Vardhmān

Delivering Excellence. Since 1965.

VARDHMAN TEXTILES LIMITED

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Ref. VTL:SCY:SEPT:2017-18 **Dated: 23-Sept-2017**

The Deputy General Manager, Corporate Relationship Deptt, Bombay Stock Exchange Limited, 1st Floor, New Trading Ring, Rotunda Building, P.J Towers, Dalal Street,Fort, **MUMBAI-400001.** **Scrip Code: 502986**	The National Stock Exchange of India Ltd, Exchange Plaza, Bandra-Kurla Complex, Bandra (East), **MUMBAI-400 051** **Scrip Code: VTL**

SUB: SUBMISSION OF ANNUAL REPORT FOR FINANCIAL YEAR 2016-17

Dear Sir,

Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual report of the Company for the Financial Year 2016-17.

Thanking you,

Yours faithfully,
For VARDHMAN TEXTILES LIMITED

(SANJAY GUPTA)
Company Secretary

Vardhmān

Delivering Excellence. Since 1965.

Timeless bonds of trust

2016-17 ANNUAL REPORT

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Revenue

2.04%

Y-o-Y

EBITDA

27.94%

Y-o-Y

Profit after Tax

48.08%

Y-o-Y

EPS

50.16%

Y-o-Y

View this annual report online
https://www.vardhman.com

Equity share information

- Market capitalisation (31st March, 2017) **₹ 73,415 million**
- Enterprise value (31st March, 2017) **₹ 80,329 million**
- Proposed dividend **₹ 15 per share (Face value ₹ 10)**
- Promoters holding (31st March, 2017) **61.84%**
- Institutional holding (31st March, 2017) **22.71%**
- National Stock Exchange (NSE) **VTL**
- Bombay Stock Exchange (BSE) **502986**
- Bloomberg code **VTEX:IN**

Trust *is an intangible that drives tangible value at Vardhman.*

For decades, we have fostered relationships of trust with our stakeholders, through our core competencies in textile manufacturing.

Within textile manufacturing, we are focusing on increasing the wallet share with distinguished clients by expanding our portfolio of products.

Besides cotton yarn and blends, we are looking at more synthetic and blended yarns. We are also taking steps to expand our existing fabric processing capabilities, going forward.

Our foray into printed fabrics was also a prudent step forward. We have already commissioned the first phase of our printed line, and are now stabilising our operations.

We are refreshing our portfolio, strengthening global technology alliances, sharpening the capabilities of our people and expanding our community interventions.

We have set high standards of customer and stakeholder integrity, and our culture encourages hard work, innovation, respect and taking ownership.

At the same time, we are working to reduce environmental footprint, driving education and healthcare initiatives, along with supporting community wellbeing.

Economic, social and environmental sustainability remain at the core of our business philosophy. And in everything we do, we are inspired by timeless bonds of trust with all our stakeholders.

Strengthening the legacy of trust

50+ years
We have over five decades of valuable experience in the constantly evolving textile industry.

Largest
Yarn manufacturer in India with a capacity of over 1 million spindles, including 7,188 rotors

Leading
Manufacturer and exporter of cotton yarn in India

Prominent
Manufacturer of piece dyed fabric

No.1
Hand knitting yarn manufacturer in India

No.2
Producer of sewing threads

22
State-of-the-art manufacturing assets across six states in India

65+
Country global marketing presence

350+
Key customers across the globe

38.50%
Proportion of our revenue from exports

21,206
Team members driving the levers of progress at Vardhman

₹ 54.10 mn
Contribution to social initiatives in 2016-17

Driving excellence for decades

We are Vardhman Group (Vardhman). Incorporated in 1973, Vardhman Textiles Limited is the flagship company of Vardhman Group, which is one of India's largest textile conglomerates with presence across the textile value chain viz., yarn, sewing thread, fabric, fibre and garments.

We also have small presence in steel via our associate company Vardhman Special Steels Limited.

We manufacture a wide range of textile products across yarn, fabrics and fibre (acrylic) and have the operational flexibility to strengthen it further. With our sophisticated design and sampling capabilities, we act as a trusted design partner for our clients.

We enjoy a strong presence in markets like the European Economic Community, Canada, China, Japan, South Korea, Mexico, Brazil, Mauritius and the Middle East. We have also emerged as a preferred supplier to global garment makers like Tommy Hilfiger, Esprit, Gap (including brands such as Old Navy), Zara, H&M, Mango, Benetton and Arrow, among others.

We strive to achieve excellence through a culture of innovation and continuous improvement. As an organisation, we believe in well thought-out growth and a largely conservative approach for sustainable growth.

Our vision

Rooted in values, creating world class textiles.

Our mission

The Vardhman Group aims to be a world class textile organisation producing diverse range of products for the global textiles market. We seek to achieve customer delight through excellence in manufacturing and customer service, based on creative combination of state-of-the-art technology and human resources. We are responsible corporate citizens.

Our values

- Expansion in areas that we know best.
- Total customer focus in all operational areas.
- Offer products of best available quality for premium market segments through TPM and Zero-Defect implementation in all functional areas.
- Global orientation targeting sizeable percentage of production for exports.
- Integrated diversification and product range expansion.
- Faith in individual potential and respect for human values.
- Encourage innovation for constant improvements to achieve excellence in all functional areas.
- Accept change as a way of life.
- Appreciate our role as a responsible corporate citizen.

Our corporate holding structure

Vardhman Textiles Limited (VTL) Yarn, Fabric

	Vardhman Yarns & Threads (VYTL)	Vardhman Acrylics (VAL)	VMT Spinning Co. (VMT)	VSSL	VNGL
VTL Stake	11%	70.75%	89%	31%	51%
Business	RMG/ Industrial/ Specialty Threads	Acrylic Fibre	100% Cotton Yarn	Special Steels	Garments
Capacity	41 TPD threads, 71K spindles (captive)	20,000 TPA	46,320 spindles	Rolling 150,000 MTPA	1.8 mn pieces
Revenue	₹ 7.79 bn (US$ 120.11 mn)	₹ 3.68 bn (US$ 56.74 mn)	₹ 1.91 bn (US$ 29.45 mn)	₹ 7.56 bn (US$ 116.57 mn)	₹ 582.884 mn (US$ 8.99 mn)
Collaborations	A&E, USA	-	Marubeni, Japan	-	Nisshinbo, Japan
Market Status	Unlisted	Listed on NSE	Unlisted	Listed on BSE & NSE	Unlisted

Our products spectrum

We are a one-stop shop for textile needs.

- **FIBRE**
- **YARN**
- **SEWING THREADS**
- **FABRIC**
- **GARMENTS**

Other strategic business

- **STEEL**

Our quality commitments

From the procurement of cotton to final garmenting, we have put in place stringent online and offline testing systems to ensure quality products. We are one of the few companies in the industry to adopt intensive quality checks at every stage of production right up to dispatch. We have adopted testing standards from:

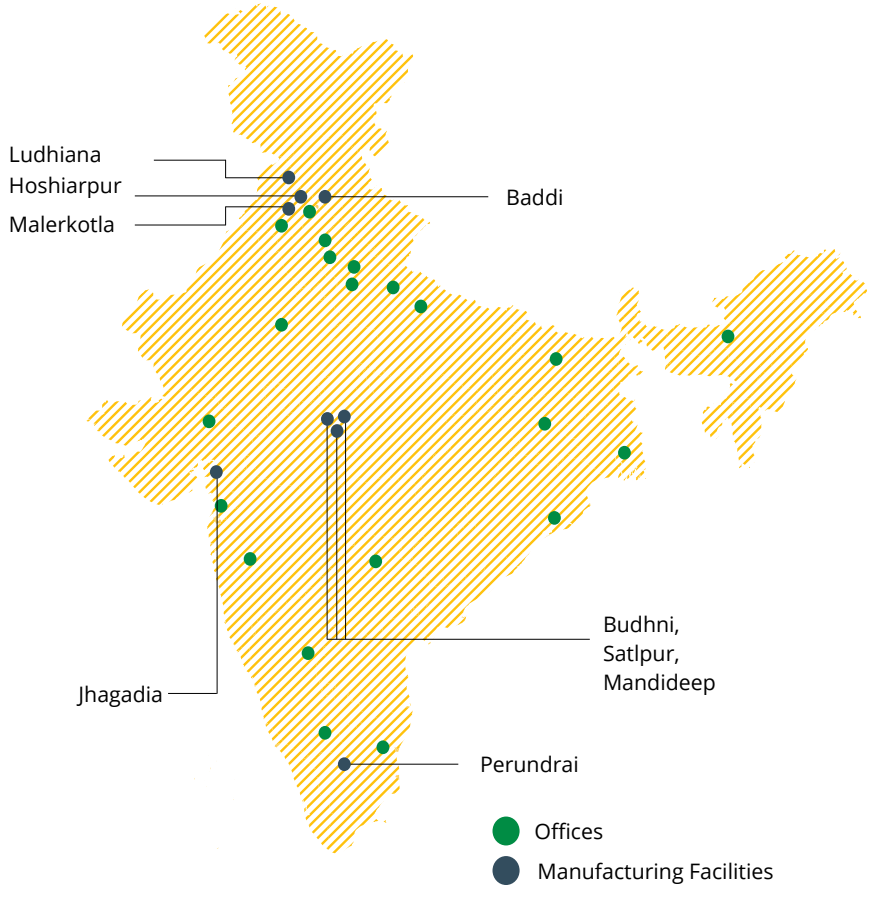
- American Association of Textile Chemists and Colorists (AATCC)
- ASTM International

Our major global alliances

We have forged major alliances with global players for forward integration and moving up the value chain.

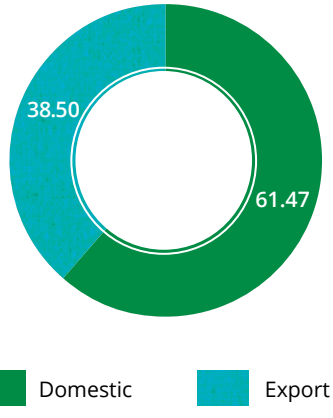
Products	Alliance partners	Nature of collaborations
Fibre and yarn dyeing	Nihon Sanmo, Japan	Technical collaborations for foray into yarn and fibre dyeing
Gassed mercerised yarns	Kyung Bang, South Korea	Technical collaborations for foray into gassed mercerised yarns
Cotton yarns (ended in 2012)	Toho Rayon, Japan	Joint venture for making customised yarns for the Japanese market
Acrylic fibre (JV ended in 2009)	Exlan and Marubeni Corp, Japan	Technology contract for the transfer of technology and equipment supply contract for the supply of proprietary and special plant and equipment
Fabric dyeing and finishing	Tokai Senko, Japan	Technical collaboration for forward integration into fabric processing
Sewing threads	American & Efird (A&E) Inc., USA	Joint Venture; A&E is now the majority shareholder in the JV with 89% holding.
Cotton yarns	Nisshinbo, Japan	Technical collaboration
Cotton fabric	Nisshinbo, Japan	Technical collaboration
Garments	Nisshinbo, Japan	Technical and marketing collaboration

PAN-INDIA PRESENCE



REVENUE MIX (GEOGRAPHY-WISE)

(%)



CAPACITIES

1 mn+

Spindles Yarn

Location: Punjab, Himachal Pradesh & Madhya Pradesh

1,320

Looms Fabric

Location: Himachal Pradesh & Madhya Pradesh

110 MMPA

Processed Fabric

Location: Himachal Pradesh & Madhya Pradesh

20,000 TPA

Acrylic Fibre

Location: Gujarat

71 TPD

Dyeing

Location: Punjab & Himachal Pradesh

41 TPD

Sewing threads

Location: Punjab & Tamil Nadu

1.8 mn

Pieces p.a. of Garments

Location: Punjab

150,000 TPA

Steel (Rolling and Billets)

Location: Punjab

50 MW

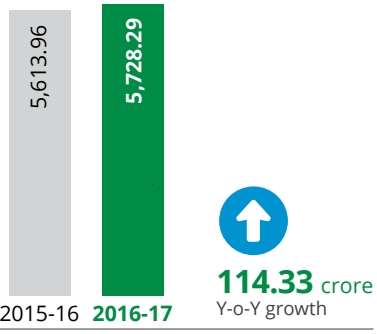
Power

Location: Madhya Pradesh

Financial performance

REVENUE FROM OPERATIONS

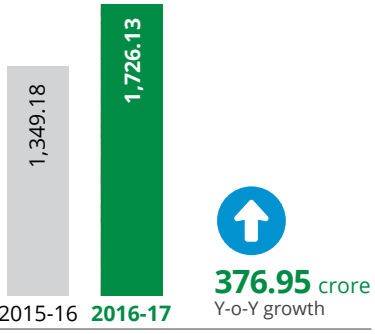
(₹ in crore)



Our revenue increased, owing to increased domestic sales, new product launches, shifting to more value-added products and widened global footprint.

EBIDTA

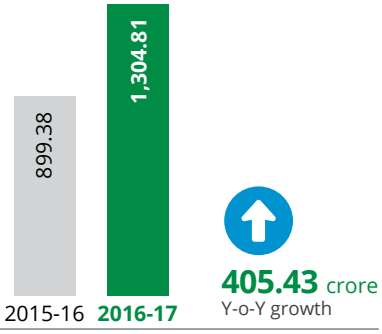
(₹ in crore)



Our EBIDTA increased owing to multiple efficiency enhancing measures across all our manufacturing facilities.

PROFIT BEFORE TAX (PBT)

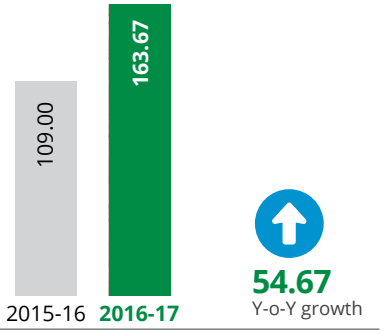
(₹ in crore)



Our PBT grew with growing revenues and rationalised costs across the board.

EARNINGS PER SHARE

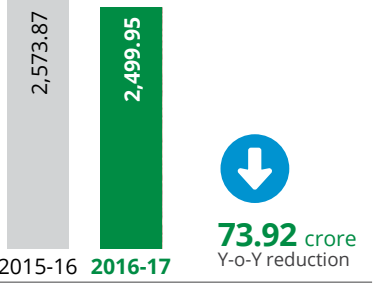
(₹)



Our earnings per share grew owing to rising net profits.

FIXED TANGIBLE ASSETS (NET)

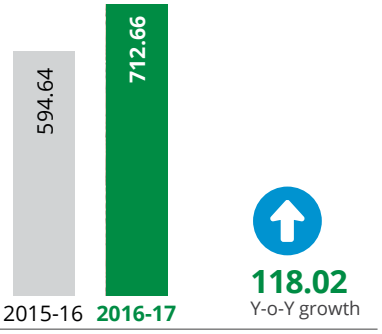
(₹ in crore)



Our fixed tangible assets declined due to depreciation of ₹ 324.85 crore in FY 2016-17.

BOOK VALUE PER SHARE

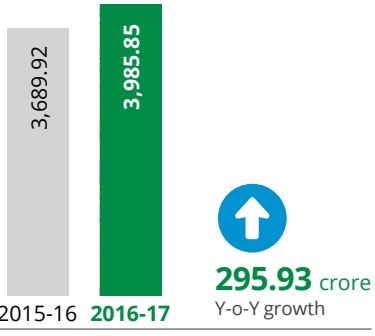
(₹)



Our book value per share grew owing to higher earnings.

