.58	176.00
Nil (Previous Year 27,798) Units of ₹100/- each of ICICI Liquid Plan – Direct Growth	—	62.19
4,00,091 (Previous Year 11,37,266) Units of ₹10/- each of DSP Micro Cap Fund Regular Growth	125.55	355.00
29,866 (Previous Year 29,866) Units of ₹1,000/- each of DSP Black Rock Strategic Bond Fund-Institutional Plan – Growth	500.00	500.00
Nil (Previous Year 4,28,366) Units of ₹10/- each of Kotak Select Focus Fund Growth Regular plan	—	100.00
Less : Provision for Diminution in value of Investments	—	5.07
2,087,273 (Previous Year 1,652,041) Units of ₹10/- each of Kotak Select Focus Fund Direct plan Growth	506.20	390.00
Less : Provision for Diminution in value of Investments	—	13.53
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
35,28,159 (Previous Year 35,28,159) Units of ₹10/- each of SBI Bluechip Fund Regular Plan Growth	950.00	950.00
Less : Provision for Diminution in value of Investments	—	—
1,77,100 (Previous Year 1,77,100) Units of ₹10/- each of SBI Bluechip Fund Direct Plan Growth	50.00	50.00
Nil (Previous Year 2,417) Units of ₹1,000/- each of BNP Paribas Overnight Fund Direct Plan Growth Option	—	56.19
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
Nil (Previous Year 2,07,409) Units of ₹10/- each of IDFC Money Manager Fund-Treasury Plan Growth-Direct Plan	—	50.00
48,99,324 (31.03.2016 48,99,324) Units of ₹10/- each of IIFL National Development agenda fund	425.00	500.00
66,93,938 (Previous Year 39,93,938) Units of ₹1,00,000/- each of Zodius Technology Fund	670.00	400.00
1,20,000 (Previous Year 60,000) Units of ₹100/- each of IVY Cap Venture Fund	120.00	60.00

Notes to Standalone Financial Statements for the year ended March 31, 2017

	(₹ in Lakhs)	
Particulars	As at 31.03.2017	As at 31.03.2016
335 (Previous Year 400) Units of ₹1,00,000/- each of India Venture Trust fund	334.81	400.00
* 97 (Previous Year 129) Units of ₹1,00,000/- each of Shambhavi Reality Pvt. Ltd.	98.21	130.46
* 48 (Previous Year 48) Units of ₹1,00,000/- each of Avigna Properties Pvt. Ltd.	48.96	48.96
* 80 (Previous Year 80) Units of ₹1,00,000/- each of Sutlej Housing Pvt. Ltd.	80.26	80.26
* 68 (Previous Year 68) Units of ₹1,00,000/- each of ASP Infra projects Pvt. Ltd.	68.07	68.07
* 54 (Previous Year 54) Units of ₹1,00,000/- each of Spenta Enclave Pvt. Ltd.	54.72	54.72
* 35 (Previous Year 35) Units of ₹1,00,000/- each of Midcity Infrastructure Pvt. Ltd.	36.54	36.54
* 62 (Previous Year 62) Units of ₹1,00,000/- each of Gulam Mustafa Enterprises Pvt. Ltd.	63.55	63.55
26,59,247 (Previous Year 11,36,000) Units of ₹10/- each of IIFL Seed Venture Fund 1	300.00	125.00
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	907.53	627.53
1,85,47,493 (Previous Year 1,30,78,928) Units of ₹10/- each of IIFL Real Estate Fund Series-2	1,977.53	1,377.53
2,077.50 (Previous Year 1,665) Units of ₹1,00,000/- each of ASK Real Estate Fund	1,694.02	1,670.58
	29,156.30	14,736.12
Investment in Equity Shares (Unquoted)		
* Nil (Previous Year 15,023) Equity Shares of ₹1/- each fully paid up of Marwar Consultancy Pvt Ltd	—	0.15
* 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
* Nil (Previous Year 14,979) Equity Shares of ₹1/- each fully paid up of Jade Stone Development and Holding Pvt Ltd	—	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
* 14,919 (Previous Year 14,919) Equity Shares of ₹1/- each fully paid up of Sherin Advisors & Traders Pvt Ltd	0.15	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
* 15 (Previous Year 15) Equity Shares of ₹10/- each fully paid up of Mantri Hamlet Private Limited	0.01	0.01
* Nil (Previous Year 15,358) Equity Shares of ₹1/- each fully paid up of Suryanagari Trading And Consultancy Pvt. Ltd.	—	0.15
* 266 (Previous Year 266) Equity Shares of ₹ 100/- each fully paid up of Godrej Landmark Redevelopers P Ltd	21.73	21.73
	22.98	23.43
Total	33,310.31	18,627.01
Notes:		
1. Aggregate amount of quoted investments (Gross)	4,072.54	3,314.62
2. Aggregate amount of unquoted investments (Gross)	29,295.18	15,547.84
3. Market value of quoted investments	5,187.51	3,431.27
4. Aggregate Provision for diminution in value of Investments	57.42	235.45

* Investments are purchased through Portfolio Management Services

Notes to Standalone Financial Statements for the year ended March 31, 2017

(₹ in Lakhs)		
Particulars	As at 31.03.2017	As at 31.03.2016
13 CASH AND BANK BALANCES		
Cash and cash equivalents		
a) Balances with banks		
– On current accounts	120.74	53.81
b) Cash on hand	0.01	0.04
c) Other Bank Balances		
– Earmarked balances with banks (Dividend accounts)	10.21	8.53
	130.96	62.38
14 OTHER CURRENT ASSETS (unsecured, considered good)		
Interest Receivable	354.68	124.25
Mat Credit Recoverable	3,714.49	213.80
Prepaid Expenses	2.88	–
Other recoverable	139.30	142.83
	4,211.35	480.88
(₹ in Lakhs)		
Particulars	For the year ended 31st Mar 2017	For the year ended 31st Mar 2016
15 REVENUE FROM OPERATIONS		
Interest Income	632.05	256.39
Dividend Income from long term trade investments:		
– Associates	–	3,911.78
– others	–	0.78
Dividend income from current investments	134.74	129.07
Net Gain on sale of Non–Current Investments	16,838.21	–
Net Gain on sale of Current Investments	1,088.87	885.93
Revenue from operations (net)	18,693.87	5,183.95
16 OTHER INCOME		
Receipt against License agreement	123.15	122.03
Adjustment to 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	3.11	3.12
Prior Period Income (Refer Note 25)	52.63	–
Miscellaneous	0.01	0.01
	357.02	125.16
17 EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	24.17	13.07
	24.17	13.07
18 OTHER EXPENSES		
Rent	–	0.81
Professional charges	124.48	88.66
Insurance	0.38	0.41
Rates and Taxes	0.07	0.17
Auditors Remuneration:		
Audit Fee	0.57	0.34
Adjustment to in carrying amount of investment		
– Reduction in the carrying amount of current investments	–	207.43
Charity and Donation (Refer Note 26)	50.00	11.00
Other Financial Charges	32.87	4.25
Prior Period Expenses (Refer Note 25)	–	3.64
Loss on sale of fixed asset	4.10	–
Miscellaneous	16.47	28.91
	228.94	345.63

Notes to Standalone Financial Statements for the year ended March 31, 2017
19. Contingent Liabilities (to the extent not provided for) :

The Company has contested the additional demand in respect of income tax amounting to ₹ 9.74 Lakhs (Previous Year ₹ 36.29 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.