NET WORTH

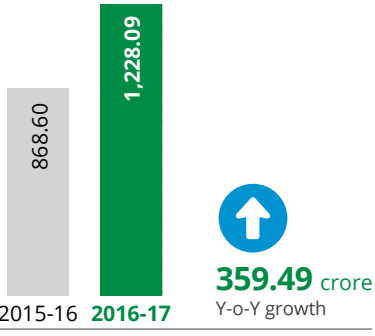
(₹ in crore)



Our stable net worth is a testimony to the stable earnings over a period of time.

NET CASH FROM OPERATING ACTIVITIES

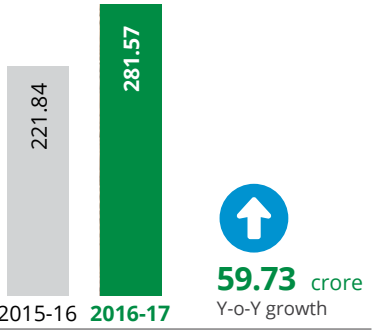
(₹ in crore)



Our net cash from operating activities increases owing to prudent growth strategies.

CONTRIBUTION TO THE EXCHEQUER

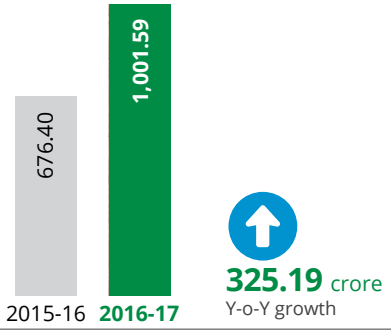
(₹ in crore)



We have responsibly contributed to the exchequer over the period.

PROFIT AFTER TAX (PAT)

(₹ in crore)



Our net profits increased due to lower interest costs and better efficiencies. The profitability figures (EBITDA, PBT & PAT) also include extraordinary income on account of profit on sale of 40% stake in Vardhman Yarns & Threads Limited (VYTL) to A&E, profit on sale of Hoshiarpur property to VYTL, as well as profit on tendering of VAL shares against the buyback of Vardhman Acrylics Limited.

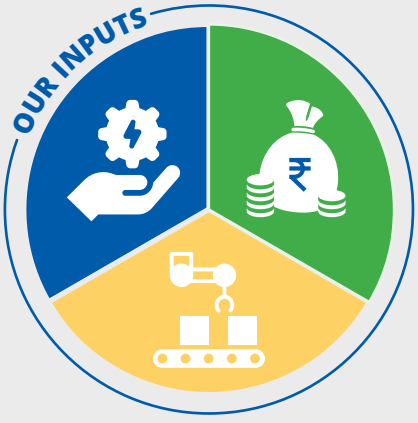
EFFICIENCY PARAMETERS

(%)

	2015-16	2016-17
RETURN ON CAPITAL EMPLOYED (ROCE)	21.50	27.91
RETURN ON NET WORTH (RONW)	18.33	25.13

Robust business model

Our inputs



RESOURCES

- Raw materials
- Technology
- Employees
- Suppliers
- Relationships

FINANCIAL CAPITAL

- Own funds: ₹ 3,985.85 crore
- Equity: ₹ 55.93 crore
- Reserves: ₹ 3,929.92 crore
- Long-term Borrowings: ₹ 1,143 crore

ASSETS

12 state-of-the-art production plants strategically located in the states of Punjab, Himachal Pradesh and Madhya Pradesh.

How we create value

1. Smart strategy
2. Good governance
3. Risk management
4. Technical tie-ups
5. Global corporates
6. Efficient logistics
7. Effective Talent Management
8. Good industrial relations
9. Financial management
10. Community participation

Value added products

- Compact Yarn
- Cotton Lycra
- Melange Yarn
- Cotton Dyed
- PC Yarn Dyed
- Yarn Dyed
- Fibre Dyed
- Gas Mercerised
- Fancy Yarns
- Slub Yarns
- Acrylic Yarns
- Hand-knitted Yarns

Value chain

Specialised products

- Cotton Lyocell
- Cotton Bamboo
- Cotton Tencel
- Cotton Silk
- Cotton Modal
- Cotton Viscose
- Organic Cotton
- Fair Trade Yarn
- Contamination-free Yarn

Our outcomes

- Strong cotton procurement policy
- Employee engagement and culture of innovation
- Economies of scale and operational efficiencies
- Customer-oriented approach
- Focus on diversified and value-added products
- Technology upgradation and continuous process improvement
- Integrated business model
- Financial strength and sustainability
- Consistently strong credit rating

From routine day-to-day operations to formulating critical strategies for business expansion or for fulfilling sustainability commitments, we are powered by the enduring bonds of trust with all our stakeholders.

Their insights, along with encouragement and support, help us combat business challenges and reach new milestones.

CALIBER PLUS
Vardhmān
Vardhmān
COZY CARE
Vardhmān
Vardhmān
Barbara
Vardhmān
Celebration
Vardhmān
Vardhmān
bluebell
Vardhmān
ROSEMARY
KNITTING YARN
Vardhmān
SOCKS

Chairman's Review

WE FOCUS ON OPTIMUM CAPACITY UTILISATION, CUSTOMER SERVICE, DIFFERENTIATION IN PORTFOLIO AND UNIFORM QUALITY STANDARDS TO KEEP US AHEAD OF THE CURVE.

Dear Friends,
India continues to be one of the world's fastest growing economies in a largely volatile global economic scenario. The Government is implementing key reforms to drive sustainable economic growth, despite challenges. There is focus on developing infrastructure, increasing rural spending and giving Indian youth opportunities to attain relevant skills for employment or entrepreneurship.

During FY 2016-17, the Government took steps to shape a bigger and cleaner GDP through the demonetisation initiative and by facilitating the passage of the Goods and Services Tax (GST) Bill in the Parliament.

These steps may bring more of the economy in the organised sector and also enhance the revenue collection, which may enable the Government to give relief to certain sectors where tax rates are high.

In the global textile sector, developed countries like the US and European Union are major buyers, whereas emerging markets like China, India, Bangladesh, Vietnam focus on manufacturing, owing to lower cost in these regions. Among the emerging nations, currently China is a dominant player in the global textile trade. However, this is likely to change owing to increasing labour and production cost in the region, offering a wide opportunity to India and other developing countries like Bangladesh and Vietnam.

The countries that are able to offer a climate which makes apparel industry more competitive, may presumably take a bigger share of the world trade in textiles.

It may be pertinent to state that apparel is going to drive growth of the textile industry in Asian economies as it is always followed by spinning and fabric making to integrate the entire chain. In our view, any country which intends to develop a section of the industry independent of the growth of apparel may succeed for a time, yet may find difficulty in competing. A vertically integrated industry provides a better chance for each country to remain competitive as also attractive to world retail buyers. Obviously, the preference goes to such countries as lead time due to fashion changes is fast coming down. A shorter supply chain management may become key for the success of any country in grabbing a larger world share in this industry.

The Government of India is finalising the New Textile Policy, which we

hope may address many of the concerns, which at present are limiting the growth of this industry. We hope the Government will utilise the potential of this industry in creating millions of jobs by having a more holistic approach and plan of action by going through those factors, which affect our competitiveness in relation to countries like Bangladesh and Vietnam, which have significantly exceeded their export of garments over India in the last few years. This is evident from the fact that Bangladesh and Vietnam have a 6% and 5.3% share in apparel exports as against India's share, which was 4.1% in 2015.

2016-17 in retrospect

During 2016-17, we increased our revenues by 2.04% and post-tax profit by 48.08%, driven by our cost-efficient operations, better planning, enhanced technology and coverage of cotton at the right time.

We sold 40% stake (of 51%) in our subsidiary Vardhman Yarns & Threads Limited (VYTL) for ₹ 413 crore. This initiative is in line with our strategy to focus more on our core business (yarn and fabric).

Looking at all relevant factors, including the present debt to equity of the Company, investments planned in the next two-three years as well as the increase in accumulated free reserves (including a one-time cash inflow from the stake sale), we considered it appropriate to reward our shareholders through a buyback of 62,60,869 equity shares for ₹ 1,150/ share aggregating to ₹ 720 crore.

In today's competitive world, employees are a company's most important resource and asset. The Company fully recognises this fact and wants its employees to participate and share the fruits of growth and prosperity along with the Company. We have a vision of being the preferred partner of choice for all our stakeholders i.e. employees, clients, government and society.

Towards this vision, this year, we decided to reward our employees' long association with the Company as well as motivate the employees by creating a sense of participation and ownership among them, by grant of Employee Stock Options. The ultimate objective is to achieve sustained growth of the Company and the creation of shareholder value by aligning the interests of employees with the long-term interests of the Company.

Investing for future

We focus on optimum capacity utilisation, customer service, differentiation in portfolio and uniform quality standards to keep us ahead of the curve.

At VTL, we have incurred a capital expenditure of around ₹ 2,000 crore in the last five years. Currently, we operate at near 100% utilisation levels in the yarn business, catering to diverse customer requirements. We are also consolidating our fabric business and are focusing on expanding capacity in this space.

Going forward, we have a planned capital expenditure of ₹ 2,500 crore over three-four years towards the ongoing schemes at Baddi, Himachal Pradesh, as well as proposed expansion in Satlapur and Budhni in Madhya Pradesh and modernisation in other units.

The proposed capex would be partially towards the ongoing expansion schemes for enhancing yarn dyed and printed fabric capacity as well as increasing looms capacity.

Further, it has been proposed to increase fabric processing capacity, at Budhni, Madhya Pradesh, along with installation of additional spindles at Satlapur.

We have emerged as one of the leading players in this sector through our team's persistent efforts. We are consistently investing in enhancing the capabilities of our people through focused training and coaching. We identify high-potential individuals and groom them for future leadership roles.

Partnering the community

During the year, as a part of our corporate responsibility initiative, we focused on education, healthcare and community development. We assisted government schools near our locations by providing adequate infrastructure.

We provided medical facilities to rural population in the vicinity of our plants, who have hardly any access to basic healthcare needs. We are also focusing on empowerment of women near our plants by providing them with relevant employment opportunities.

Our objective is to act as a change agent and help bring the fruits of economic development to the marginalised sections of India's population.

On behalf of the Board and the entire leadership team, I thank all our stakeholders, business partners as well as customers for their continued guidance and support.

In all these years, we have crossed a number of milestones, but I believe that the journey continues...

Warm Regards,

Shri Paul Oswal
A fellow shareholder

Management Message

DURING THE YEAR, OUR YARN PRODUCTION DECREASED BY 0.67% FROM 204,142 METRIC TONNES IN 2015-16 TO 202,770 METRIC TONNES IN 2016-17. OUR PROCESSED FABRIC PRODUCTION INCREASED BY 7.15% FROM 112 MILLION METRES IN 2015-16 TO 121 MILLION METRES IN 2016-17.

Dear Shareholders,
We are pleased to report that VTL delivered a consistent and stable operational and financial performance in 2016-17. Expanding urbanisation, evolving lifestyles, changing preferences and growing middle-class aspirations are key trends affecting our business.

Steady growth
We achieved a revenue of ₹ 5,728.29 crore in 2016-17 (₹ 5,613.96 crore 2015-16). Our EBIDTA stood at ₹ 1,726.13 crore in 2016-17 (₹ 1,349.18 crore 2015-16) and a net profit of ₹ 1,001.59 crore in 2016-17 (₹ 676.40 crore 2015-16). Our earnings per share stood at ₹ 163.67 in 2016-17 (₹ 109.00 during 2015-16). We believe, our quality standards, customer loyalty, better portfolio of products, and a well-developed distribution network will help us sustain our growth trajectory.

Our working capital cycle reduced by 31 days to 134 days in 2016-17 primarily owing to lower cotton inventory. We also repaid debt worth ₹ 556.44 crore during 2016-17. Simultaneously, we strengthened our net debt equity ratio to 0.17 as on March 31, 2017, compared to 0.41 as on March 31, 2016.

Key achievements
During 2016-17, our broad strategy revolved around:
- Consolidating our existing capacities;
- Enhancing operational efficiencies;
- Strengthening synergies across the value chain;
- Penetrating deeper into growth markets;
- Driving a high-performance culture

During the year, our yarn production decreased by 0.67% from 204,142 metric tonnes in 2015-16 to 202,770 metric tonnes in 2016-17. Our greige fabric production during the FY 2016-17 remained at the same level as that in FY 2015-16. Our processed fabric production increased by 7.15% from 112 million metres in 2015-16 to 121 million metres in 2016-17.

During the year, we continued to invest in infrastructure, systems and certifications. Moreover, we emphasised on 'greener operations' by further reducing water consumption, minimising wastage and using renewable energy resources over conventional ones.

OUR WORKING CAPITAL CYCLE REDUCED BY 31 DAYS TO 134 DAYS IN 2016-17 PRIMARILY OWING TO LOWER COTTON INVENTORY. WE ALSO REPAID DEBT WORTH ₹ 556.44 CRORE DURING 2016-17.

We realigned standard operating protocols (manufacturing and non-manufacturing processes) in line with best global practices. We also institutionalised periodic operational audits in line with Standard Operating Procedures (SOPs) and invested in real-time monitoring of operations for faster corrective action. We have also put in place a systematic asset review to trace and arrest technology obsolescence and invested in top-of-the-line equipment to provide unique fabric finishes.

Moreover, we improved our technology platform, so that our process automation, product quality and monitoring processes can be upgraded to deliver higher and better output. Our technological capabilities have accelerated data-driven analytics and decision-making, enabling us to capitalise on opportunities at a faster rate.

We thank our dynamic team for their continued hard work and innovation and for taking initiatives to strengthen our brand across markets. We are also grateful to our shareholders and the entire stakeholder fraternity for their continued support in our vision.

Warm regards,

Sachit Jain, Suchita Jain and Neeraj Jain

Joint Managing Directors

Sustainable value for all

We have, over the years, built a broad framework to create value for all stakeholders.

CUSTOMERS

- We engage with our customers on a continuous basis to understand their requirements and offer them bespoke solutions.
- We enjoy repeat business from existing clients on account of enduring relationships.
- We adhere to stringent quality parameters to deliver best-in-class products.
- We continuously expanded our value-added product basket to cater to growing customer requirements.

EMPLOYEES

- We provide attractive career opportunities for our employees with recognitions and rewards.
- We provide continuous need-based trainings for skill upgradation.
- We have policies and governance framework to manage both business needs and employee expectations.
- We introduced employee stock options (ESOP) to reward our employees.
- We have a diverse workforce; we also focus on gender diversity.

COMMUNITY

- We provide employment opportunities to communities where we operate.
- We undertake initiatives across spheres of education, healthcare and community development.
- We are continuously working to improve our water efficiency and have succeeded in bringing down water consumption across our operations.
- We have set up a facility for monitoring and analysing energy consumption patterns and undertake energy demand management to make better equipment run-time decisions.
- We use renewable fuel consumption devices, such as solar cookers or heaters at multiple locations or units. We have parabolic solar cookers for cooking at our Madhya Pradesh regional units.