20. 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.

21. 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.

22. 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.

23. 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	0.13	0.10	0.51	0.57
Interest cost	0.01	–	0.04	0.03
Current service cost	0.12	0.11	0.18	0.12
Benefits paid / transferred	–	(0.19)	–	(0.38)
Actuarial (gain)/ loss on Obligations	0.21	0.12	0.04	0.17
Present value of obligation as at end of the year	0.47	0.13	0.77	0.51

(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	–	–	0.99	1.00
Expected return on Plan Assets	–	–	0.07	0.04
Contributions	–	–	–	–
Withdrawal	–	–	–	(0.05)
Benefits Paid	–	–	–	–
Actuarial gain/ (loss) on Obligations	–	–	(0.09)	–
Fair value of Plan Assets as at end of the year	–	–	0.98	0.99

(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	–	–	0.77	0.51
Fair value of Plan Assets as at end of the year	–	–	0.98	0.99
Unfunded Liability	–	–	0.21	–
Present value of unfunded obligation as at end of the year	0.47	0.13	–	–
Unfunded Actuarial (gains)/ losses	–	–	–	–
Unfunded Net Asset/ (Liability) recognised in Balance Sheet.	(0.47)	(0.13)	0.21	0.48

Notes to Standalone Financial Statements for the year ended March 31, 2017

(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	0.12	0.11	0.18	0.12
Interest cost	0.01	0.01	0.04	0.03
Expected return on Plan Assets	—	—	(0.07)	(0.04)
Actuarial (gain)/ loss on Obligations	0.21	0.11	0.12	0.17
Total expense recognised in Profit and Loss Account	0.34	0.23	0.27	0.28

(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)	7.35%	8.00%	7.35%	8.00%
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%	4.50%
Expected Average remaining working lives of employees (years)	31.61	32.50	31.61	32.50
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	0.02	0.02	0.08	—	0.17	—
Liability as at end of the year	0.03	0.02	0.16	0.08	0.11	0.17
Contribution paid or written off	—	—	—	—	0.17	2.00
Amount debited to Profit & Loss Account	0.01	0.00	0.08	0.08	0.11	2.17

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

24. 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 Kumar 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)	85.65	84.53	—	—	85.65	84.53
Dividend received	—	3,911.78	—	—	—	3,911.78
Rent Received	1.80	1.80	—	—	1.80	1.80
Managerial Remuneration	—	—	24.17	13.07	24.17	13.07

Notes to Standalone Financial Statements for the year ended March 31, 2017

25. Prior period items are as follows :-

Particulars	(₹ in Lakhs)	
	For the year ended 31.03.2017	For the year ended 31.03.2016
a) Prior Period Income	80.96	3.93
b) Prior Period Expense	28.33	7.57

26. In accordance with the provisions of Section 135 of the Companies Act, 2013 the company has contributed a sum of ₹ 50.00 Lakhs (Previous year ₹ 10 Lakhs) towards approved CSR activities. The said amount stands debited under the head "other expenses".

27. 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.

28. Detail of Specified Bank notes is as under:

During the year, the Company had specified bank notes or other denomination notes as defined in the Ministry of Corporate Affairs notification G.S.R. 308(E) dated 31st March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	(In ₹)		
	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8 th November 2016	5,000.00	13.00	5,013.00
(+) Permitted receipts	—	—	—
(-) Permitted payments	—	—	—
(-) Amount deposited in Bank	5,000.00	—	5,000.00
Closing cash in hand as on 30 th December 2016	—	13.00	13.00

* For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E) dated 8 November 2016.

29. The previous year figures have been reclassified to conform to this year's 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

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 : 16-05-2017

INDEPENDENT AUDITORS' REPORT (CONSOLIDATED FINANCIALS)

To
The Members of
Vardhman Holdings Limited

1. 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 31st March 2017, 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").

2. Management's Responsibility for the Consolidated 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

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. 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.
5. 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.
6. 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 control 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.
7. 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

8. 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 31st March, 2017 and their consolidated profits and consolidated cash flows for the year ended on that date.

Other Matters

9. We did not audit the Ind-AS financial statements/financial information of two associates whose IND-AS Financial Statements/Financial Statements reflect total assets of ₹ 7,516.54 Crore as at 31st March, 2017, total revenue of ₹ 6,066.76 Crore, total comprehensive income of ₹ 980.99 Crore for the year ended 31st March, 2017 as considered in the Consolidated Financial Statements whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these associates and our report in terms of sub sections (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid associates is based solely on the reports of the other auditors. Our opinion on the Consolidated Financial Statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

10. 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 31st March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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: May 16, 2017**

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")

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2017, 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.

2. 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.

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, 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.

4. 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.

5. 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 .

6. 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.

7. 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.

8. 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 2017, 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.

9. 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: May 16, 2017**

CONSOLIDATED BALANCE SHEET As at 31st March, 2017

(₹ in Lakhs)

Particulars	Note No.	As at 31 st March 2017	As at 31 st March 2016
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	319.24	319.24
(b) Reserves and surplus	4	154,518.64	124,389.54
		<u>154,837.88</u>	<u>124,708.78</u>
(2) Non-current liabilities			
(a) Long-term borrowings		—	—
(b) Long-term provisions	5	0.47	0.21
		<u>0.47</u>	<u>0.21</u>
(3) Current liabilities			
(a) Short-term borrowings		—	—
(b) Trade payables		—	—
(c) Other current liabilities	6	103.32	77.88
(d) Short-term provisions	7	371.97	117.72
		<u>475.29</u>	<u>195.60</u>
TOTAL		<u>155,313.64</u>	<u>124,904.59</u>
II ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	82.14	97.56
(ii) Intangible assets		—	—
		<u>82.14</u>	<u>97.56</u>
(b) Deferred tax assets (net)	9	20.10	71.18
(c) Non-current investments	10	116,928.96	105,323.72
(d) Long-term loans and advances	11	266.53	241.86
(e) Goodwill		363.29	—
		<u>117,661.02</u>	<u>105,734.32</u>
(2) Current assets			
(a) Current investments	12	33,310.31	18,627.01
(b) Cash and bank balances	13	130.96	62.38
(c) Short-term loans and advances		—	—
(d) Other current assets	14	4,211.35	480.88
		<u>37,652.62</u>	<u>19,170.27</u>
TOTAL		<u>155,313.64</u>	<u>124,904.59</u>

Significant Accounting Policies and notes to accounts 1 to 33

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

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 : 16-05-2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2017

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31 st March 2017	For the year ended 31 st March 2016
i Revenue from operations	15	6,796.16	1,272.17
ii Other income	16	357.02	125.16
iii Income from associates		24,054.43	14,952.92
Total Revenue (i + ii)		31,207.61	16,350.25
iv Expenses :			
Employee benefits expense	17	24.17	13.07
Depreciation and amortization expenses	8	3.95	4.06
Other expenses	18	228.94	345.62
Total Expenses		257.06	362.75
v Profit before tax (iii - iv)		30,950.55	15,987.50
vi Tax expense :			
- Current Tax		4,079.00	252.00
- Deferred Tax		51.08	(71.62)
- Mat Credit Entitlement		(3,500.69)	(51.00)
vii Profit for the year (v - vi)		30,321.16	15,858.12
Earnings per equity share			
[Earning per equity share ₹ 10/- (Previous Year: ₹ 10)]			
Basic		950.05	496.88
Diluted		950.05	496.88
Earnings per equity share (Excluding extraordinary items)			
[Earning per equity share ₹ 10/- (Previous Year: ₹ 10)]			
Basic		950.05	496.88
Diluted		950.05	496.88