SUPPLIERS

- We engage with our channel partners as a part of our family and provide them key market insight for better business outcomes.
- Our engagement with suppliers and business partners enables seamless operations.
- We provide focused training to our business partners for better productivity and quality improvements.
- We have transparent policies and seamless payment processes, enabling us to maintain a cordial relationship with suppliers.

SHAREHOLDERS

- We actively engage shareowners through investor presentations, quarterly financial results, annual reports and more.
- We have ensured financial returns and provided long-term sustainable growth, benefiting our shareholders.
- We bought back 62,60,869 equity shares of ₹ 10 each, at a price of ₹ 1,150 per share during 2016-17 to reward our shareholders.
- In addition to the buyback of shares amounting to ₹ 720 crore, we also proposed a dividend of ₹ 15 per share (face value ₹ 10 per share).

Fabric of excellence

We produce fabric for a diverse range of apparel. We have made significant investments to gain technical know-how from global leaders to enrich our offerings. Our pursuit of excellence is validated by our well-rounded versatile product portfolio.

Fabric is a value-added component of our business, which makes a significant contribution to our profitability.

Design & Development

- Feedback from customers
- Collection presentations to customers
- Working on feedback from customers

Meetings & Presentations

- Organising meeting with our customers in India and abroad
- Attending meeting together with our marketing team to discuss commercial and aesthetic aspects of products

Post presentations and Yardages

- Organising yardages and samples of the selected articles
- Sending them to customers as per suggested guidelines and formats

Design driven

We anticipate evolving customer requirements and design our products accordingly. Our team of designers collaborates with international design studios to analyse fashion trends for upcoming seasonal lines. Based on these initial impressions, we experiment with textures and patterns at a dedicated development centre, equipped with Japanese and European technologies. These technologies allow us to produce fabric swatches as per specifications. We then showcase our products in our bi-annual seasonal collections. We also capitalise on our partnership with garment producer Nisshinbo for technical guidance.

Working with our customers

Our efficient manufacturing and high degree of focus on design and innovation have paved the way for sales to mass-market brands. More than 40% of our fabric is sold to domestic and international brands, such as GAP, H&M, Peter England, Van Heusen, and Wills. Additionally, we enjoy a preferred supplier status with brands, such as Banana Republic and Espirit.

Printed fabrics

Vardhman commissioned a 9 mn-metre p.a. printed fabric facility in March 2016 at Baddi, Himachal Pradesh. We have installed machinery with state-of-the-art technology suitable for woven, knitted and non-woven fabrics. We have also installed laser engraving machines to get best-quality printing registration on fabrics. Other than cotton, we are printing on various bases like modal, tencel, viscose, CVC and cotton poly bases, among others.

Supporting the community

At Vardhman, we focus on empowerment from grassroots through various need-based interventions. We primarily work in the realms of education, healthcare, environment and community development.

Some of our initiatives comprise:

Education

Education leads to empowerment. We have undertaken the following initiatives in the sphere of education:

- Established Sri Aurobindo Public School in Baddi, HP, in 1996 and in Budhni, MP in 2016 to groom children into responsible citizens through conventional and innovative teaching techniques
- Set up Sri Aurobindo College of Commerce and Management, Ludhiana, in 2004
- Undertook several projects worth ₹ 3 crore in various government schools, providing drinking water, classrooms, desks, labs and so on; renovating existing toilets; constructing water storage tanks; repairing kitchens and sheds in various government schools in the states of:
    - Himachal Pradesh (Billanwali, Sandholi, Gullerwala, Dharampur and Nalagarh)
    - Punjab (Khanna, Nabha, Sherpur, Sangrur, Patiala, Bugra Sakhewal and Manekwal)
    - Madhya Pradesh (Khandabad, Mahukala, Pillikarar, Hoshangabad and Talpura)

Healthcare

We helped many hospitals procure medical equipment with monetary contributions. Healthcare institutes like CMC Ludhiana, Civil Hospital in Malerkotla and Community Health Centre in Baddi benefited significantly through our contributions. These hospitals procured machines like a-scan, keratometer, digital x-ray machine, electric fowler bed, blood gas analyser, cell counter, semi-automatic analyser and so on. These greatly helped underprivileged sections of society to avail quality healthcare at subsidised costs.

Community Initiatives

We participated in the Better Cotton initiative to empower our farmers. We imparted technical assistance to 8,300

farmers. We provided them farming solutions and integrated pest management techniques that helped them to increase yield.

In the Budhni region of Madhya Pradesh, multiple initiatives were undertaken. We promoted anganwadis by providing basic infrastructure and study material in villages near Vardhman units. We enabled women to enhance their skills.

In Mandi area of Pilikarar, we provided solar light facilities, along with potable water facility. Besides, we supplied study material and helped build computer labs in nearby schools.

Environmental Initiatives

We are one of the companies, which has promoted Nimbua Greenfield Punjab Limited, which is operational since 2007 and works dedicatedly towards solid waste treatment, storage and disposal in Punjab. Moreover, we carried out several plantation activities near the Narmada basin with the help of our Madhya Pradesh units.

Road Ahead

As a responsible corporate citizen, we will continue to work towards enhancing the quality of life in and around our manufacturing facilities. Our focus is on encouraging education and preventive healthcare measures near our units, along with driving inclusive growth among marginalised communities.

CARING FOR THE SICK

Understanding the importance of quality healthcare services, we have committed ₹ 2 crore to CMC Ludhiana for building its Physical Medicine and Rehabilitation Centre (PHRC). This will help rehabilitation of patients with cerebral palsy, stroke, polio and paraplegia, among others.

Management Discussion Analysis

Economic overview

Global economy

The year 2016 ended with the global GDP growth moderating to 3.1% from 3.2% in 2015. Going forward, the IMF expects this growth to touch 3.5% in 2017, on the back of multiple factors: projected fiscal stimulus in the US; firming up of global commodity prices after the slump in 2015; and unchanged accommodative monetary policy stance in most developed economies, barring the US. The US is expected to take calibrated steps towards further policy normalisation in 2017. Despite the resilience exhibited by global financial markets in the face of Brexit and the US Presidential election outcome, high levels of uncertainty continued to impact the global risk appetite in 2016.

On the other hand, Emerging Market and Developing Economies (EMDEs) are projected to grow by 4.5% in 2017. Among these economies, China is expected to demonstrate strong growth at 6.5% (vis-à-vis the previous estimate of 6.2%) on account of its policy stimulus measures. However, moderation in growth prospects is expected among large economies such as India, Brazil, and Mexico (Source: IMF).

Indian economy

In an environment of moderate global economic growth, the Indian economy was a study in contrast. The economy successfully navigated global uncertainties, and emerged as a preferred destination for foreign investors. The year 2016-17 saw multiple reforms being rolled out in India such as the creation of Monetary Policy Committee; redesigning of the Fiscal Responsibility and Budget Management (FRBM) framework; passage of the Goods and Services Tax (GST) bill; and finally, the policy thrust towards a less-cash formal economy. GST is expected to be a landmark step in transforming India's indirect tax framework, bringing transparency and efficiency in tax administration.

The trend of benign inflation and continued improvement in twin deficits further bolstered the country's macroeconomic parameters. The country's economic prospects for FY18 appear bright provided policymakers create enablers for strong and sustainable growth in the medium to long term.

In an environment of moderate global economic growth, the Indian economy was a study in contrast. The economy successfully navigated global uncertainties, and emerged as a preferred destination for foreign investors.

The Government's commitment towards reforms, implementation of Seventh Pay Commission payout by state governments, ongoing quality fiscal consolidation; and marginal improvement in external demand are expected to encourage GDP growth by 20 bps to 7.3%.

Global and Indian cotton dynamics

Global cotton dynamics

Production

In 2016-17, global cotton production was projected at 22.89 million tons, 8% increase over the last cotton season (2015-16). It was the first year of increased production, after continuous fall for four years. The world has added stock of 12.44 million tons of cotton in the preceding five years (2010-11-2014-15). It is due to the fact that World Production exceeds consumption in this duration and there was no major revival in demand. Major stock addition was in China only.

As per ICAC (International Cotton Advisory Committee), India and China harvest nearly half of the world's cotton. In 2016-17, India contributed 26%, while China supplied 21% of the global cotton produce.

In 2016-17, the total area under cotton production fell by 3.5% to 29.6 million hectares, globally. This is the smallest area for cotton production since 2009-10, when the planted area for cotton was 29.9 million hectares. During the year under review, the average cotton yield was projected to improve by 12% to 773 kg/ha. Besides, cotton production is expected to increase in the top five cotton producing countries, apart from China.

The decline in China's cotton production was primarily due to diversion of land from cotton to other food crops owing to government stimulus of focusing on cotton production in Xinjiang only. In 2016-17, the Chinese government reduced subsidy for cotton cultivators by 2.6% to 18600 Yuan/ton which also discouraged farmers from cotton cultivation. In 2016-17, China witnessed 15 year low cotton production.

With record high prices of seed cotton in the year under review, farmers will be encouraged to plant more cotton across all major cotton producing nations during 2017-18.

Consumption

The year 2016-17 was the second consecutive season of consumption exceeding production. After declining by 2% to 24.29 million tons in 2015-16, world cotton consumption was expected to remain stable at 24.3 million tons in 2016-17, as a result of high cotton prices depressing demand growth.

China has long been the world's largest cotton consumer. However, its consumption share (in the world total) declined continuously from 2010-11 to 2015-16, when it reached 7.6 million tons. After declining for six consecutive seasons, mill use was forecast to grow by 2% to 7.73 million tons in 2016-17. Additionally, its world share of cotton consumption is likely to remain at 32% due to expanding mill use in several other countries.

After continuous decline for three consecutive seasons, mill demand will see continued growth in countries that depend on imports. This will drive the world's cotton trade to increase by 6% to 8.06 million tons in 2016-17. Besides, after importing 5.3 million tons in 2011-12 (55% of the world's total import volume), imports in China fell in each consecutive year, reaching 0.96 million tons in 2015-16. During the same period, mill use and imports in Bangladesh and Vietnam have grown significantly.

Imports in Bangladesh were projected to rise by 3% to 1.4 million tons in 2016-17, and in Vietnam 20% to 1.16 million tons.

Indian cotton dynamics

India accounts for one-third of the world's cotton cultivation area. Maharashtra, Gujarat, Andhra Pradesh and Telangana (also known as the cotton basket of India) produce nearly two-thirds of the cotton in India. Cotton is a major product of the Indian textile industry and it accounts for over 65% of total mill fibre consumption in the country. Among all the fabrics and yarns produced, cotton is the main fabric.

Better prices for competing crops, delayed monsoon and yield losses due to pests discouraged Indian farmers, from planting cotton in 2016-17. India's cotton cultivation area contracted by 11.6% in 2016-17 while yield increased by 17% over 2015-16. As a result, cotton production in India (for year 2016-17) increased by 3.8% to 5.97 million tons (351 lakh bales). Though, as per our estimates, the country production is of 5.78 million tons (340 lakh bales).

In 2016-17, imports were expected to be 0.289 million tons (17 lakh bales) compared to 0.255 million tons (15 lakh bales) in 2015-16. But strengthening of Indian cotton prices and rise in demand pushed imports higher to 0.425 million tons (25 lakh bales).

Including the opening stock of 0.73 million tons (43 lakh bales), the total supply of cotton in 2016-17 was estimated at 6.99 million tons (411 lakh bales). This was nearly 2% less as compared to 7.27 million tons (419 lakh bales) in 2015-16. (Though as per Vardhman's estimates, the country had opening stock of 0.56 million tons (33 lakh bales).

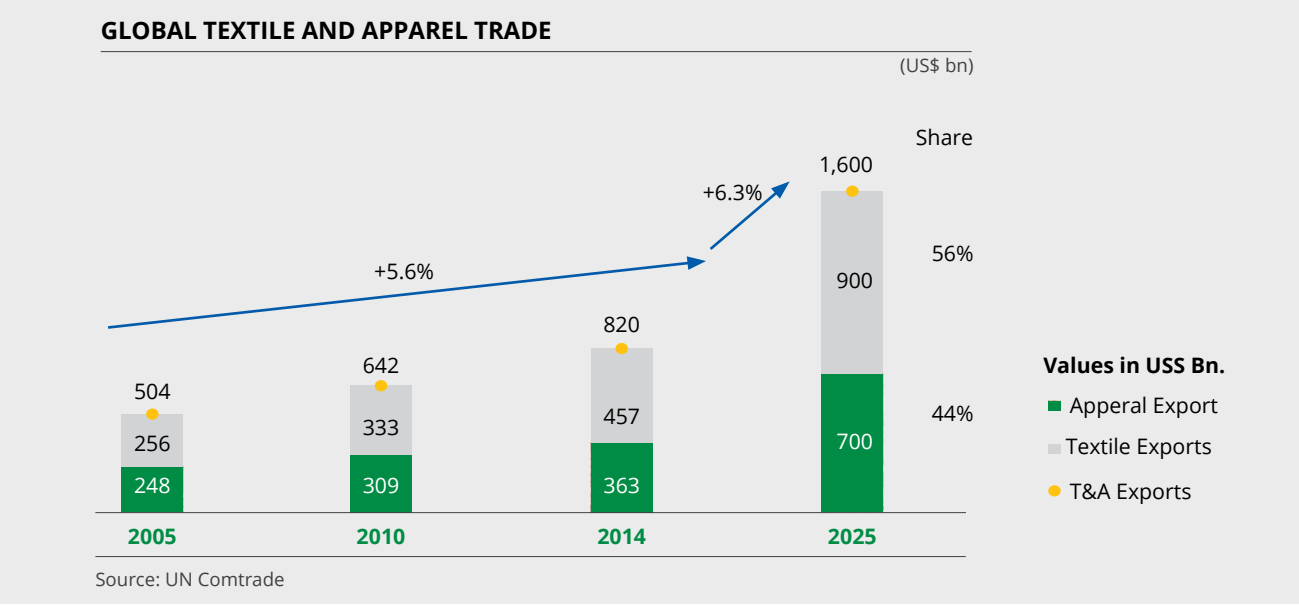
On the demand side, consumption was expected to be 5.32 million tons (313 lakh bales) in 2016-17 compared to 5.24 million tons (308 lakh bales) in 2015-16.

Cotton exports were projected to fall from 1.156 million tons (68 lakh bales) in 2015-16 to 1.02 million tons (60 lakh bales) in 2016-17. This resulted in total demand declining to 6.43 million tons (368 lakh bales) in 2016-17 compared to 6.396 million tons (376 lakh bales) in 2015-16.