Significant Accounting Policies and notes to accounts

1 to 33

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

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 : 16-05-2017

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2017

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31 st March 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items		30,950.55
Adjustments for :		
Depreciation and amortization		3.95
Loss on sale of fixed asset		4.10
Net Gain on sale of Current Investments		(1,088.87)
Income from associates		(24,054.41)
Net Gain on sale of Non-Current Investments		(4,940.50)
Net loss on sale of Long term Investments		—
Adjustment to the carrying amount of investment		(178.04)
Provisions no longer required written Back		(0.08)
Operating profit before working capital changes		696.70
Adjustments for :		
(Increase)/Decrease in trade receivables & Other assets		(254.43)
Increase/(Decrease) in trade payables and other liabilities		24.09
Cash Generation from Operations		466.35
Taxes Paid		(3,901.61)
Net Cash flow from / (used in) Operating activities (A)		(3,435.26)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments		(20,613.84)
Sale of Investments		24,223.85
Purchase of Fixed Assets		(0.83)
Sale of Fixed Assets		8.20
Net Cash flow from / (used in) investing activities (B)		3,617.38
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid (including tax thereon)		(113.54)
Net Cash flow from / (used in) Financing Activities (C)		(113.54)
Net Increase in cash & cash equivalents (A+B+C)		68.58
Cash & cash equivalents as at the beginning		62.38
Cash & cash equivalents as at the end		130.96

Significant Accounting Policies and notes to accounts 1 to 33

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 Kumar Yadav
Company Secretary

Poorva Bhatia
Chief Financial Officer

Suchita Jain
Director
DIN: 00746471

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

PLACE : LUDHIANA
DATED : 16-05-2017

Notes to Consolidated Financial Statements for the year ended March 31, 2017

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, 2017**(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, 2017
3 SHARE CAPITAL

Particulars	As at 31.03.2017		As at 31.03.2016	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Authorised				
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
	40,000,000	4,000.00	40,000,000	4,000.00
Issued				
Equity Shares of ₹ 10/- each	3,191,536	319.15	3,191,536	319.15
	3,191,536	319.15	3,191,536	319.15
Subscribed and fully Paid-up				
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
Total	3,191,536	319.24	3,191,536	319.24

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

Equity shares	FY 2016-17		FY 2015-16	
	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	-	-	-	-
Outstanding at the end of the reporting period	3,191,536	319.15	3,191,536	319.15

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 31.03.2017 Number	As at 31.03.2016 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 31.03.2017		As at 31.03.2016	
	Number	% of Shareholding	Number	% of Shareholding
Adishwar Enterprises LLP (Formerly Adinath Investment and Trading Company)	1,048,770	32.86	1,048,770	32.86
Devakar Investment & Trading Company (P) Limited	1,094,330	34.29	806,353	25.27
Pradeep Mercantile Co.(P) Ltd. *	-	-	249,072	7.80

* Pardeep Mercantile Co (P) Ltd. has been merged into Devakar Investment & Trading Company (P) Limited

- f. Terms of securities convertible into equity/preference shares N.A N.A

Notes to Consolidated Financial Statements for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
4 RESERVES AND SURPLUS		
Capital Reserves	0.11	0.11
Capital Redemption Reserve	70.00	70.00
Securities Premium Account	781.28	781.28
Other Reserves :		
General Reserve		
Balance as per the last financial statements	9,659.72	9,659.72
Add: Transferred from surplus balance in the Statement of profit And loss	-	-
Closing Balance	9,659.72	9,659.72
Statutory Reserve (u/s 45-IC of RBI Act, 1934)		
Balance as per last financial statements	3,803.00	2,839.00
Add: Transferred from surplus balance in the statement of profit and loss	3,633.00	964.00
	7,436.00	3,803.00
Surplus i.e. Balance in the Statement of Profit and Loss		
Balance as per the last financial statements	110,075.43	95,296.55
Add: Profit for the period transferred from Statement of Profit and Loss	30,321.16	15,858.12
Less: Appropriations		
Proposed Equity dividend amount per share ₹ 5 (Previous Year: ₹ 3 per share)	159.57	95.75
Tax on dividend	32.49	19.49
Transferred to General Reserve	-	-
Transferred to Statutory Reserve	3,633.00	964.00
Closing Balance	136,571.53	110,075.43
Total Reserves and Surplus	154,518.64	124,389.54
5 LONG TERM PROVISIONS		
Provision for employee benefits :		
- Gratuity	-	0.08
- Leave encashment	0.47	0.13
	0.47	0.21

Notes to Consolidated Financial Statements for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
6 OTHER CURRENT LIABILITIES		
Unpaid dividends#	10.23	8.53
Other payables		
- Others	93.09	69.35
	103.32	77.88
# unpaid dividends do not include any amount due and outstanding required to be credited to the Investors' Education and Protection Fund		
7 SHORT TERM PROVISIONS		
Provision for employee benefits :		
Leave encashment	0.03	0.02
Provision for Tax*	179.87	2.46
Other provisions :		
Provision for proposed equity dividend	159.58	95.75
Provision for tax on proposed dividend	32.49	19.49
	371.97	117.72

* Provision for tax is net of Advance tax of ₹ 5,056.03 Lakhs (Previous Year ₹ 1,154.44 Lakhs)

8 FIXED ASSETS

(₹ 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 31.03.2016
TANGIBLE ASSETS										
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	-	-	14.70
4. Office Equipment	-	0.82	-	0.82	-	0.11	-	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 31.03.2017	As at 31.03.2016
Deferred tax liabilities		
Fixed assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting period	-	-
Gross deferred tax liability	-	-
Deferred tax assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowable for tax purposes on payment basis	20.10	71.18
Gross deferred tax asset	20.10	71.18
Deferred tax Assets (Net)	20.10	71.18

Notes to Consolidated Financial Statements for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
10 NON-CURRENT INVESTMENTS		
Long Term investments (at cost unless otherwise stated)		
I TRADE INVESTMENTS		
Investment in equity instruments		
a. of associates (Quoted)		
1,40,58,157 (Previous Year 1,54,83,895) Equity Shares of ₹ 10/- each fully paid up of Vardhman Textiles Limited	7,670.36	7,355.47
Add: Share of Profit from associate company during the year	35,095.74	14,953.05
Add: Accumulated income in associate company as on 01.04.2015	85,087.30	85,087.30
Add: Capital reserve arising on account of carrying value of Investment.	744.91	744.91
Less: Goodwill arising during the year	(363.28)	-
Less: Dividend received during the year from associate company	-	(3,911.77)
Less: Accumulated profit adjusted due to buy back	(11,897.70)	-
	116,337.33	104,228.96
b. of associates (Unquoted)		
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	(0.17)	(0.14)
Add: Accumulated income in associate company as on 01.04.2015	3.65	3.65
Add: Capital reserve arising on account of carrying value of Investment.	0.52	0.52
	6.50	6.53
c. of Other entities (Quoted)		
7,33,762 (Previous Year 8,15,561) Equity Shares of ₹ 10/- each fully paid up of Vardhman Acrylics Limited	27.67	30.77
30,80,519 (Previous Year 30,80,519) Equity Shares of ₹ 10/- each fully paid up of Vardhman Special Steels Limited	557.45	557.45
II OTHER THAN TRADE		
a Investment in equity instruments of other entities (quoted)		
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	0.01
	-	-
b Investment (quoted)		
Fixed maturity plans		
Nil (Previous Year 50,00,000) Units of ₹ 10/- each of Birla Sun Life Fixed Term Plan Series GI (1185 Days)	-	500.00
	116,928.96	105,323.72
1. Aggregate amount of Quoted Investments (Gross)	8,255.51	8,443.71
2. Market Value of Quoted Investments	309,394.11	122,294.26
3. Aggregate amount of Unquoted Investments (Gross)	2.50	2.50
4. Aggregate Provision for diminution in value of Investments	0.02	0.02

Notes to Consolidated Financial Statements for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
11 LONG-TERM LOANS AND ADVANCES		
(unsecured, considered good)		
Other loans and advances		
Capital advances	266.53	241.86
	266.53	241.86
12 CURRENT INVESTMENTS		
(AT LOWER OF COST AND FAIR VALUE)		
Investment in Equity instruments of other entities (quoted)		
5,53,755 (Previous Year 93,803) Equity Shares of ₹ 10/- each of Trident Limited	266.46	7.82
10,59,890 (Previous Year Nil) Equity Shares of ₹ 1/- each of Welspun India Limited	773.07	-
28,650 (Previous Year 28,650) Equity Shares of ₹ 10/- (previous year ₹ 10/-) each of Infosys Limited	301.19	
Less : Provision for Diminution in value of Investments	8.32	292.87
* 5,123 (Previous Year 6,258) Equity Shares of ₹ 2/- each of Lupin Limited	80.76	97.25
Less : Provision for Diminution in value of Investments	6.74	74.02
* 11,398 (Previous Year 11,531) Equity Shares of ₹ 1/- each of Sun Pharmaceutical Industries Limited	72.36	97.87
Less : Provision for Diminution in value of Investments	-	72.36
* 12,391 (Previous Year 2,958) Equity Shares of ₹ 10/- each of Bajaj Finance Limited	42.12	133.68
* 3,011 (Previous Year 676) Equity Shares of ₹ 10/- each of Bajaj Finserv Limited	75.16	13.33
Less : Provision for Diminution in value of Investments	-	75.16
* 6,801 (Previous Year 27,881) Equity Shares of ₹ 1/- each of Havells India Limited	18.51	75.90
* 825 (Previous Year 1,162) Equity Shares of ₹ 10/- each of Page Industries Limited	109.57	154.06
Less : Provision for Diminution in value of Investments	0.50	109.07
* 23,927 (Previous Year 32,814) Equity Shares of ₹ 1/- each of Motherson Sumi Systems Limited	55.43	98.66
Less : Provision for Diminution in value of Investments	-	55.43
* 4,076 (Previous Year 6,048) Equity Shares of ₹ 2/- each of HDFC Bank Limited	41.23	60.33
* 6,676 (Previous Year 10,030) Equity Shares of ₹ 1/- each of Asian Paints Limited	51.75	76.57
* 891 (Previous Year 1,002) Equity Shares of ₹ 10/- each of Blue Dart Express Limited	54.80	63.00
Less : Provision for Diminution in value of Investments	8.67	46.13
* 3,054 (Previous Year 5,401) Equity Shares of ₹ 2/- each of Ajanta Pharma Limited	30.37	52.26
* 8,646 (Previous Year 9,116) Equity Shares of ₹ 1/- each of Amara Raja Batteries Limited	73.79	76.97
* 2,083 (Previous Year 9,324) Equity Shares of ₹ 2/- each of Cummins India Limited	24.38	87.96
Less : Provision for Diminution in value of Investments	4.61	19.77
		9.45
		78.51

Notes to Consolidated Financial Statements for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	As at 31.03.2017		As at 31.03.2016	
* 14,229 (Previous Year 25,694) Equity Shares of ₹ 2/- each of Gruh Finance Limited	36.99		67.48	
Less : Provision for Diminution in value of Investments	-	36.99	6.03	61.45
* 11,080 (Previous Year 17,108) Equity Shares of ₹ 1/- each of P I Industries Limited		62.61		95.34
* 160 (Previous Year 122) Equity Shares of ₹ 10/- each of Shree Cements Limited		18.59		12.10
* 35,440 (Previous Year Nil) Equity Shares of ₹ 1/- each of Welspun India Ltd.	31.78			-
Less : Provision for Diminution in value of Investments	0.72	31.06	-	-
* 8,120 (Previous Year Nil) Equity Shares of ₹ 1/- each of K R B L Ltd.		21.46		-
* 12,200 (Previous Year Nil) Equity Shares of ₹ 10/- each of Deepak Fertilisers Petrochemicals Corpn. Ltd.		21.07		-
* 6,000 (Previous Year Nil) Equity Shares of ₹ 10/- each of Lumax Auto Technologies Ltd.		23.35		-
* 25,122 (Previous Year Nil) Equity Shares of ₹ 2/- each of Graphite India Ltd.		26.99		-
* 3,750 (Previous Year Nil) 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	-	-
* 8,000 (Previous Year Nil) 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	-	-
* 2,750 (Previous Year Nil) Equity Shares of ₹ 10/- each of Bharat Bijlee Ltd.		21.94		-
* 10,290 (Previous Year Nil) Equity Shares of ₹ 1/- each of Exide Industries Ltd.		17.22		-
* 18,600 (Previous Year Nil) Equity Shares of ₹ 1/- each of Time Technoplast Ltd.		11.88		
* 1,400 (Previous Year Nil) Equity Shares of ₹ 10/- each of S R F Ltd.		18.62		
* 3,085 (Previous Year Nil) Equity Shares of ₹ 10/- each of Garware-Wall Ropes Ltd.		11.05		
* 15,000 (Previous Year Nil) Equity Shares of ₹ 1/- each of Balrampur Chini Mills Ltd.		21.44		
* 5,641 (Previous Year Nil) Equity Shares of ₹ 10/- each of Dewan Housing Finance Corpn. Ltd.		15.85		
* 3,000 (Previous Year Nil) Equity Shares of ₹ 1/- each of Shilpa Medicare Ltd		15.21		
* 1,110 (Previous Year Nil) Equity Shares of ₹ 10/- each of Siyaram Silk Mills Ltd.		13.60		
* 21,915 (Previous Year Nil) Equity Shares of ₹ 1/- each of Orient Paper Inds. Ltd.		10.18		
* 17,500 (Previous Year Nil) Equity Shares of ₹ 10/- each of Prism Cement Ltd.		16.17		
* 10,000 (Previous Year Nil) Equity Shares of ₹ 2/- each of Bodal Chemicals Ltd.		13.58		