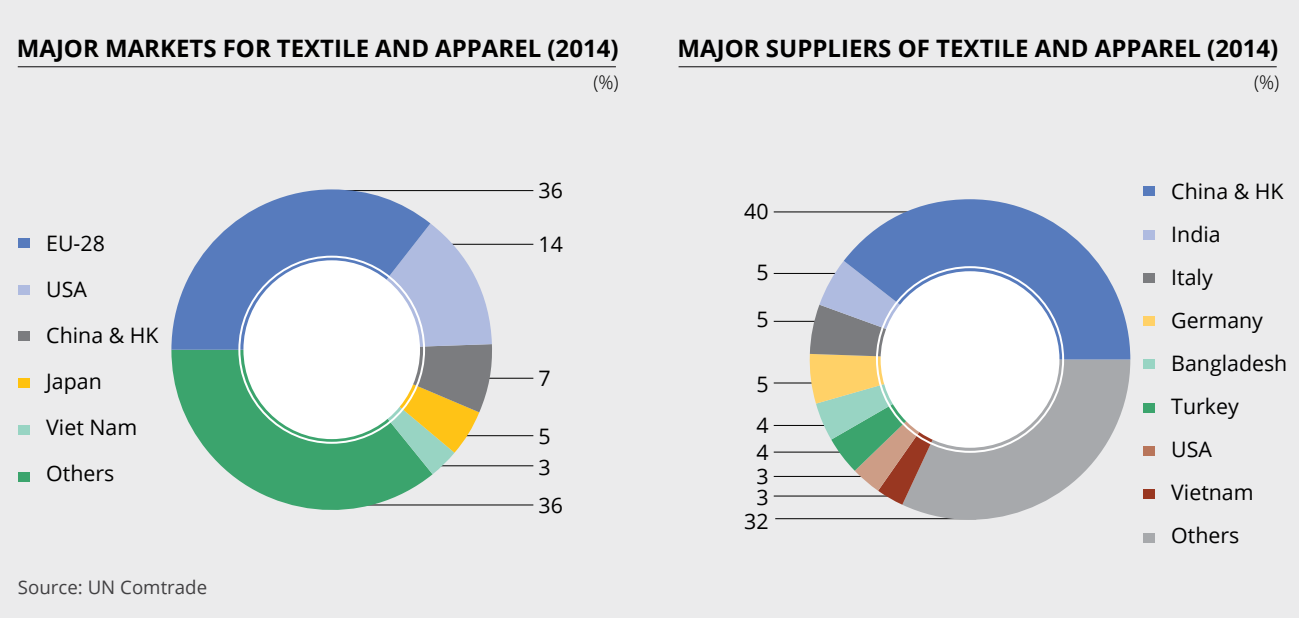
Closing stock in 2016-17 season is expected to be 0.646 million tons (38 lakh bales).Going by our estimates, closing stock will be of 0.476 million tons (28 lakh bales).

Global textile scenario

Over the last decade, the global textile and apparel trade has been growing at a CAGR (compound annual growth rate) of 5.6 %. In 2014, it stood at US$ 820 billion. Apparel categories had a larger share of 56% while textiles had the remaining share of 44% in the overall trade. The global textile and apparel trade is expected to reach US$ 1,600 billion by 2025. It is projected to grow at a CAGR of 6.3% over the next decade.



The EU and USA are the largest markets for textile and apparel with a share of 36% and 14%, respectively. On the supply side, China is the largest supplier of textile and apparel in the world with the major share of 40%. It is distantly followed by countries like India, Italy, and Germany. Each of these countries have an approximate share of 5% in the global textile and apparel exports.



Shift of manufacturing bases and emergence of new destinations

In the last three decades, the textile industry has witnessed a major shift in its production bases. Till the 1980s, production of textile and apparel was concentrated in USA and EU, but over the years, production moved majorly to Asian countries.

The relocation was a result of attractive low-cost manufacturing advantages in these developing countries. In the US and Europe, production costs increased making alternative destinations attractive for apparel and textile manufacturers. Asian countries with their abundant and low-cost labour force, vast natural resources and favourable economic policies attracted textile industries as preferred production hubs.

China made the most of this change. After China liberalised its industrial policy, it industrialised rapidly and became a hub for manufacturing. In the last two decades, China emerged as the world's largest manufacturing base for textiles. Since 2000, the nation has remained the largest exporter of textiles and apparels, while enjoying around 40% of the market share. During the same period, other Asian economies such as India, Bangladesh, Indonesia, Pakistan, Vietnam, Cambodia and Thailand experienced an upsurge in their textile and apparel manufacturing.

Now, USA and Europe have become the largest textile consumption bases in the world. And manufacturing is concentrated in Asian countries such as China and India (large consumption bases as well), Bangladesh, Vietnam, Sri Lanka and Pakistan, among others.

Indian textile scenario

The textile and apparel industry can be broadly divided into two segments:

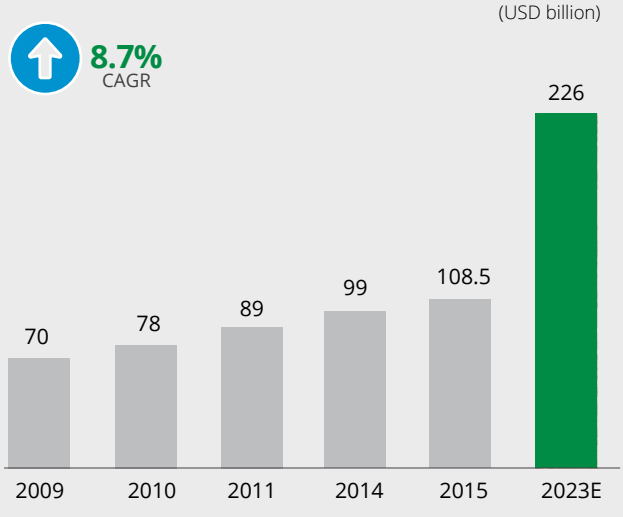
- Yarn and fibre (include natural and man-made).
- Processed fabrics (including woollen textiles, silk textiles, jute textiles, cotton textiles and technical textiles) and readymade garments (RMGs) and apparel.

Textile plays a major role in the Indian economy. It contributes 14% to industrial production and 4% to GDP. With over 45 million people involved, it is one of the largest source of employment generation in the country. The textile industry accounts for nearly 15% of India's total exports. The size of India's textile market in 2015 was around USD 108.5 billion. It is expected to touch USD 226 billion market by 2023, growing at a CAGR of 8.7% between 2009-23.

INDIA'S COTTON, TEXTILE AND APPAREL INDUSTRY

- India was the largest producer of cotton in 2016-17.
- Indian textile industry accounts for about 24% of the world's spindle capacity and 8% of global rotor capacity.
- India has the highest loom capacity (including hand looms) with 63% of the world's market share.
- India accounts for about 14% cent of the world's production of textile fibres and yarns.
- India is the second largest producer of manmade fibre and filament, globally.

INDIA'S TEXTILE MARKET SIZE



Source: UN Comtrade

Government policies and regulations

Technology Upgradation Fund Scheme (TUFS): A new scheme, Amended Technology Upgradation Fund Scheme (A-TUFS) has been launched by the central government from 13th January, 2016. This provides a capital investment subsidy of 15% to eligible machinery on garmenting segment - 10% on weaving and 10-15% on composite units depending on their composition. This is further subject to an overall ceiling of 20-30 crore per entity depending on project type and subsidy previously availed under Revised Restructured Technology Upgradation Fund Scheme (RR-TUFS).

State Subsidy: Apart from the TUFS, some state governments also provide additional incentives. Madhya Pradesh Textile policy lays down a 5% and 7% interest subsidy for standalone and composite textile units respectively on loans taken against TUFS compatible investments for a period of 5 years from commercial production date. Gujarat gives subsidy on loans - 7% on spinning and 5% on other textile operations for 5 years. Maharashtra reimburses whole of the interest over and above the TUFS, subject to investments made in specified backward districts.

Free Trade Agreements (FTA): Bangladesh is one of the largest export markets for Indian textiles. Under the Bangladesh FTA, India is allowed free trade of 61 items and most of them are related to textiles. This will impact negatively the small garment manufactures in India, but in return, can help fabric exporters in some way.

Foreign Direct Investment (FDI): FDI of up to 100% is allowed in the textile sector through the automatic route. Hence, the textile industry in India is experiencing a significant increase in collaboration between global majors and domestic companies.

Outlook

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade. Several international players paving their path in the Indian market testifies the fact.

Going forward, the Indian cotton textile industry is expected to showcase a stable growth supported by stable input prices, healthy capacity utilisation and steady domestic demand.

GROWTH DRIVERS

- **Demographic dividend:** India has a large population base comprising more than 1.25 billion people. Almost half of the Indian population is under 25 years. As this population joins the workforce, India's overall disposable income will grow leading to increased spending. Apparel category will be the prime beneficiary of this increase in purchasing power.

- **Aspirational buying:** Over the last two decades, consumer buying habits have changed significantly in India. They have shifted from a need-based purchase to aspiration-based purchase. Nowadays, consumers are inclining more towards branded products, especially in fashion segment. People in tier-II, tier-III and tier-IV cities are spending much more on apparel than they did a decade ago. This has resulted in an increased focus by brands and retailers in these cities.

- **Increasing urbanisation:** Since the turn of this century, India has witnessed an increase in urban population, expansion of cities and a growing influence of urban lifestyles in rural areas. The combined effect of these changes is putting more money in the hands of people. This is creating new aspirations and demand, which in turn, is likely to have a major growth impact on apparel consumption.

- **Growth in online retail sales:** India is experiencing a digital revolution and consequently, millions are now connected to the internet. This has resulted in an upsurge in online retailing as it offers ease of shopping, heavy discounts, and better payment and return policies.

Business Responsibility Report

About Vardhman

Vardhman Textiles Limited (VTXL) is the flagship company of Vardhman Group with diverse operations across sectors. Vardhman's humble beginning dates back to 1962 when it started its manufacturing at Ludhiana in the state of Punjab with 6000 spindles and is today one of the largest textile companies of India manufacturing Cotton Yarns & Fabrics with a capacity of over 1.00 million spindles, constituting about 2% of the country's yarn production, 1320 looms for weaving of fabrics and 110 Million Meter per annum of fabrics processing capacity.

Through its integrated operations across textile value chain from Cotton to Fabric and to Garments, it touches lives of millions of our associates and assures quality product and services to its customers.

About This Report

The Securities and Exchange Board of India (SEBI) as per its (Listing Obligations and Disclosure Requirements) Regulations, 2015 has mandated the inclusion of a "Business Responsibility Report" (BRR) as part of Company's Annual Report for top 500 listed entities based on market capitalization at the Bombay Stock Exchange Ltd. (BSE) and the National Stock Exchange of India Ltd. (NSE). The reporting framework is based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)' released by the Ministry of Corporate Affairs, Government of India, in July 2011 which contains 9 Principles and Core Elements for each of the those 9 Principles. Following is the first Business Responsibility Report of our Company based on the format suggested by SEBI. Detailed Business Responsibility Report for 2016-17 (available at: www.vardhman.com/) is also based on the 9 Principles enshrined in the NVGs.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company :	L17111PB1973PLC003345
2.	Name of the Company :	Vardhman Textiles Limited
3.	Registered address :	Vardhman Premises, Chandigarh Road, Ludhiana-141010.
4.	Website :	www.vardhman.com
5.	E-mail id :	secretarial.lud@vardhman.com
6.	Financial Year reported:	2016-17
7.	Sector(s) that the Company is engaged in (industrial activity code-wise) :	Textiles, NIC Code 131
8.	List three key products/services that the Company manufactures/ provides (as in balance sheet) :	Yarn and Fabric
9.	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (Provide details of major 5) :	0
	(b) Number of National Locations :	17
10.	Markets served by the Company – Local/State/National/International:	National / International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital (INR) :** ₹ 57,39,10,100
2. **Total Turnover (INR) :** ₹ 5,72,828.74 lakhs
3. **Total profit after taxes (INR) :**₹ 1,00,159.74 lakhs
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) :** 0.54%
5. List of activities in which expenditure in 4 above has been incurred: Refer to Summary of CSR initiatives on page 54-61

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?** Yes

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) :** No

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] :** No

SECTION D: BR INFORMATION

1. **Details of Director/Directors responsible for BR :** The Board Business Responsibility Committee is responsible for the implementation of the BR policies.

   (a) Details of the Director/Director responsible for implementation of the BR policy/policies

1. **DIN Number :** 00340459

2. **Name :** Mr. Neeraj Jain

3. **Designation :** Jt. Managing Director

   (b) Details of the BR head

S.No.	Particulars	Details
1	DIN number (if Applicable)	00340459
2	Name	Neeraj Jain
3	Designation	Jt. Managing Director
4	Telephone number	8146668888
5	Email id	neerajjain@vardhman.com

2. Principle-wise (as per NVGs) BR Policy/policies

S. No.	Questions	P1 Ethics, Transparency & Sustainability Accountability	P2 Sustainability in life-cycle of products	P3 Employee Well Being	P4 Stakeholder engagement	P5 Promotion of human rights	P6 Environment Protection	P7 Responsible Advocacy	P8 Inclusive Growth	P9 Customer Value
1.)	Do you have policies for:	Y	N	Y	N	N	Y	N	Y	N
2.)	Has the policy been formulated in consultation with the relevant stakeholders?	Y	NA	Y	NA	NA	Y	NA	Y	NA
3.)	Does the policy conform to any national / international standards? If yes, specify?	NA	NA	Y OHSAS 18001	NA	NA	Y	NA	Y	NA
4.)	Is it a board approved policy? If yes, has it been signed by MD /owner /CEO / appropriate Board Director?	Y, BOD	NA	Y, CEO	NA	NA	Y, CEO	NA	Y, BOD	NA
5.)	Does the Company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	Y	NA	Y	NA	NA	Y	NA	Y	NA
6.)	Indicate the link for the policy to be viewed online		NA		NA	NA	Y	NA		NA
7.)	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	NA	Y	NA	NA	Y	NA	Y	NA
8.)	Does the company have an in-house structure to implement the policy?	Y	NA	Y	NA	NA	Y	NA	Y	NA

S. No.	Questions	P1 Ethics, Transparency & Sustainability Accountability	P2 Sustainability in life-cycle of products	P3 Employee Well Being	P4 Stakeholder engagement	P5 Promotion of human rights	P6 Environment Protection	P7 Responsible Advocacy	P8 Inclusive Growth	P9 Customer Value
9.)	Does the Company have a grievance redressal mechanism related to the policy to address stakeholders' grievances related to the policy?	Y	NA	Y	NA	NA	Y	NA	Y	NA
10.)	Has the company carried out independent audit /evaluation of the working of this policy by an internal or external agency?	N	NA	Y	NA	NA	Y	NA	N	NA

(b) If answer to the question at serial number 1 against any principal, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within the next 6 months									
5	It is planned to be done within the next 1 year		✓		✓	✓		✓		✓
6	Any other reason (please specify)									

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

Annually

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This is the Company's first BR report. The link for viewing the same is available on the company's website. It will be published annually in the Annual Report.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Corporate Governance for Ethics, Transparency and Accountability

We are committed to adopting the best corporate governance practices as manifested in the company's functioning to achieve business excellence by enhancing the long term shareholder's value. Efficient conduct of the business of the company through commitment to transparency and business ethics in discharging its corporate responsibilities are hallmarks of the best practices being followed at Vardhman.

The composition of the Board of Directors of the company is governed by the Company's Act 2013 and SEBI Regulations 2015. As on March 31, 2017, the Company has 12 directors on its board (including the Chairman), of which 6 are independent, 3 are non-independent, 1 is non-executive non-independent director and 1 is nominee Director.

To ensure accountability and monitoring the Board has constituted various committees such as: Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility (CSR) Committee and Stakeholders' Responsibility Committee. The committees meet periodically during the year to supervise, review performance and advice on the necessary direction to be taken.

Code of Conduct: Vardhman has its Code of Conduct which extends to all directors and senior employees of Vardhman which aims at maintaining highest standards of business conduct in line with the Ethics of the Company,

provides guidance in difficult situations involving conflict of interest & moral dilemma and ensures compliance with all applicable laws. All senior employees have to read and understand this code and agree to abide by it.