Notes to Consolidated Financial Statements for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
* 4,150 (Previous Year Nil) Equity Shares of ₹ 2/- each of Balaji Amines Ltd.	9.61	
* 29,020 (Previous Year Nil) Equity Shares of ₹ 5/- each of Pennar Industries Ltd.	13.18	
Less : Provision for Diminution in value of Investments	1.30	11.88
* 16,183 (Previous Year Nil) Equity Shares of ₹ 5/- each of Tech Mahindra Ltd.	75.44	-
Less : Provision for Diminution in value of Investments	1.14	74.30
* 23,623 (Previous Year Nil) Equity Shares of ₹ 2/- each of Simplex Infrastructures Ltd.	74.23	-
Less : Provision for Diminution in value of Investments	1.46	72.77
* 37,275 (Previous Year Nil) Equity Shares of ₹ 10/- each of Mahindra CIE Automotive Ltd.	70.00	-
* 91,650 (Previous Year Nil) Equity Shares of ₹ 5/- each of Kirloskar Ferrous Industries	70.98	-
* 55,527 (Previous Year Nil) Equity Shares of ₹ 2/- each of KEC International	80.80	-
* 37,225 (Previous Year Nil) Equity Shares of ₹ 2/- each of Kalpataru Power Transmission	95.54	-
* 34,446 (Previous Year Nil) Equity Shares of ₹ 1/- each of Carborundum Universal	86.74	-
* 7,137 (Previous Year Nil) Equity Shares of ₹ 1/- each of Aegis Logistics Ltd.	9.61	-
* 1,721 (Previous Year Nil) Equity Shares of ₹ 2/- each of L&T Technology Services Ltd.	15.88	-
Less : Provision for Diminution in value of Investments	2.48	13.40
* 2,348 (Previous Year Nil) Equity Shares of ₹ 1/- each of Godrej Industries	11.31	-
* 2,610 (Previous Year Nil) Equity Shares of ₹ 10/- each of Cholamandalam Investment and Finance Company	25.61	-
Less : Provision for Diminution in value of Investments	0.44	25.17
* 56 (Previous Year Nil) Equity Shares of ₹ 10/- each of M R F Ltd.	29.55	-
* 1,488 (Previous Year Nil) Equity Shares of ₹ 2/- each of Dalmia Bharat Ltd.	26.74	-
* 6,892 (Previous Year Nil) Equity Shares of ₹ 1/- each of Ramco Cements Ltd.	39.54	-
* 881 (Previous Year Nil) Equity Shares of ₹ 5/- each of Maruti Suzuki India Ltd.	50.46	-
* 4,908 (Previous Year 14,736) Equity Shares of ₹ 1/- each of Astral Poly Technik Limited	19.71	58.11
* 3,471 (Previous Year 4,685) Equity Shares of ₹ 1/- each of Pidilite Industries Limited	19.49	25.81
* 19,284 (Previous Year 7,758) Equity Shares of ₹ 5/- each of Kotak Mahindra Bank Limited	129.57	51.83
Less : Provision for Diminution in value of Investments	-	0.89
* 2,643 (Previous Year 3,011) Equity Shares of ₹ 10/- each of Indusind Bank Limited	23.93	50.94
		27.26

Notes to Consolidated Financial Statements for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	As at 31.03.2017		As at 31.03.2016	
* 482 (Previous Year 881) Equity Shares of ₹ 10/- each of Eicher Motors Limited	82.12		155.12	
Less : Provision for Diminution in value of Investments	-	82.12	5.75	149.37
* 27,776 (Previous Year 17,354) Equity Shares of ₹ 10/- each of Hindustan Petroleum Corporation Limited	72.30		131.52	
Less : Provision for Diminution in value of Investments	-	72.30	7.05	124.47
* 29,581 (Previous Year 6,206) Equity Shares of ₹ 10/- each of National Buildings Construction Limited	40.54		64.15	
Less : Provision for Diminution in value of Investments	-	40.54	5.76	58.39
* 7,960 (Previous Year 4,947) Equity Shares of ₹ 2/- each of Kajaria Ceramics Limited		38.25		46.60
* Nil (Previous Year 1,585) Equity Shares of ₹ 2/- each of Symphony Limited		-		34.28
* Nil (Previous Year 8,668) Equity Shares of ₹ 2/- each of Dabur India Limited	-		24.88	
Less : Provision for Diminution in value of Investments	-	-	3.28	21.60
* 1,796 (Previous Year 4,425) Equity Shares of ₹ 2/- each of Bharat Forge Limited	16.32		42.97	
Less : Provision for Diminution in value of Investments	-	16.32	4.34	38.63
* 1,034 (Previous Year 736) Equity Shares of ₹ 2/- each of Britannia Industries Limited	32.46		24.03	
Less : Provision for Diminution in value of Investments	-	32.46	4.34	19.69
* 148 (Previous Year 241) Equity Shares of ₹ 10/- each of Bosch Limited	38.78		60.68	
Less : Provision for Diminution in value of Investments	5.11	33.67	10.58	50.09
* 12,854 (Previous Year 7,494) Equity Shares of ₹ 2/- each of Max Financial Services Limited		60.83		19.23
* 15,293 (Previous Year 24,926) Equity Shares of ₹ 1/- each of City Union Bank Limited	15.40		25.18	
Less : Provision for Diminution in value of Investments	-	15.40	1.55	23.63
* 10,183 (Previous Year 16,599) Equity Shares of ₹ 10/- each of Development Credit Bank Limited	14.18		23.02	
Less : Provision for Diminution in value of Investments	-	14.18	9.87	13.15
* 9,715 (Previous Year 15,834) Equity Shares of ₹ 1/- each of Jammu & Kashmir Bank Ltd.	10.72		17.27	
Less : Provision for Diminution in value of Investments	3.43	7.29	7.69	9.58
* 10,293 (Previous Year 14,619) Equity Shares of ₹ 1/- each of Voltas Limited	32.20		46.40	
Less : Provision for Diminution in value of Investments	-	32.20	5.75	40.65
* 3,918 (Previous Year 3,193) Equity Shares of ₹ 5/- each of Engineers India Limited	4.59		7.16	
Less : Provision for Diminution in value of Investments	-	4.59	1.73	5.43
* 226 (Previous Year 368) Equity Shares of ₹ 10/- each of GlaxoSmithkline Consumer Healthcare Limited	14.33		23.34	
Less : Provision for Diminution in value of Investments	2.68	11.65	1.12	22.22
* 1,925 (Previous Year 2,342) Equity Shares of ₹ 1/- each of Emami Limited	23.69		28.36	
Less : Provision for Diminution in value of Investments	3.20	20.49	6.53	21.83