The policy code of conduct is available at the company website at the link https://www.vardhman.com/investor-desk#!company_information with the name Policies-Code of Conduct.

Vigil Mechanism/ Whistle Blower Policy: The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Uniform Listing Agreement aims to provide a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman/ Chairman of the Audit Committee in exceptional cases.

The vigil Mechanism/ whistle blower policy is available at the company's website at the following link: https://www.vardhman.com/investor-desk#!company_information with the name **Policies- Vigil Mechanism**

Principle 2: Sustainability of Products & Services across Life-cycle

Sustainable products provide environmental, social and economic benefits, while protecting public health and environment over their life cycle, i.e. from the extraction of raw materials up to the final disposal.

Responsible Sourcing:

Being one of the largest consumer of Raw Materials (Natural and Man-made fibres and filaments) in the country; we endeavor to integrate sustainability in our procurement process directly or indirectly.

There are many programs like Organic Cotton, Fairtrade cotton and Better Cotton Initiative which have common goals to reduce impact of water and pesticides use on human and environment health, environmentally preferred processing practices, improve soil health and biodiversity, decent working conditions for farming communities and cotton farm worker, sustainable prices, increase financial profitability of farmers followed by tracking and tracing of raw materials. Annually, these programs constitute 9%-10% share in our total raw cotton sourcing volume with which we support sustainable agriculture.

Our majority of Man-made fibres and filament suppliers are ISO 9001certified.

In our sustainable approach, we associated ourselves with Organic program in the year 2004 by introducing Organic cotton in our products. Later on, in year 2006, we associated ourselves with Fair-trade program.

We become member of BCI (Better Cotton Initiative) in year 2011. BCI aims to promote measurable improvements in the key environmental and social impacts of cotton cultivation worldwide to make it more sustainable (economically, environmentally, and socially).

To further extend our outreach to farmers and after understanding the BCI missions and objectives and finding ourselves aligned with their direction, we become implementing partner of BCI in Gujarat region in 2015. Better cotton works on the criteria that cotton is produced by farmers who:

- Minimize the harmful impact of crop protection practices.
- Use water efficiently and care for the availability of water.
- Care for the health of the soil.
- Conserve natural habitats.
- Care for and preserve the quality of the fibre.
- Promote decent work.

We have undertaken this project in the Gondal region of Gujarat. Project scope covers 1758 farmers on land of 10600 acres in 9 villages in its first year.

We act as facilitator in providing technical assistance to farmers of better farming and integrated pest management techniques. Technical assistance is provided by subject matter specialist from Junagarh Agriculture University. This activity is helping in capacity building of farmers and they participate in these meetings in large numbers. 2016, was our second year and we increased the number of farmers to 8300 on land of 36700 acres in 47 villages.

These farmers can sell their produce in open market. Further, we have provided 20000 cotton bags to farmers this year so as to reduce contamination in fiber and with which farmers will get better price for their produce.

Sustainability

The Vardhman Group has integrated sustainability into the business since the year 2000. We have been focused on prevention and control of water wastage and air, noise and land pollution. To create a road map for this initiative, we have developed the "Vardhman Environmental Sustainability Directions" for the Group. The Vardhman Group strives to minimize the negative

impact on the environment by applying innovative thinking to every step of manufacturing process.

Building eco-friendly practices in daily processes is a part of our culture. This culture inspires us to try to make more from fewer resources and minimize waste in every form. We attempt to contribute to a better environment by reducing water consumption, minimizing wastage and using renewable energy resources over conventional ones.

Water
We are continuously working to improve our water efficiency and have metering systems across the water distribution network. Our corporate EHS team regularly monitors the metering system.

Water Saving
We follow the EPA guidelines that state "USING WATER EFFICIENTLY is directly proportional to WATER SAVINGS". The Vardhman Group has developed a culture of saving this precious asset. To save water we have:

- Designated a water efficiency coordinator.
- Developed a mission statement and a plan to achieve it
- Educated and involved employees in water efficiency efforts.
- Adopted Equipment Changes
  - high-efficiency plumbing fixtures, appliances and other equipment yield substantial savings on water.

As a direct result of these initiatives, our residential colonies are now consuming 150 litres per capita per day, earlier consumption used to vary between 180 – 190 litres per capita per day.

Water Recharging
We are focused on recharging maximum rain water in to the ground since 2005. We have set up 48 Rain Water Harvesting Systems (RWHS) within our premises. Rain water is directed from roof tops through channels and then collected in a collection pit with filter. Through this, the water is recharged into the ground through bore holes. Every year we recharge apprx 120,000 KLs of water.

Wastewater Re-Use
The textile industry is inherently water intensive and therefore wastewater generation is considerably high. However, at Vardhman we have invested heavily into the best treatment technology to make wastewater reusable and recyclable. As of today, we have 8 Effluent Treatment Plants (ETPs) of different capacities and 10 Sewage Treatment Plants (STPs) dedicated to making wastewater reusable

Water Re-Utilization (Recycling & Reusing) i.e. Zero Liquid Discharge
Vardhman has set up three Zero-liquid-discharge plants of capacity 3600 KLD & 400 KLD (2 no.) Units are recovering 16 lakhs liters of water through RO systems and reuse entire recovered water back into the manufacturing process. Apart from this, the treated water is also used for watering of green belts. The gardening system is completely powered by treated wastewater

Energy
Energy conservation implies reducing energy consumption at the organizational level. Energy conservation differs from efficient energy use, which refers to using less energy for a constant service. Vardhman has in the financial year 2016-17 has undertaken a number of measures to reduce energy consumption like installation of new distribution transformers at optimum locations, replacement of rewound motors with energy efficient motors, optimization of compressed air consumption, installation of AFPC panels and VFD's for H-Plant fans, installation of LED lights on streets and boundary walls etc.

Principle 3: Employee Well-being
In a world where everything else is equal, human effort makes all the difference. We place immense value on our workforce and consider it our biggest, most valuable asset. At Vardhman, we have a culture of empowerment that values and respects individual potential and helps each one achieve it to the fullest. Our people own their jobs and not just perform them. We continuously strive to improve quality of work-life for total job satisfaction and social harmony for the employees.

1. Please indicate the Total number of employees. 21,206
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis. 1813
3. Please indicate the Number of permanent women employees. 5,127
4. Please indicate the Number of permanent employees with disabilities 19
5. Do you have an employee association that is recognized by management. No
6. What percentage of your permanent employees is members of this recognized employee association? NA

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
   (a) Permanent Employees 59%
   (b) Permanent Women Employees 77%
   (c) Casual/Temporary/Contractual Employees 74%
   (d) Employees with Disabilities- 74%

The policies on the principle of Employee well-being are available on the company's website at the following link:-

1. Child Labour - https://www.vardhman.com/user_files/investor/Policy%20on%20Prohibition%20of%20Child%20Labour.pdf

2. Anti Sexual - https://www.vardhman.com/user_files/investor/Anti%20Sexual%20Harassment%20Policy.pdf

3. Bonded Labour - https://www.vardhman.com/user_files/investor/Forced%20Bonded%20Labour%20Prohibition.pdf

Principle 4: Stakeholder Engagement

Vardhman recognizes employees, Local communities surrounding our operations, business associates (marginalized farmers, network of suppliers, agents and dealers), customers and shareholders/investors as our key stakeholders.

Vardhman identifies communities (with a focus on women and children from these communities) around our manufacturing facilities and small farmers in our inbound supply chain as disadvantaged, vulnerable & marginalized stakeholders.

Vardhman regularly undertakes initiatives to serve the interest of its disadvantaged, vulnerable and marginalized stakeholders. These are briefly described below:

Stakeholder group	Initiatives
Employees	Our Employee policies safeguard employees against any kind of discrimination based on caste, religion, geography, educational or social background, gender etc. We believe in the continuous people development through investment in the training & development of our employees even in adverse business times. Women who form 25% of our workforce are given ample opportunities to accept greater roles at work and are treated with utmost respect. Ensuring the safety of women employees is a top priority for Vardhman.
Local Communities around our manufacturing Locations	Development and deployment of need-based community programs in the areas of health, education, skill development, sanitation, livelihood etc. as part of Corporate Social Responsibility (CSR) initiatives.
Business associates	Direct engagement with small and marginal farmers and providing free technical advice to them for improving yield of their cotton crop through deploying better farming methods. This provides an avenue for sustainable livelihood generation and capacity building for small farmers. We educate our agents about the new products and industry scenario and engage them in both formal and informal ways as they are the extended arms of Vardhman. Once in every two years we invite our dealers of the HKY section in customer meet and recognize their efforts in growing sales.
Customers	We provide a dedicated sales team to ensure pre to post sale services to our customer. Post sale service ensures smooth usage of our products and problem solving through a partnership approach has helped us forge long lasting relationships with our customers

Principle 5: Human Rights

Although we do not have a formal policy on Human Rights, we subscribe fully to the basic tenets of human rights as defined in our Constitution. We adhere to the human rights principle of dignity of workforce regardless of the nation, location, language, religion, ethnic origin or any other status of any person.

We have placed grievance redressal mechanisms in every manufacturing unit and we try to ensure a harassment free work environment along with workplace health and safety. A Labour Welfare Officer is placed in every manufacturing unit who is available in the plant round the clock to take care of ensuring the basic amenities of workers. Communication meetings between workers and senior officials are regularly conducted to redress the grievance of workers and maintain harmonious relations between the management and workers.

Prime importance is given towards maintaining better working condition in the plants to take care of the health & safety of employees. We are certified under OHSAS 18001 by NSAI.

No complaint was received pertaining to human rights violation during the past financial year.

Principle 6: Protection and Restoration of the Environment

1. Vardhman's Environment, Health and Safety policy extends to all its group companies and manufacturing units.

2. Climate change, global warming and environmental degradation pose unique challenges as well as opportunities for Vardhman. We are continually investing in new technologies, implementing process improvements and innovating. To make progressive strides and guide us in our endeavor, we have deployed a dedicated team for devising and implementing strategies for managing these risks and opportunities. Few of the steps taken in this regard, are:

   a) Effluent Treating of all our discharge either through own ETP or CETP.

   b) Zero Liquid discharge (ETP, RO, MEE) system for recycling of treated water for process usage.

   c) Sewerage Treatment for treatment of solid waste.

   d) Utilizing the treated ETP & Sewage water for gardening & flushing activities.

   e) Disposal of hazardous solid waste generated at CPCB/PCB authorized disposal facility only.

   f) Using the best of rainwater recharge Recharging of practices within the industry premises and ensures maximum quantity of rainwater is arrested and regarded to ground through rain water harvesting wells.

   g) All the boiler fuel gases are passed through the bag filter and scrubber units.

   These steps lead to reduction of raw water consumption, effluent generation, solid-waste generation, hazardous waste generation and Green House Gases emissions and help to reduce the overall impact on our natural resources and environment.

   We do not have any specific strategy or policy to address global environmental issues but we are using Biofuels in place of fossil fuels to reduce carbon emissions.

3. Vardhman identifies and assesses potential environmental risks and provide training to employees.

   We have facilities for proper management of e-waste, spent oil and sludge. All these hazardous elements are stored & maintained properly and sold to authorized dealer for recycling & disposing. We are not providing any formal training as such in this regard.

4. Vardhman have not registered any project related to Clean Development Mechanism project.

5. Vardhman has taken various clean and sustainability initiatives such as

- **Clean Technology:** We have been able to decompose food waste generated from colonies, Canteens & Hostels by installing Bio-gas plant at two of our locations (Auro Textile & VF Budhni). It produces 80 kg/day bio-gas which is utilized in canteens and mess. In MP region, Solar Kitchen Automation equipment is used for cooking. Solar water heaters are being used in hostels and campus.

- **Energy Conservation:** Energy efficiency initiatives such as switching to more efficient HVAC, lighting, and computing systems have been adopted. Replacement of florescent T8 (36 W) tube lights with T5 (25W) tube lights; Replacement of old motors with premium efficiency IE3 motors; Replacement of HPSV lamps with energy efficient LED street lights on boundary and road lighting; Conversion of electrical heating to steam heating in machines etc

- **Reduction in water use:** We have been able to reduce our water usage by regular metering, monitoring and controlling of utilities consumption at all our sites.

- **Water conservation:** We have 48 Rain Water Harvesting Systems by which an annual recharge of apprx 1,20,000 KL of water is done to the ground.

- **Reduce office waste:** Initiatives include installing jet hand dryer in washrooms to reduce paper waste.

- **Reduce food waste:** We use organic composter (Aaga System) to compost food waste from canteens, hostels and mess to use it as manure in the campus parks.

- **Awareness Programme:** Environment Week and Water Saving Week (which includes various activities like; Tree Plantation, Drawing Competition, Slogan Competition, Speech Competition etc) are celebrated.

- **Plantations:** In the last year, 26,000 trees were planted in Madhya Pradesh, Himachal Pradesh and Punjab region by Vardhman group.

- All the units of Vardhman are certified by ISO 14001 and OHSAS 18001 (Occupational Health Safety Assessment Series). We also have a common EHS portal for data collection and analysis by our various units

6. All the emissions are within the permissible limit of State and Central Pollution Control Board.

7. There is no show cause/legal notices received from CPCB/ SPCB by our units.

   Company's EHS policy is available on the website at the following link: https://www.vardhman.com/user_files/investor/EHS%20Policy.pdf

Principle 7: Responsible Advocacy

Vardhman is a member of several industrial and trade associations. These are listed as under:

a. Confederation of Indian Industries (CII);

b. Federation of Indian Chamber of Commerce and Industries (FICCI);

c. PHD Chamber of Commerce and Industries (PHDCCI);

d. Confederation of Indian Textile Industry (CITI);

e. Texprocil; etc.

Being an industry house, our major area of concerns are those public policies which deals with industry/ business. Therefore, most of the time, our submissions are related to economic policy changes and other issues, which affect the sustainability and competitiveness of the industry.

These platforms are utilized to update the industry concerns to the relevant government offices through seminars, delegations and memorandum. Through, these forums, we also provide our inputs sought by the State & Central Governments from time to time related to current problems faced by the industry, future prospects and policy imperatives required to overcome bottlenecks.

These forums are used to advance the cause of the industry and are not used to take up company specific issues.

Principle 8: Supporting Inclusive Growth and Equitable Development

1. Vardhman supports the principles of inclusive growth and equitable development through its core business as well as its corporate social responsibility initiatives

   Vardhman believes in being an equal opportunity employer. We offer equal roles and responsibility to women employees.

   The company has a detailed CSR policy in place and the CSR activities are monitored by Board appointed CSR committee. The key focus areas of Vardhman's

CSR programs are promotion of education, preventive healthcare, rural development, skill enhancement, environment protection and other areas as defined in Schedule VII of the Companies Act 2013.

2. The major CSR programs are being pursued in the areas in close proximity to our manufacturing locations so as to enable supervision and maximum developmental impact. Programs under this principal are developed and executed by:

   a. In-house teams for awareness building and contract farming projects with small and marginalized farmers and local communities

   b. Aurobindo Trust for community development initiatives around our manufacturing facilities in Punjab, Himachal Pradesh, Madhya Pradesh and Gujarat.

   c. Other organizations- we also collaborate with other public and private organizations like hospitals etc. to provide healthcare initiatives to the underprivileged sections of the society.

3. Vardhman internally performs an impact assessment of its initiatives at the end of each year to understand the efficacy of the program in terms of delivery of desired benefits to the community and to gain insights for improving the design and delivery of future initiatives.

4. Vardhman's contribution towards community development projects carried under its CSR policy during the reporting period (2016-17) is ₹ 5.41 crore.

Few of the CSR initiatives are given below:

Area	Initiatives
Promoting Education	• Construction of classrooms, washrooms and providing basic furniture in Govt. primary school in Ludhiana that will benefit around 1000 students. • Collaboration with an NGO which has been working for providing education to the children of tribal families in remote areas of Orrisa. • Various projects were undertaken in the state of Himachal Pradesh, Punjab, Gujarat & Madhya Pradesh to provide basic amenities like repairing kitchens, laying of sheds, and renovation of existing toilets, setting up of computer labs, and providing basic furniture in various government run schools.
Promoting healthcare & preventive healthcare	• Building a Padiatric Ward and a waiting room for attendant of patients at a missionary hospital in a backward area of M.P. • Providing medical equipment to various Government and Civil hospitals in Baddi, Punjab and M.P. • Initiative taken to build a Rehabilitation Centre at CMC Hospital in Ludhiana, the first of its kind in this region. This is being undertaken in collaboration with CMC.
Drinking water & Sanitation	• A number of projects were undertaken for providing drinking water and toilet facilities in various government schools in H.P. as well as construction of public toilets in the region.
Better Cotton Initiative	• As a part of plan to transform cotton production, Vardhman become implementing partner with BCI in the state of Gujarat. The plan aims at providing technical assistance to farmers toward better farming and integrated pest management techniques. The project covers around 8300 farmers as of now.

5. Note on adoption of community development work by local communities

   At Vardhman all our manufacturing units continuously engage with communities surrounding their operations through surveys and focused meetings. This is done to gauge the needs, priorities and expectations of the local community. Initiatives are thus designed and delivered in a transparent manner in line with inputs from the community itself.

   The company's CSR policy and amended CSR policy is available on its website at the following link: https://www.vardhman.com/investor-desk#!company_information with the name Policies-CSR and amended CSR policy 11.03.2016

Principle 9: Providing Value to Customers and Consumers

Adding value is not always about money, or discounts. Understanding our customer is the key to add value. We try to understand what drives value for our customers and offer best quality products with a prime focus of developing memorable customer experience.

We take care of the well-being of our customers as well as the society. We take care of environment and implement practices that do not harm our society. We consistently work to improve customer satisfaction. We deliver value proactively by anticipating changes in customer's desired needs.

1. Pending complaints at the end of the financial year were of a routine nature and constituted 6-7% of complaints pending for yarn business and 2% for fabric business.

2. We disclose all the information on our labels in compliance with the legal requirements and let customers make an informed decision.

3. There is no case pending against the company regarding unfair trade practices.

4. As part of our stakeholder engagement strategy, Vardhman engages with its customers and carries consumer surveys for different products every year to know the customer satisfaction level so that necessary steps may be taken to enhance customer satisfaction levels. There is a designated market research department which routinely carries out these surveys and gives inputs to business on taking remedial action, if required.

Directors' Report

Dear Members,

The Directors of your Company have pleasure in presenting their 44th 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)	5,72,828.74	5,61,395.80
Other Income	56,758.24	24,097.29
Profit before Depreciation, Interest & Tax (PBDIT)	1,72,613.76	1,34,918.69
Interest and Financial expenses	9,183.10	8,670.69
Profit before Depreciation and Tax (PBDT)	1,63,430.66	1,26,248.00
Depreciation & Amortisation	32,949.39	36,309.60
Profit before Tax (PBT)	1,30,481.27	89,938.40
Provision for Tax - Current	28,157.00	22,184.15
- Deferred Tax (Net of Adjustment)	3,194.83	114.43
- MAT Credit Entitlement	(1,029.85)	-
Profit after tax (PAT)	1,00,159.29	67,639.82
Other Comprehensive Income	(21.76)	(4.07)
Total Comprehensive Income for the period	1,00,137.53	67,635.75
Earnings per share (₹)		
- Basic	163.67	109.00
- Diluted	163.67	109.00

Note: The financial statements of the Company for the year ended 31st March, 2017, are the first the Company has prepared in accordance with Indian Accounting Standards (Ind AS). The financial statements for the year ended 31st March, 2016 have been restated in accordance with Ind AS for comparative information.

Indian Accounting Standards (Ind AS):

The Ministry of Corporate Affairs (MCA), vide its notification in the Official Gazette dated 16th February, 2015, notified the Ind AS applicable to certain classes of Companies. Ind AS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. Ind AS is applicable on the Company from 1st April, 2016, with a transition date of 1st April, 2015.

The reconciliations and descriptions of the effect of the transition from IGAAP to Ind AS have been provided in Note No. 35 in the notes to accounts of the financial statements.

2. Financial Analysis and Review of Operations:

Production & Sales Review:

During the year under review, your Company has registered Revenue from Operations of ₹ 5,72,828.74 Lakhs as compared to ₹ 5,61,395.80 Lakhs in the previous year. The exports of the Company decreased from ₹ 2,27,486.33 Lakhs to ₹ 2,20,690.98 Lakhs showing a decrease of 2.99% over the previous year. The business wise performance is as under:-

a) **Yarn:**

The production of Yarn decreased marginally from 2,04,142 MT to 2,02,770 MT during the year 2016-17.

b) **Fabric:**
During the year, the production of grey fabric remained same as last year i.e. 175 million meter. The production of processed fabric increased from 112 million meter to 117 million meter.

Profitability:
The Company earned profit before depreciation, interest and tax of ₹ 1,72,613.76 Lakhs as against ₹ 1,34,918.69 Lakhs in the previous year. After providing for depreciation & amortisation of ₹ 32,949.39 Lakhs (Previous Year ₹ 36,309.60 Lakhs), interest of ₹ 9,183.10 Lakhs (Previous Year ₹ 8,670.69 Lakhs), provision for current tax of ₹ 28,157 Lakhs (Previous Year ₹ 22,184.15 Lakhs), deferred tax (net of adjustments) of ₹ 3,194.83 Lakhs [Previous Year ₹ 114.43 Lakhs], and MAT credit entitlement of ₹ (1,029.85) Lakhs [Previous year Nil], the net profit from operations after comprehensive income worked out to ₹ 1,00,137.53 Lakhs as compared to ₹ 67,635.75 Lakhs in the previous year.

Resources Utilisation:

a) **Fixed Assets:**
The Net Block as at 31st March, 2017 was ₹ 2,45,815.29 Lakhs as compared to ₹ 2,50,011.86 Lakhs in the previous year.

b) **Current Assets:**
The current assets as on 31st March, 2017 were ₹ 3,41,125.92 Lakhs as against ₹ 3,24,086.67 Lakhs in the previous year. Inventory level was at ₹ 1,58,900.38 Lakhs as compared to the previous year level of ₹ 1,80,911.59 Lakhs.

Financial Conditions & Liquidity:
The Company enjoys a rating of "AA+/Stable" from Credit Rating Information Services of India (CRISIL) for long term borrowings and "A1+" for short term borrowings, respectively. 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)

Particulars	2016-17	2015-16
Cash and Cash equivalents:		
Beginning of the year	27,676.95	17,554.77
End of the year	4,047.11	27,676.95
Net cash provided (used) by:		
Operating Activities	1,22,809.99	86,860.38
Investing Activities	(25,181.29)	(47,966.21)
Financial Activities	(1,21,258.54)	(28,772.00)

3. Management Discussion and Analysis Report:
Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34(2) (e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of this Annual Report.

4. Dividend:
The Board of Directors in its meeting held on 10th May, 2017 has recommended dividend of ₹ 15/- 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 the Companies Act, 2013 & Indian Accounting Standards (Ind AS) 110 on 'Consolidated Financial Statements' read with Ind AS 111 on 'Joint Arrangements' and Ind AS 112 on 'Disclosure of Interest in other entities', the Audited Consolidated Financial Statements is provided in the Annual Report.

7. Subsidiaries, Joint Ventures and Associate Companies:

During the year under review, Vardhman Yarns and Threads Limited, a Joint Venture with American & Efird Global, LLC (A&E) ceased to be Subsidiary of the Company and has become an Associate Company. No other Company has become or ceased to be Company's subsidiary, joint venture or associate company. Further, the Company does not have any material subsidiary. The details of the financials of the subsidiary and associate companies for the financial year 2016-17 are as follows:-

VMT Spinning Company Limited (VMT):
This subsidiary of the Company is a Joint Venture with Marubeni Corporation and Marubeni Hong Kong and South China Limited of Japan. The Revenue from operations of the company has increased to ₹ 19,112.99 lakhs from ₹ 15,663.72 lakhs in the last year. The Net Profit of the Company after comprehensive income worked out to ₹ 826.11 lakhs as against ₹ 738.97 lakhs in the previous year registering an increase of 11.79%. Out of the total present paid-up capital of ₹ 2,070.02 lakhs, your Company holds 89.44%.

VTL Investments Limited (VTL):
This 100% subsidiary of your Company is engaged in the business of investment. The earnings of the company mainly comes from dividend/interest earned on its investments and profits made on sale of investments. During the year, the Company has earned a net profit of ₹ 975.12 lakhs as compared to ₹ 357.01 lakhs in the previous year.

Vardhman Acrylics Limited (VAL):
This subsidiary of the Company is engaged in the business of manufacturing of Acrylic Fibre. Presently, the Company holds 70.74% shares in this subsidiary. During the Financial Year 2016-17, VAL recorded Revenue from operations of ₹ 36,842.96 lakhs against ₹ 44,759.18 lakhs in the previous year. The net profit of the company after comprehensive income worked out to ₹ 4,099.14 lakhs as compared to ₹ 4,080.18 lakhs in the previous year.

Vardhman Nisshinbo Garments Company Limited (VNGL):
This subsidiary of the Company is a Joint Venture partnership of 51:49 with Nisshinbo Textiles Inc., Japan for manufacturing men's shirts. During the year, the Revenue from Operations of the company was ₹ 5,828.84 lakhs as compared to ₹ 5,799.22 lakhs in the previous year. The company incurred a Net Loss of ₹ 53.88 lakhs as against a net profit of ₹ 153.36 lakhs in the previous year.

Vardhman Yarns and Threads Limited (VYTL):
Vardhman Yarns and Threads Limited, Joint Venture with American & Efird Global, LLC (A&E), is an Associate Company of the Company. It is engaged in the business of Threads Manufacturing and Distribution. During the year, the Company has sold its 40% stake in VYTL to A&E and is now holding 11% stake in VYTL. A&E is the second largest player in Threads Manufacturing and Distribution across the world. During the year under review, the Revenue from Operations were ₹ 77,857.87 lakhs as against ₹ 72,863.26 lakhs in the previous year registering an increase of 6.85%. The Net Profit for the year after comprehensive income worked out to ₹ 9,909.48 lakhs as compared to ₹ 8,991.66 lakhs during last year registering an increase of 10.21%.

Vardhman Special Steels Limited:
Vardhman Special Steels Limited (VSSL) is an Associate Company of the Company. The Company holds 31.39% shares of VSSL. During the year, the Revenue from Operations of the Company was ₹ 75,312.90 lakhs as compared to ₹ 72,551.41 lakhs in the previous year. The Net Profit for the year after comprehensive income worked out to ₹ 1,891.01 lakhs as compared to ₹ 405.12 lakhs in the previous year.

Vardhman Spinning & General Mills Limited:
Vardhman Spinning & General Mills Limited (VSGM) is an Associate Company of the Company. The Company holds 50% shares of VSGM. It is a trading Company dealing in the business 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:

Joint Managing Director:
Mrs. Suchita Jain has been appointed as Joint Managing Director of the Company w.e.f. 24th August, 2016. Her appointment was approved by the Members vide their resolution dated 2nd February, 2017, passed by Postal Ballot.

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

Nominee Director:
During the year, IDBI Bank has withdrawn the nomination of Mr. Suresh Khatanhar, from the Board of your Company w.e.f. 19th November, 2016 and has nominated Mr. Kumar Neel Lohit as the Nominee Director w.e.f. 28th November, 2016.

Declaration under Section 149(6):
The 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 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.

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

Familiarization Programme 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/familarisation.pdf

Annual Evaluation of the Board Performance:
The meeting of Independent Directors of the Company for the calendar year 2016 was held on 15th November, 2016 to evaluate the performance of Non-Independent Directors, Chairperson of the Company and the Board as a whole.

The evaluation was done by way of discussions on the performance of the Non- Independent Directors, Chairperson and Board as a whole 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 has been formulated by the Company.

9. Key Managerial Personnel (KMP):

In compliance with provisions of Section 203 of the Companies Act, 2013, following are the KMPs of the Company as on 31st March, 2017:

S.No.	Name	Designation
1.	S.P. Oswal	Chairman & Managing Director
2.	Rajeev Thapar	Chief Financial Officer
3.	Karan Kamal Walia*	Company Secretary

* Ms. Karan Kamal Walia, Company Secretary resigned from the Company w.e.f. 11th May, 2017 and Mr. Sanjay Gupta has been appointed as Company Secretary in her place w.e.f. 1st June, 2017.

10. Number of Board Meetings:

During the year under review, the Board met five (5) 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:

M/s S.C. Vasudeva & Company, the existing Statutory Auditors of the Company have submitted Auditors' Report on the accounts of the Company for the accounting year ended 31st March, 2017. The Auditors' Report is self-explanatory and requires no comments.

Further, pursuant to Section 139 of the Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the said section. The Audit Committee of the Company has proposed, and on 10th May, 2017, the Board of Directors of the Company has recommended the appointment of Deloitte Haskins & Sells, LLP, Chartered Accountants (Firm registration No. 117366W/W-100018) ('Deloitte') as the statutory auditors of the Company. Deloitte will hold office for a period of five consecutive years from the conclusion of 44th Annual General Meeting till the conclusion of 49th Annual General Meeting, subject to the approval of the Members of the Company.

Secretarial Auditor:

M/s. B.K. Gupta & 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 9th 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**.

Cost Auditor:

The Board of Directors has appointed M/s Ramanath Iyer & Company, Cost Accountants, New Delhi, as the Cost Auditors of the Company to conduct Cost Audit of the Accounts for the financial year ended 2017-18. However, as per provisions of Section 148 of the Companies Act, 2013, read with Companies (Cost Records and Audit) Rules, 2014, the remuneration to be paid to the Cost Auditors is subject to ratification by Members at the Annual General Meeting. Accordingly, the remuneration to be paid to M/s Ramanath Iyer & Company, Cost Accountants, New Delhi, for financial year 2017-18 is placed for ratification by the Members.

The Cost Auditor's Report for the Financial Year 2017-18 will be forwarded to the Central Government as required under law.

12. Audit Committee & Vigil Mechanism:

Composition of Audit Committee:

The Audit Committee consists of Mr. Prafull Anubhai, Independent Director, Dr. S.K. Bijlani, Independent Director, Mr. Shravan Talwar, Independent Director, Mr. D.B. Jain, Independent Director, Mr. A.K. Kundra, Independent Director and Mr. D.L. Sharma, Director. Mr. Prafull Anubhai is the Chairman of the Committee and Company Secretary of the Company is the Secretary of the Committee. All the recommendations made by the Audit Committee were accepted by the Board.