Notes to Consolidated Financial Statements for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	As at 31.03.2017		As at 31.03.2016	
* 1,301 (Previous Year 1,610) Equity Shares of ₹ 1/- each of Colgate Palmolive (India) Limited	6.51		16.37	
Less : Provision for Diminution in value of Investments	-	6.51	2.99	13.38
* 673 (Previous Year 1,097) Equity Shares of ₹ 10/- each of Container Corporation of India Limited	11.02		18.49	
Less : Provision for Diminution in value of Investments	2.45	8.57	4.85	13.64
* Nil (Previous Year 7,494) Equity Shares of ₹ 2/- each of Max India - Taurus Venture Limited	-		18.98	
Less : Provision for Diminution in value of Investments	-	-	10.70	8.28
* Nil (Previous Year 1,498) Equity Shares of ₹ 10/- each of Max Venture & Industries Limited	-		2.15	
Less : Provision for Diminution in value of Investments	-	-	1.21	0.94
* 2,145 (Previous Year 3,496) Equity Shares of ₹ 2/- each of IPCA Laboratories Limited	16.55		25.69	
Less : Provision for Diminution in value of Investments	3.17	13.38	5.34	20.35
* 775 (Previous Year 1,264) Equity Shares of ₹ 2/- each of Alkem Laboratories Limited	10.68		17.41	
Less : Provision for Diminution in value of Investments	-	10.68	0.26	17.15
* Nil (Previous Year 2,574) Equity Shares of ₹ 10/- each of Speciality Restaurants Limited	-		4.23	
Less : Provision for Diminution in value of Investments	-	-	2.04	2.19
Total		4,015.12		2,456.28
Investment in Bonds/Debentures (unquoted)				
Nil (Previous Year 500) Non convertible debentures of ₹ 1,00,000/- each of India Infoline Finance Ltd.	-		500.00	
	-		500.00	
Investment in Preference Shares (quoted)				
Nil (Previous Year 70,00,000) 9.25% Non Convertible Redeemable cumulative Preference Shares of ₹ 10/- each fully paid of India Infoline Finance Ltd	-		702.31	
	-		702.31	
Investment in Bonds/Debentures/Certificate of Deposits (Unquoted)				
* Nil (Previous Year 6,273) 3% Debentures of ₹ 100/- each of Marwar Consultancy Pvt Ltd	-		6.27	
* Nil (Previous Year 4,887) 3% Debentures of ₹ 100/- each of Vahin Advisors and Traders Pvt Ltd	-		4.89	
* Nil (Previous Year 6,334) 3% Debentures of ₹ 100/- each of Jade Stone Development and Holding Pvt Ltd	-		6.33	
* 12,845 (Previous Year 12,845) 3% Debentures of ₹ 100/- each of Prabal Traders and Advisors Pvt Ltd	12.85		12.85	
* 15,851 (Previous Year 15,851) 8.25% Debentures of ₹ 100/- each of Sherin Advisors & Traders Pvt Ltd	15.85		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 37,584) 10% Convertible Debentures of ₹ 100 each of Mantri Hamlet Private Limited	-		37.59	

Notes to Consolidated Financial Statements for the year ended March 31, 2017

	(₹ in Lakhs)	
Particulars	As at 31.03.2017	As at 31.03.2016
* 14,954 (Previous Year 43,122) Convertible Debentures of ₹ 100 each Godrej Landmark Redevelopers P Ltd	14.95	43.12
* Nil (Previous Year 9,714) Convertible Debentures of ₹ 100 each Suryanagari Trading And Consultancy Pvt Ltd.	-	9.71
	115.91	208.87
Investment in Equity Fund/Liquid Funds/Debt Funds/ Monthly Income Plans (Unquoted)		
* Nil (Previous Year 247) Units of ₹ 10/- each of Reliance Medium Term Fund	-	0.03
46,457,176 (Previous Year Nil) Units of ₹ 10/- each of RELIANCE ARBITRAGE ADVANTAGE FUND-DIRECT MONTHLY DIVIDEND PLAN REINVESTMENT	5,000.00	-
2,154 (Previous Year Nil) Units of ₹ 1,000/- each of DSP LIQUIDITY FUND DIRECT PLAN-GROWTH	50.00	-
2,669 (Previous Year Nil) Units of ₹ 1,000/- each of L&T LIQUID FUND DIRECT PLAN-GROWTH	59.08	-
2,88,596 (Previous Year Nil) Units of ₹ 10/- each of L&T INDIA VALUE FUND	91.30	-
1,21,89,374 (Previous Year Nil) Units of ₹ 10/- each of L&T Resurgent India Corporate Bond Fund Direct Growth	1,500.00	-
3,83,282 (Previous Year Nil) Units of ₹ 10/- each of Mirae Asset Emerging Bluechip Fund - Direct Plan - Growth	150.78	-
96,841 (Previous Year Nil) Units of ₹ 1,000/- each of KOTAK FLOATER SHORT TERM-DIRECT PLAN-GROWTH	2,553.91	-
2,10,94,637 (Previous Year Nil) Units of ₹ 10/- each of KOTAK EQUITY ARBITRAGE FUND-DIRECT PLAN-FORTNIGHT DIVIDEND	5,008.51	-
2,74,038 (Previous Year Nil) Units of ₹ 10/- each of KOTAK EMERGING EQUITY SCHEME-DIRECT PLAN-GROWTH	94.00	-
15,206 (Previous Year Nil) Units of ₹ 100/- each of BIRLA SUN LIFE EQUITY FUND-GROWTH-DIRECT	94.83	-
2,567 (Previous Year Nil) Units of ₹ 100/- each of BIRLA SUN LIFE FLOATING RATE FUND Short Term Plan - Growth-DIRECT	5.53	-
2 (Previous Year Nil) Units of ₹ 1,000/- each of HDFC Cash Management Fund - Savings Plan-Daily Dividend Option	0.02	-
31,23,985 (Previous Year 31,23,985) Units of ₹ 10/- each of IDFC Dynamic Bond Fund - Growth - (Regular Plan)	500.00	500.00
16,37,830 (Previous Year 16,37,830) Units of ₹ 10/- each of IDFC Dynamic Bond Fund - Growth - (Direct Plan)	250.00	250.00
90,44,535 (Previous Year 90,44,535) Units of ₹ 10/- each of Edelweiss Government Securities Fund - Regular Plan Growth	1,000.00	1,000.00
Nil (Previous Year 3,74,195) Units of ₹ 10/- each of Principal Smart Equity Fund-Direct Plan Half Yearly Dividend-Reinvestment	-	60.78
Less : Provision for Diminution in value of Investments	-	0.15
Nil (Previous Year 99,315) Units of ₹ 1,000/- each of SBI Premier Liquid Fund Regular Plan Growth		2,351.39
9,486 (Previous Year 44) Units of ₹ 1,000/- each of SBI Premier Liquid Fund Direct Plan Growth	240.50	1.02

Notes to Consolidated Financial Statements for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
24,889 (Previous Year 122) Units of ₹ 1000/- each of SBI Ultra Short term debt fund Direct Plan Growth	514.36	2.33
Nil (Previous Year 2,12,594) Units of ₹ 10/- each of Mirae Asset Great Consumer fund - Direct Plan - Growth	-	50.00
Less : Provision for Diminution in value of Investments	-	4.83
7,15,884 (Previous Year 2,71,803) Units of ₹ 10/- each of BNP Paribas Equity Fund -Direct Plan Growth Option	485.93	175.39
6,69,037 (Previous Year 2,31,874) Units of ₹ 10/- each of IDFC Premier Equity Fund -Growth Direct Plan	495.02	162.02
Less : Provision for Diminution in value of Investments	-	0.41
41,48,364 (Previous Year 41,48,364) Units of ₹ 10/- each of Reliance Dynamic bond Fund Growth Plan Growth Option	750.00	750.00
Nil (Previous Year 65,279) Units of ₹ 10/- each of Reliance Equity Oppurtunity Fund Growth Plan Growth Option	-	50.00
Less : Provision for Diminution in value of Investments	-	6.65
25,00,000 (Previous Year 25,00,000) Units of ₹ 10/- each of Reliance Capital Builder Fund II Series A Growth Plan Growth Option	250.00	250.00
Less : Provision for Diminution in value of Investments	-	30.56
Nil (Previous Year 1,64,420) Units of ₹ 10/- each of ICICI Focused Bluechip Equity- Direct Growth	-	50.00
Less : Provision for Diminution in value of Investments	-	3.50
Nil (Previous Year 42,234) Units of ₹ 10/- each of ICICI Value Discovery Fund- Growth	-	50.01
Less : Provision for Diminution in value of Investments	-	4.06
Nil (Previous Year 7,96,973) Units of ₹ 10/- each of ICICI Focused Bluechip Equity- Regular Growth	-	230.00
Less : Provision for Diminution in value of Investments	-	10.67
4,19,938 (Previous Year 1,57,877) Units of ₹ 10/- each of ICICI Value Discovery Fund- Direct Plan Growth	501.58	176.00
Nil (Previous Year 27,798) Units of ₹ 100/- each of ICICI Liquid Plan - Direct Growth	-	62.19
4,00,091 (Previous Year 11,37,266) Units of ₹ 10/- each of DSP Micro Cap Fund Regular Growth	125.55	355.00
29,866 (Previous Year 29,866) Units of ₹ 1,000/- each of DSP Black Rock Strategic Bond Fund-Institutional Plan - Growth	500.00	500.00
Nil (Previous Year 4,28,366) Units of ₹ 10/- each of Kotak Select Focus Fund Growth Regular plan	-	100.00
Less : Provision for Diminution in value of Investments	-	5.07
20,87,273 (Previous Year 16,52,041) Units of ₹ 10/- each of Kotak Select Focus Fund Direct plan Growth	506.20	390.00
Less : Provision for Diminution in value of Investments	-	13.53
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
35,28,159 (Previous Year 35,28,159) Units of ₹ 10/- each of SBI Bluechip Fund Regular Plan Growth	950.00	950.00
Less : Provision for Diminution in value of Investments	-	-
	950.00	950.00