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 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 code 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:http://www.vardhman.com/userfiles/20b9bcdbd2cc01fde3e8e7d392d93573769de1941436265078.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 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 Companies Act, 2013. 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.
- **Preventive Healthcare:** Providing Healthcare equipment and other facilities to local dispensaries and hospitals. This shall include augmenting infrastructure of such facilities.
- **Rural Development:** Rural development centric CSR initiatives, including electrification through solar power, providing safe drinking water, sanitation etc. This may include participation in Govt. run welfare projects in partnership with the private sector.
- **Skill Enhancement with special emphasis on Women Empowerment:** Focus on initiatives enabling functional literacy of women as also employment and livelihood enhancing vocational skills by imparting proper training.
- **Environment:** Activities to protect the degradation of Environment including preservation of natural resources, energy conservation, recycling of waste products, reduction in emission of harmful pollutants, improving fertility of land, enhancement of green cover etc.
- **Public Private Partnership Initiatives:** The company shall also engage in CSR projects which call for a public private partnership for undertaking rural development and helping the underdeveloped community.
- Any other project (as defined in Schedule VII of the Companies Act, 2013) may also be taken up as and when considered necessary.

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/CSR%20Policy%20final.pdf

During the year, the Company has spent ₹ 540.91 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 form part of this report as **Annexure III**.

15. Business Responsibility Report (BRR):

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandate the inclusion of the BRR as part of the Annual Report for top 500 listed entities based on market capitalization. In compliance with the Listing Regulations, we have integrated BRR disclosure into our Annual Report.

16. Dividend Distribution Policy (DDP):

As per Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the top 500 listed companies are required to formulate a DDP. Accordingly, a DDP was adopted to set out the parameters and circumstances that will be

taken into account by the Board in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company. The policy is enclosed as **Annexure IV** to the Board's report and is also available on the Company's website at the link: https://www.vardhman.com/user_files/investor/Dividend%20Policy.pdf

17. 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: http://www.vardhman.com/user_files/a4c0a8b00e407cd507553ea7db7f06e89de1272a1436265025 .pdf.

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

19. 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. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable .

The Policy on dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: http://www.vardhman.com/user_files/96c45534e3ab096d9bc682f8eebade0344f91515143626460 9.pdf.

Your Directors draw attention of the Members to Note 45 to the standalone financial statement which sets out related party disclosures.

20. Particulars of Loans, Guarantees or Investments made under Section 186 of the Companies Act, 2013:

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the standalone financial statement (Please refer to Note 4, 5, 9 and 12 to the standalone financial statement).

21. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

Energy conservation continues to be an area of major emphasis in our Company. Efforts are made to optimize the energy cost while carrying out the manufacturing operations. Particulars with respect to conservation of energy and other areas as per Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, are annexed hereto and form part of this report as **Annexure V**.

22. 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 MGT-9 is annexed hereto and form part of this report as **Annexure VI**.

23. Human Resources /Industrial Relations:

Human resource is considered as the most valuable of all resources available to the Company. The Company continues to lay emphasis on building and sustaining an excellent organization climate based on human performance. The Management has been continuously endeavouring to build high performance culture on one hand and amiable work environment on the other hand. During the year, the Company employed around 21,206 employees on permanent rolls.

Pursuit of proactive policies for industrial relations has resulted in a peaceful and harmonious situation on the shop floors of the various plants.

24. 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 annexed hereto and form part of this report.

A statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in Rule 5 (2) and 5 (3) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is annexed hereto and form part of this report.

In terms of section 197(14) of the Companies Act, 2013, the Company does not have any Holding Company. However, the details regarding remuneration or commission received from subsidiary company by any Managing or Whole Time Director is annexed hereto and form part of this report.

All the above details are provided in **Annexure VII**.

25. 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 these financial statements relate on the date of this report.

26. Directors Responsibility Statement:

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

a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures;

b. appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the profit of the Company for the year ended on 31st March, 2017;

c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the annual accounts have been prepared on a going concern basis;

e. the Internal financial controls has 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.

27. 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. Details relating to deposits covered under Chapter V of the Act.

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.
4. No change in nature of Business of Company.

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

- **Buyback of Securities:**
  During the year, the Company had bought back and extinguished 62,60,869 Equity shares of ₹ 10/- each at a price of ₹ 1,150 per share. The paid-up capital of the Company post buyback is ₹ 57,39,10,100.

- **Vardhman Textiles Limited Employee Stock Option Plan, 2016:**
  The Board of Directors in its meeting held on 9th May, 2016 approved introduction of an equity based compensation scheme called "Vardhman Textiles Limited Employee Stock Option Plan 2016" for its eligible employees subject to approval of Members of the Company in the 43rd Annual General Meeting. The Board has delegated necessary power to the Nomination and Remuneration Committee to implement and administer the Plan once approved by the shareholders of the Company. Accordingly, the Nomination and Remuneration Committee of the Company has granted 6,14,000 Options out of a total of 6,36,518 Options till date.

28. Acknowledgment:

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.

for and on behalf of the Board
(S.P. Oswal)
Chairman & Managing Director

Place : Ludhiana
Dated : 11th August, 2017

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	Dividend Distribution Policy
V	Conservation of energy, technology absorption, foreign exchange earnings and outgo.
VI	Extract of Annual Return - MGT 9.
VII	Particulars of employees and related disclosures.

Annexures to the Directors' Report

Annexure- I

Nomination & Remuneration Policy of the Company:

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 7th August, 2014.

Upon the recommendations of Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on 8th 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:-

a 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.

b That relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

c 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 to 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.

Annexure- I

3. Membership:

a) The Committee shall consist of a minimum three (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 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 meeting.

10. Effective Date & Amendments:

This policy will be effective from 8th May, 2015 and may be amended subject to the approval of Board of Directors.

Annexure- II

FORM MR-3
Secretarial Audit Report
For The Financial Year Ended 31st March, 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 Textiles Limited
Chandigarh Road,
Ludhiana- 141010

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Vardhman Textiles 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 my opinion thereon.

Based on our verification of the Company's 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 March 31, 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 books, forms and returns filed and other records maintained by Vardhman Textiles Limited ("the Company") for the financial year ended on 31st March, 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- Not Applicable during the Audit period;

(e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008-Not Applicable during the Audit period;

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- Not Applicable during the Audit period; and

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

(vi) We have relied on the representation made by the Company & its Officers for system and mechanism formed by the Company for compliances under other applicable Acts as Environmental Laws & Labour Laws as per list attached herewith.

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

(i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.

Annexure- II

(ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange

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.

We further report that during the audit period the company has conducted two postal ballots to conduct its business first from 24th October, 2016 to 22nd November, 2016 and second from 2nd January, 2017 to 31st January, 2017.

We further report that during the audit period the company has passed the following Special resolutions which is having major bearing in the Company's affairs in pursuance of above referred laws, rules, regulations, guidelines, standards, etc.

- Approval of Vardhman Textiles Limited Employee Stock Option Plan 2016
- Approval for the Buyback of Equity Shares of the Company
- Approval to issue Non- Convertible Debentures (NCDs)/ Bonds

We further report that during the audit period the company bought back equity shares aggregating to ₹ 719.99 crore and has granted 6,07,500 employee stock options to eligible employees under Vardhman Textiles Stock Option Plan, 2016 exercisable into not more than 6,07,500 equity shares in the company.

For **B.K. Gupta & Associates**
Company Secretaries
Chairman & Managing Director

(Bhupesh Gupta)
FCS No.:4590
C P No.:5708

Place : Ludhiana
Dated : 10th May, 2017

List of Labour Laws and Environmental Laws Which Have Been Verified During Audit Period

List of Labour Laws

The Factories Act, 1948
The Industrial Disputes Act, 1947
The Payment of Wages Act, 1936
The Minimum Wages Act, 1948
The Employee's State Insurance Act, 1948
The Payment of Bonus Act, 1972
The Contract Labour (Regulation and Abolition) Act, 1970
The Apprentices Act, 1961

List of Environmental Laws

The Environment (Protection) Act, 1986
The Public Liability Insurance Act, 1991
The Water (Prevention and Control of Pollution) Act, 1974
The Air (Prevention and Control of Pollution) Act, 1981
The Hazardous Waste (Management, Handling and Trans boundary Movements) Rules, 2008

Annexure- II

Annexure- A

To
The Members,
Vardhman Textiles Limited
Chandigarh Road,
Ludhiana- 141010

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.

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 which the management has conducted the affairs of the Company.

For **B.K. Gupta & Associates**
Company Secretaries

(Bhupesh Gupta)
FCS No.:4590
C P No.:5708

Place : Ludhiana
Dated : 10th May, 2017

Annexure- III

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2016-17:

Sr. No.	Particulars	
1.	Brief outline of CSR Policy	The focus areas of the Company under its CSR programme are promotion of education, preventive health care, rural development, skill enhancement, environment protection and any other project as defined in Schedule VII of the Companies Act, 2013.
2.	Composition of CSR Committee	The CSR Committee of the Company consists of:
		i) Mr. A.K. Kundra- Chairman
		ii) Mr. Sachit Jain- Member
		iii) Mr. Neeraj Jain- Member
		iv) Mr. D.L. Sharma- Member
3.	Average net profit of the Company for last three financial years	₹ 72,288.91 Lakhs
4.	Prescribed CSR Expenditure	₹ 1,445.78 Lakhs
5.	**Details of CSR spent during the year:**	
	Total amount spent for the financial year	₹ 540.91 Lakhs
	Amount unspent, if any	₹ 904.87 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 total projects taken up by the Company had a total cost of ₹ 1,651.93 Lakhs out of which the Company has spent ₹ 540.91 Lakhs in the Financial year 2016-17 as per details provided in Annexure A. The balance expenditure and pending CSR proposals, if any, are expected to be taken up in the coming 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- III

Annexure- A

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

(₹ in Lakhs)

S. 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 project or program was undertaken	Amount outlay (Budget) project or program wise	Amount spent on the projects or programs Subheads: Direct expenditure on projects/ programs (including Overheads)	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	Construction of drinking water points along with hands washing area (Civil + Sanitation Items).	Sanitation/Safe Drinking Water	Government Sr, Secondary School, Gullarwala.	2.40	2.07	2.07	Through Trust
2.	Construction of drinking water points along with hands washing area (Civil + Sanitation Items).	Sanitation/Safe Drinking Water	Government Primary & Middle School, Village Batolikalan-Baddi	1.50	0.76	0.76	Through Trust
3.	Renovation of drinking water points along with hands washing area, Supply of School desks with bench of 57 Nos., Supply of Public Addressing System, Construction of Class Room & repairing of existing kitchen	Sanitation/Safe Drinking Water and Promotion of Education	Govt. High & Primary School Thana, Baddi	12.22	9.57	9.57	Through Trust
4.	Renovation of drinking water points (Civil + Sanitation Items), Renovation of existing toilets (06 Nos.)	Sanitation/Safe Drinking Water	Government Middle School Village Billanwali - Baddi.	6.17	5.27	5.27	Through Trust
5.	Renovation of drinking water points along with hands washing area (Civil + Sanitation Items), Construction of one class room, Supply of School desks with bench 60 Nos.	Sanitation/Safe Drinking Water and Promotion of Education	Government Primary/High School, Village Sandholi	11.73	8.84	8.84	Through Trust
6.	Supply of Semi automatic analyzer and Cell Counter Equipment.	Preventive Healthcare	Primary/Community Health Center, Baddi.	6.00	5.30	5.30	Through Trust
7.	Providing Public toilet for use of general public in bazar situated on Panchayat Road and renovating culvert for proper discharge of toilet	Sanitation/Safe Drinking Water	Panchayat Road leading to Dakhru Majara Village, Baddi	4.00	2.54	2.54	Through Trust
8.	Protection of National Heritage, Arts & Handicrafts, Funding for Mela	Art and Cultural Heritage	Shoolini Mela, Solan	4.00	4.00	4.00	Through Trust
9.	Green Area Development by planting 5,000 tress	Ensuring environment Sustainability	Timex to Unichem & MSM-TD Gate Area, approx. 0.7 Km far from Vardhman	6.50	4.64	4.64	Through Trust
10.	New Borewell with Supply Line for existing network & One Room for Bore Well and Public Library cum Community Hall construction	Drinking Water and Rural Development	DhakruMajra (Ward No.-08) Village and Gullerwala Village	32.60	6.05	6.05	Through Trust

Annexure- III

(₹ in Lakhs)

S. 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 project or program was undertaken	Amount outlay (Budget) project or program wise	Amount spent on the projects or programs Subheads: Direct expenditure on projects/ programs (including Overheads)	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
11.	Renovation of 200 years old "Talab" & development of green area for excursion of public., Promoting Education & personality development through sports (Stadium) in Govt. College Nalagarh	Ensuring environment Sustainability & rural sports	Nalagarh Heritage Society; Higher Education Institution Society, Govt. College Nalagarh	1.51	1.51	1.51	Through Trust
12	Providing 02 No. 360 Ltr Fridge, 01 No. Defibrillator Instrument, 01 No. BOD Incubator in PHC	Preventive Healthcare	Primary/Community Health Centre, Baddi	3.75	2.10	2.10	Through Trust
13	Supply of School Desks with Benches 25 No. And Providing hand washing area for existing toilets with overhead tank facility, repair of stair including minor civil works	Promotion of Education	Govt. High School, Dharampur (Bhup Nagar)	1.95	2.10	2.10	Through Trust
14	Building of 03 no. of New Classrooms at First Floor with Provision of Stairs, Providing Drinking Water Point and school desks	Promotion of Education	Govt. Primary School, Baddi	25.30	0.00	0.00	Through Trust
15	Construction of One class room with benches, Repairing & finishing of existing stairs & Boundary Wall	Promotion of Education	Government Middle School, Village Billanwali - Baddi	18.55	0.00	0.00	Through Trust
16	Providing Drinking Water Facility for students, 50 no. of desks with Benches for students	Promotion of Education	Government High School, Village Sandholi	2.45	0.76	0.76	Through Trust
17	Providing RO; Reconstruction of Existing toilet complex 10 No's (Boys+Girls+Staff); Renovation of Drinking Water Points for Primary School	Promotion of Education	Government Sr, Secondary School, Gullerwala	17.80	0.41	0.41	Through Trust
18	Construction of Ladies Toilets with hand washing facility in ward no-7	Sanitation	Public Toilet (Ladies) in ward no.-7 (approx. 0.2 Km far from Vardhman)	4.00	2.80	2.80	Through Trust
19	Promoting Rural Sports in Gullerwala Village through Gram Panchayat Gullerwala Khusti Dangal Committee	Promoting Rural Sports	Gullerwala Khusti Dangal	0.21	0.21	0.21	Through Trust
20	Reconstruction of damaged floor in classroom and veranda area, and repair of school entrance, Construction of Toilets (12 No.), Construction of New Kitchen area.	Promotion of Education	Govt. Sr. Sec. School, Gullerwala	22.50	0.00	0.00	Through Trust
21	Medical Equipment	Preventive Healthcare	Govt. Hospital (F.R.U), Nalagarh	22.00	2.44	2.44	Through Trust

Annexure- III

(₹ in Lakhs)

S. 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 project or program was undertaken	Amount outlay (Budget) project or program wise	Amount spent on the projects or programs Subheads: Direct expenditure on projects/ programs (including Overheads)	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
22	Construction of 2 classrooms and one computer lab	Promotion of Education	Govt. High School, Billanwali	30.95	0.00	0.00	Through Trust
23	Construction of 01 no. of Public Toilet (Ladies & Gents) including minor civil work on outside area and provision of Septic Tank	Sanitation	Tehsil Complex, Baddi	11.00	0.00	0.00	Through Trust
24	Training to promote Rural Sports (National Kabaddi Tournament)	Promoting Rural Sports	Kabaddi Tournament in Karuana Village, Baddi	0.11	0.11	0.11	Through Trust
25	Contribution to Nalagarh Heritage Society	Art and Cultural Heritage	Nalagarh Heritage Society	0.50	0.50	0.50	Through Trust
26	Construction work at Sri Aurobindo Public School	Promotion of Education	Sri Aurobindo Public School, Baddi	29.81	0.00	0.00	Through Trust
26a.	Cost of Cement for above Civil Projects, Cost of Steel (TMT Bar & MS Channel)	Promotion of Education and Preventive Healthcare	Baddi		38.78	38.78	Through Trust
27	Providing safe drinking water, Desks, chair & table and black boards, carpets, wall clocks and fans. Constructing toilet facility	Promotion of Education	Government primary schools of Khanna region	3.24	2.89	2.89	Through Trust
28	Providing safe drinking water, Desks, chair & table and black boards, carpets, wall clocks and fans	Promotion of Education	Government primary schools of Nabha region.	3.65	2.31	2.31	Through Trust
29	Providing safe drinking water, Desks, wall clocks and fans.	Promotion of Education	Government primary schools of Barnala region.	0.27	0.20	0.20	Through Trust
30	Providing safe drinking water, Desks, chair & table and black boards, carpets, wall clocks and fans	Promotion of Education	Government primary schools of Sherpur & Bugra region.	3.02	1.94	1.94	Through Trust
31	Providing basic amenities in nearby Govt. schools to uplift the education system.	Promotion of Education	Govt. Primary Schools in Bhogiwal, Ranwa, Rajinder Nagar etc.	6.95	0.00	0.00	Through Trust
32	Providing medical equipment in hospital	Preventive Healthcare	Civil Hospital, Malerkotla, Sangrur	6.50	1.60	1.60	Through Trust
33	Providing Rooftop Solar Power System	Ensuring environment Sustainability	Kasturba Gandhi Balika Vidalya, Sangrur.	1.60	0.00	0.00	Through Trust
34	Providing medical equipment in hospital	Preventive Healthcare	Civil Hospital, Malerkotla, Sangrur	43.10	7.60	7.60	Through Trust

Annexure- III

(₹ in Lakhs)

S. 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 project or program was undertaken	Amount outlay (Budget) project or program wise	Amount spent on the projects or programs Subheads: Direct expenditure on projects/ programs (including Overheads)	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
35	Donation to CMC Urology Department	Preventive Healthcare	CMC Urology Department, Ludhiana	30.00	29.86	29.86	Direct
36	BCI cotton, Providing technical assistance to farmers of better farming and integrated pest management techniques	Rural Development	8732 farmers, 47 villages, Rajkot, Gujrat	66.58	39.15	39.15	Through Trust
37	Providing Cotton Bags to farmers	Ensuring Environment Sustainability	8732 farmers, 47 villages, Rajkot, Gujrat	57.10	36.47	36.47	Through Trust
38	Aurobindo College Auditorium	Promotion of Education		450.00	100.00	100.00	Through Trust
39	Aurobindo Public School, Budhni	Promotion of Education	Aurobindo Public School, Budhni	105.35	44.29	44.29	Through Trust
40	Vardhman Block at Govt. Primary School, Giaspura	Promotion of Education	Govt Primary School, Giaspura, Ludhiana,Punjab	125.00	28.39	28.39	Through Trust
41	Providing infrastructure & sanitation facility in Nishkam Vidhya Mandhir School	Promotion of Education	Nishkam Vidhya Mandhir, Model Town, Ludhiana, Punjab	53.00	13.87	13.87	Through Trust
42	Providing sanitation & benches facility in Govt. Sr. School Sekhewal School	Promotion of Education	Govt. Sr. School Sekhewal School	22.05	0.00	0.00	Through Trust
43	Sponsorship Contribution to 4 Children	Promotion of Education	Delhi	1.32	1.32	1.32	Direct
44	Drinking facility & desks/benches at Manekwal school	Promotion of Education	Govt Primary School, Manakwal, Ludhiana,Punjab	1.00	1.65	1.65	Through Trust
45	Promotion of Indological Studies at Bhogilal Leherchand Institute of Indology, Alipur, Delhi	Art and Cultural Heritage	Indological Studies at Bhogilal Leherchand Institute of Indology, Alipur, Delhi	10.00	10.00	10.00	Through Trust
46	Promoting Education by constructing of girls hostel at Auro-Mira Vidya Mandir, Kechla, Odisha	Promotion of Education	Auro-Mira Vidya Mandir, Kechla, Odisha	25.00	25.00	25.00	Direct
48	Promoting preventive health care by donating amount for construction of PHRC to CMC Ludhiana	Preventive Healthcare	CMC Ludhiana	50.00	25.00	25.00	Direct
49	Providing Drinking water supply from the existing bore well 3 locations in the village	Rural Development	Machlikho, Talpura, Village	2.50	2.39	2.39	Through Trust
50	Construction of a school shed in the primary school of village Beemkotti	Promoting Education	Khandabad panchayat.	5.00	0.00	0.00	Through Trust

Annexure- III

(₹ in Lakhs)

S. 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 project or program was undertaken	Amount outlay (Budget) project or program wise	Amount spent on the projects or programs Subheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
				Direct expenditure on projects/ programs (including Overheads)			
51	Providing Computer lab and construction of main gate at Pathal kho High school	Promoting Education	Village Mahukala	2.25	1.18	1.18	Through Trust
52	Providing safe drinking water to the commuters travelling through Budhni to other areas.	Rural Development	Bus stand, Budni.	0.60	0.41	0.41	Through Trust
53	Providing solar lights to the Mandi area of Pilikarar Panchayat.	Ensuring Environment Sustainability	Pillikarar	2.75	2.27	2.27	Through Trust
54	Plantation activities along the banks of Narmada River	Ensuring Environment Sustainability	Mahulaka, Berkhedi & other Panchayat.	2.00	0.00	0.00	Through Trust
55	Development of Nurseries and raising fruit plants and ornamental trees in the neighboring villages by training 20 beneficiaries.	Women Empowerment	Talpura, Pillikarar	2.00	0.58	0.58	Through Trust
56	Promotion of Anganbadi by providing basic infrastructure and study materials to 20 Anganbadies in the neighboring villages.	Promoting Education	Neighboring villages	2.00	2.25	2.25	Through Trust
57	Construction of boundary wall & modification of toilet in primary school, Pillikarar.	Promoting Education	Village Pillikarar	11.58	9.68	9.68	Through Trust
58	Construction of boundary wall & kitchen shed in HSTTC School, Budni		Budni, Nagar Palika				Through Trust
59	Providing safe drinking water to Pathal kho High school	Promoting Education	Village Mahukala	0.60	0.72	0.72	Through Trust
60	Providing water cooler and Computers to the Jain School in Hoshangabad.	Promoting Education	Jain School, Hoshangabad.	1.60	1.60	1.60	Through Trust
61	Construction of boundary wall around Anganbadi building in Talpura Village.		Village Talpura	1.50	1.20	1.20	Through Trust
62	Construction of a Paediatric block & providing medical equipment to St. Joseph's Hospital, Hoshangabad	Preventive Healthcare	St. Joseph's Hospital, Hoshangabad.	28.40	0.00	0.00	Through Trust
63	Construction of a Waiting Shed for Attendants in St. Joseph's Hospital, Hoshangabad	Preventive Healthcare	St. Joseph's Hospital, Hoshangabad	15.65	0.00	0.00	Through Trust
64	Providing Ventilator to the Government Hospital, Hoshangabad	Preventive Healthcare	Govt. Hospital, Hoshangabad.	14.70	11.24	11.24	Through Trust
65	Construction of a shed for keeping Deep Freezer in the mortuary in Hoshangabad	Preventive Healthcare	Government Hospital, Hoshangabad.	6.70	0.00	0.00	Through Trust

Annexure- III

(₹ in Lakhs)

S. 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 project or program was undertaken	Amount outlay (Budget) project or program wise	Amount spent on the projects or programs Subheads: Direct expenditure on projects/ programs (including Overheads)	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
66	Providing water cooler in Govt. Hospital in Budhni	Preventive Healthcare	Govt. Hospital, Budni	1.00	0.28	0.28	Through Trust
67	Modification of Mortuary in Govt. Hospital in Budhni	Preventive Healthcare	Govt. Hospital, Budhni	1.50	0.00	0.00	Through Trust
68	Extension of boundary wall, HTTC	Preventive Healthcare	Budhni	1.30	0.00	0.00	Through Trust
69	Narmada Seva Yatra	Ensuring Environment Sustainability	Narmada River Side	5.25	0.00	0.00	Through Trust
70	Construction of Science Lab	Preventive Healthcare	Govt Higher Secondary School, Mandideep	10.94	9.60	9.60	Through Trust
71	Participation in Construction of piped water supply scheme in rural area of Obedullaganj Block in 55 villages	Rural Development	Govt Piped Water Supply near Obedullaganj	17.97	Awaited (permission not received from govt)	0.00	Through Trust
72	Construction of classroom and various basic amenities	Preventive Healthcare	Raja Bhopal Govt. College	25.74	Awaited (NOC for land was not received)	0.00	Through Trust
73	Construction of boundary walls of college, Obedullaganj, Mandideep	Preventive Healthcare	Veer Savarkar College	17.97	6.90	6.90	Through Trust
74	Providing medical instruments	Preventive Healthcare	Government Hospital, Mandideep	30.75	18.31	18.31	Through Trust
75	Converting one room into computer lab, 2 Water tanks, Submersible pump, Cycle shed, Furniture for science lab.	Preventive Healthcare	Government High School Village-Polah, Mandideep.	15.82	0.00	0.00	Through Trust
76	Shed for Prayer, Main gate & boundary wall, Tree plantation	Preventive Healthcare	Government High School Khanpura, Obedullaganj, Raisen	22.67	0.00	0.00	Through Trust
77	Developing Green Belt area	Ensuring Environment Sustainability	AKVN Land Near Vardhman Yarns	27.6	0.00	0.00	Through Trust
Total Amount of Projects Approved by Board in FY 16-17 and their expenses				**1651.93**	**540.91**	**540.91**	

Note: In case of investments through Trust, investments have been made through Sri Aurobindo Socio Economic and Management Research Institute.

Annexure- III

Annexure- B
Responsibility Statement

I, A.K. Kundra, Chairman of the CSR Committee of Vardhman Textiles Limited undertake that the implementation and monitoring of CSR policy, is in compliance with CSR objectives of the Company.

SIGNED BY:
(A.K. Kundra)
Chairman of CSR Committee

Place : Ludhiana
Dated : 10th May, 2017

Annexure- IV

Dividend Distribution Policy

The equity shares of Vardhman Textiles Limited ("VTXL" or "the Company") are listed on BSE Ltd. and NSE Ltd, Mumbai. As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company is required to formulate a Dividend Distribution Policy which shall be disclosed in its Annual Report and on its website.

The dividend distribution shall be in accordance with the applicable provisions of the Companies Act, 2013, Rules framed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other legislations governing dividends and the Articles of Association of the Company, as in force and as amended from time to time.

The Board of Directors of the Company ("the Board") has approved the Dividend Distribution Policy of the Company ('the Policy") which endeavours to enhance stakeholder value for its investors and at the same time tries to ensure the right balance between the quantum of dividend paid and the amount retained for various business purposes.

The Board will recommend dividend distribution based on various internal and external factors, while striving for fairness, consistency and sustainability.

A. Parameters for Declaration of Dividend

1. Internal / Financial Factors:

1.1. Expansion plans

The Company's growth oriented decision to conserve cash in the Company for future expansion plan impacts shareholders expectation for the long run which shall have to be considered by the Board before taking a dividend decision and to decide on the quantum of dividend.

1.2 Cost of borrowings

The Board will analyze the requirement of necessary funds considering the long term or short term projects proposed to be undertaken by the Company. The viability of the options in terms of cost of raising necessary funds from outsiders such as bankers, lending institutions or by issuance of debt securities or by ploughing back its own funds, will impact the dividend decision.

1.3 Operating cash flow of the Company

In case of inadequate operating cash flow, the Company may need to rely on outside funding to meet its financial obligations. Thus, the Board will consider the operating cash flows before its decision whether to declare dividend or retain its profits.

1.4 Return on invested capital

The efficiency with which the Company uses its capital will impact the decision of dividend declaration.

1.5 Corporate Actions

Any Corporate Actions resulting in a significant allocation of capital for the Company may also impact the dividend decision and quantum of dividend.

2. External Factors:

2.1 Macroeconomic conditions

Considering the state of economy in the country, the policy decisions that may be formulated by the Government and other conditions prevailing in the international market which may have a bearing on or affect the business of the Company, the Management may consider retaining an appropriate amount of profits to meet unforeseen circumstances. The first & foremost consideration of the business will be to maintain solvency even in times of adversity and to protect the Company from all threats that emanate from changes in the social and political order.

Annexure- IV

2.2 **Statutory Compulsions**
Prevailing legal requirements, regulatory conditions or restrictions laid down under the Applicable Laws including tax laws.

B. Utilisation of Retained Earnings

The Company aims in ensuring sustainable wealth creation for its shareholders and with this objective, would utilise the retained earnings of the Company in a manner in which it is beneficial to Company as well as its stakeholders. The Company would aim at achieving the right balance between the distribution of retained earnings among the shareholders and utilisation of the same for meeting other requirements, including expansions. The Board will endeavour to maintain a reasonable dividend pay-out of the Company's profit after tax on standalone financials (other than extraordinary income).

C. Parameters for Various Classes of Shares

Currently, the Company does not have any other class of shares (including shares with differential voting rights) other than equity shares. In the absence of any other class of shares and/or shares with differential voting rights, the entire distributable profit for the purpose of declaration of dividend is considered for the equity shareholders.

D. Periodic Review

- This Policy would be subject to revision/ amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities and Exchange Board of India or other regulatory authority, from time to time, on the subject matter.
- The Board reserves the right to review this policy on periodical basis, considering various external and internal factors.

E. Disclosure of Policy

The policy will be available on the Company's website and will also be disclosed in the Company's Annual Report.

Annexure- V

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014.

Steps Taken for Conservation of Energy:

All the units have taken various measures in conservation of energy. The thrust is to measure the existing system parameters and then implement improvements. Emphasis is also given to optimise the operation of various equipments which also lead to energy conservation.

Some of the significant energy efficiency measures and best practices adopted in the Group for the year 2016-17 are given in the table below:

Sr. no	Energy Saving Measures implemented	Energy Saving in Lakhs Units	Saving amount (₹ in Lakhs)
1.	Use of variable speed drives in humidification plants.		
2.	Replacement of CFL and HPSV with LED lights for street and boundry lights		
3.	