Notes to Consolidated Financial Statements for the year ended March 31, 2017

Particulars	(₹ in Lakhs)	
	As at 31.03.2017	As at 31.03.2016
1,77,100 (Previous Year 1,77,100) Units of ₹ 10/- each of SBI Bluechip Fund Direct Plan Growth	50.00	50.00
Nil (Previous Year 2,417) Units of ₹ 1,000/- each of BNP Paribas Overnight Fund Direct Plan Growth Option	-	56.19
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
Nil (Previous Year 2,07,409) Units of ₹ 10/- each of IDFC Money Manager Fund-Treasury Plan Growth-Direct Plan	-	50.00
48,99,324 (Previous Year 48,99,324) Units of ₹ 10/- each of IIFL National Development agenda fund	425.00	500.00
66,93,938 (Previous Year 39,93,938) Units of ₹ 100,000/- each of Zodiac Technology Fund	670.00	400.00
1,20,000 (Previous Year 60,000) Units of ₹ 100/- each of IVY Cap Venture Fund	120.00	60.00
335 (Previous Year 400) Units of ₹ 1,00,000/- each of India Venture Trust fund	334.81	400.00
* 97 (Previous Year 129) Units of ₹ 1,00,000/- each of Shambhavi Reality Pvt. Ltd.	98.21	130.46
* 48 (Previous Year 48) Units of ₹ 1,00,000/- each of Avigna Properties Pvt. Ltd.	48.96	48.96
* 80 (Previous Year 80) Units of ₹ 1,00,000/- each of Suttlej Housing Pvt. Ltd.	80.26	80.26
* 68 (Previous Year 68) Units of ₹ 1,00,000/- each of ASP Infraprojects Pvt. Ltd.	68.07	68.07
* 54 (Previous Year 54) Units of ₹ 1,00,000/- each of Spenta Enclave Pvt. Ltd.	54.72	54.72
* 35 (Previous Year 35) Units of ₹ 1,00,000/- each of Midcity Infrastructure Pvt. Ltd.	36.54	36.54
* 62 (Previous Year 62) Units of ₹ 1,00,000/- each of Gulam Mustafa Enterprises Pvt. Ltd.	63.55	63.55
26,59,247 (Previous Year 11,36,000) Units of ₹ 10/- each of IIFL Seed Venture Fund -I	300.00	125.00
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	907.53	627.53
1,85,47,493 (Previous Year 1,30,78,928) Units of ₹ 10/- each of IIFL Real Estate Fund Series-2	1,977.53	1,377.53
2,077.50 (Previous Year 1665) Units of ₹ 1,00,000/- each of ASK Real Estate Fund	1,694.02	1,670.58
	29,156.30	14,736.12
Investment in Equity Shares (Unquoted)		
* Nil (Previous Year 15,023) Equity Shares of ₹ 1/- each fully paid up of Marwar Consultancy Pvt Ltd	-	0.15
* 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
* Nil (Previous Year 14,979) Equity Shares of ₹ 1/- each fully paid up of Jade Stone Development and Holding Pvt Ltd	-	0.15

Notes to Consolidated Financial Statements for the year ended March 31, 2017

	(₹ in Lakhs)	
Particulars	As at 31.03.2017	As at 31.03.2016
* 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
* 14,919 (Previous Year 14,919) Equity Shares of ₹ 1/- each fully paid up of Sherin Advisors & Traders Pvt Ltd	0.15	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
* 15 (Previous Year 15) Equity Shares of ₹ 10/- each fully paid up of Mantri Hamlet Private Limited	0.01	0.01
* Nil (Previous Year 15,358) Equity Shares of ₹ 1/- each fully paid up of Suryanagari Trading And Consultancy Pvt. Ltd.	-	0.15
* 266 (Previous Year 266) Equity Shares of ₹ 100/- each fully paid up of Godrej Landmark Redevelopers P Ltd	21.73	21.73
	22.98	23.43
Total	33,310.31	18,627.01
Notes:		
1. Aggregate amount of quoted investments (Gross)	4,072.54	3,314.62
2. Aggregate amount of unquoted investments (Gross)	29,295.18	15,547.84
3. Market value of quoted investments	5,187.51	3,431.27
4. Aggregate Provision for diminution in value of Investments	57.42	235.45

* Investments are purchased through Portfolio Management Services

13 CASH AND BANK BALANCES
Cash and cash equivalents

a) Balances with banks		
- On current accounts	120.74	53.81
b) Cash on hand	0.01	0.04
c) Other Bank Balances		
- Earmarked balances with banks (Dividend accounts)	10.21	8.53
	130.96	62.38

14 OTHER CURRENT ASSETS

(unsecured, considered good)

Interest Receivable	354.68	124.25
Mat Credit Recoverable	3,714.49	213.80
Prepaid Expenses	2.88	-
Other recoverable	139.30	142.83
	4,211.35	480.88

Notes to Consolidated Financial Statements for the year ended March 31, 2017

(₹ in Lakhs)		
PARTICULARS	For the year ended 31st Mar 2017	For the year ended 31st Mar 2016
15 REVENUE FROM OPERATIONS		
Interest Income	632.05	256.39
Dividend Income from long term trade investments:		0.78
- Associates	-	-
- others	-	-
Dividend income from current investments	134.74	129.07
Net Gain on sale of Non-Current Investments	4,940.50	-
Net Gain on sale of Current Investments	1,088.87	885.93
Revenue from operations (net)	<u>6,796.16</u>	<u>1,272.17</u>
16 OTHER INCOME		
Receipt against License agreement	123.15	122.03
Adjustment to 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	3.11	3.12
Prior Period Income (Refer Note 29)	52.63	-
Miscellaneous	0.01	0.01
	<u>357.02</u>	<u>125.16</u>
17 EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	24.17	13.07
	<u>24.17</u>	<u>13.07</u>
18 OTHER EXPENSES		
Rent	-	0.81
Professional charges	124.48	88.66
Insurance	0.38	0.41
Rates and Taxes	0.07	0.17
Auditors Remuneration:		
Audit Fee	0.57	0.34
Adjustment to in carrying amount of investment	-	
- Reduction in the carrying amount of current investments	-	207.43
Charity and Donation (Refer Note 30)	50.00	11.00
Other Financial Charges	32.87	4.25
Prior Period Expenses (Refer Note 29)	-	3.64
Loss on sale of fixed asset	4.10	-
Miscellaneous	16.47	28.91
	<u>228.94</u>	<u>345.62</u>

Notes to Consolidated Financial Statements for the year ended March 31, 2017

19. ASSOCIATES

The Consolidated Financial Statements present the Consolidated accounts of Vardhman Holdings Limited with its following associates:

Name of Associates	Extent of Parent Company's Share holding
a) Vardhman Textiles Limited	24.51%
b) Vardhman Spining and General Mills Limited	50.00%

20. 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	(₹ in Lakhs)									
	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	24.51%	24.33%	7,670.36	7,355.46	381.63	744.91	1,08,285.34	96,128.58	1,16,337.33	1,04,228.95
Vardhman Spining and General Mills Limited	50.00%	50.00%	2.50	2.50	0.52	0.52	3.48	3.51	6.50	6.53

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

21. The company is currently governed by Accounting Standards issued by Ministry of Corporate Affairs. Indian Accounting Standards (Ind-AS) issued by Ministry of Corporate Affairs 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 Vardhman Textiles Limited was covered in 1st phase of Ind-AS transition. Since it was impracticable to convert Vardhman Textiles Limited consolidated financial statements from Ind-AS to Indian GAAP, the company has considered Ind-AS consolidated financial statements of Vardhman Textiles Limited for the purpose of preparing its own consolidated financial statements.

22. Consolidated financial statements have been prepared after making the following adjustments as per Transitional provisions of Accounting Standard :-

- As Per AS 23 "Accounting for Investment in associates in Consolidated Financial Statements" Capital reserve amounting to ₹ 745.42 Lakhs & share of accumulated profit in associate of ₹ 6,064.23 Lakhs arising on account of consolidation is adjusted against the opening balance of retained earnings as on 01.04.2015.
- As per AS 21 "Consolidated Financial Statements" being the transitional year, it is not practicable to present the Consolidated Cash flow Statement for the previous year (31.03.2016) since the consolidated figures for the year ended 31.03.2015 is not available.

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

The Company has contested the additional demand in respect of income tax amounting to ₹ 9.74 Lakhs (Previous Year ₹ 36.29). 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2017

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.
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:

(₹ 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	0.13	0.10	0.51	0.57
Interest cost	0.01	0.00	0.04	0.03
Current service cost	0.12	0.11	0.18	0.12
Benefits paid / transferred	-	(0.19)	-	(0.38)
Actuarial (gain)/ loss on Obligations	0.21	0.12	0.04	0.17
Present value of obligation as at end of the year	0.47	0.13	0.77	0.51

- (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	-	-	0.99	1.00
Expected return on Plan Assets	-	-	0.07	0.04
Contributions	-	-	-	-
Withdrawal	-	-	-	(0.05)
Benefits Paid	-	-	-	-
Actuarial gain/ (loss) on Obligations	-	-	(0.09)	0.00
Fair value of Plan Assets as at end of the year	-	-	0.98	0.99

- (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	-	-	0.77	0.51
Fair value of Plan Assets as at end of the year	-	-	0.98	0.99
Unfunded Liability	-	-	0.21	-
Present value of unfunded obligation as at end of the year	0.47	0.13	-	-
Unfunded Actuarial (gains)/ losses	-	-	-	-
Unfunded Net Asset/ (Liability) recognised in Balance Sheet.	(0.47)	(0.13)	0.21	0.48

Notes to Consolidated Financial Statements for the year ended March 31, 2017

(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	0.12	0.11	0.18	0.12
Interest cost	0.01	0.01	0.04	0.03
Expected return on Plan Assets	-	-	(0.07)	(0.04)
Actuarial (gain)/ loss on Obligations	0.21	0.11	0.12	0.17
Total expense recognised in Profit and Loss Account	0.34	0.23	0.27	0.28

(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)	7.35%	8.00%	7.35%	8.00%
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%	4.50%
Expected Average remaining working lives of employees (years)	31.61	32.50	31.61	32.50
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	0.02	0.02	0.08	-	0.17	-
Liability as at end of the year	0.03	0.02	0.16	0.08	0.11	0.17
Contribution paid or written off	-	-	-	-	0.17	2.00
Amount debited to Profit & Loss Account	0.01	0.00	0.08	0.08	0.11	2.17

(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:

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

Notes to Consolidated Financial Statements for the year ended March 31, 2017

- (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)	85.65	84.53	-	-	85.65	84.53
Dividend received	-	3,911.78	-	-	-	3,911.78
Rent Received	1.80	1.80	-	-	1.80	1.80
Managerial Remuration	-	-	24.17	13.07	24.17	13.07

29. Prior period items are as follows :-

(₹ in Lakhs)

	For the year ended 31.03.2017	For the year ended 31.03.2016
a) Prior Period Income	80.96	3.93
b) Prior Period Expense	28.33	7.57

30. In accordance with the provisions of Section 135 of the Companies Act, 2013 the company has contributed a sum of ₹ 50 Lakhs (Previous year ₹ 10 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. Detail of Specified Bank notes is as under:

During the year, the Company had specified bank notes or other denomination notes as defined in the Ministry of Corporate Affairs notification G.S.R. 308(E) dated 31st March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Amount in ₹)

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8 th November 2016	5,000.00	13.00	5,013.00
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Bank	5,000.00	-	5,000.00
Closing cash in hand as on 30 th December 2016	-	13.00	13.00

* For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E) dated 8th November 2016.

33. The previous year figures have been reclassified to conform to this year's classification.

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

Poorva Bhatia
Chief Financial Officer

Suchita Jain
Director
DIN: 00746471

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

PLACE : LUDHIANA
DATED : 16-05-2017

NOTES

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This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

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; Website: www.vardhman.com

**ATTENDANCE SLIP
E-VOTING PARTICULARS****53RD ANNUAL GENERAL MEETING**

2017

I/We hereby record my/our presence at the 53rd Annual General Meeting of Vardhman Holdings Limited held at the Registered Office of the Company situated at Chandigarh Road, Ludhiana 141 010 on Friday, the 22nd September, 2017 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 2016-17 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 2016-17 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. 18 of the Notice of 53rd Annual General Meeting annexed in the Annual Report for 2016-17 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; Website: www.vardhman.com

PROXY FORM

[Pursuant to section 105(6) of the Companies Act 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 53rd Annual General Meeting of the Company to be held on Friday, the 22nd September, 2017 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.
Ordinary Business
1. Adoption of financial statements for the Financial Year ended 31 st March, 2017.
2. Declaration of Dividend on equity shares.
3. Re-appointment of Mrs. Shakun Oswal as a director liable to retire by rotation.
4. Ratification of appointment of Statutory Auditor of Company for the financial year 2017-18 and to fix their remuneration.
Special Business
5. Appointment of Mr. Shri Paul Oswal as Managing Director of the Company.
6. Re-appointment of Mr. Sat Pal Kanwar, Independent Director.
7. Re-appointment of Mr. Jagdish Rai Singal, Independent Director.
8. Re-appointment of Mrs. Apinder Sodhi, Independent Director.
9. Re-appointment of Mr. Om Parkash Sharma, Independent Director.
10. Appointment of Mr. Rajeev Kumar Mittal as an Independent Director.
11. Appointment of Mr. Vikas Kumar as Director.

Sign this day of 2017.

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

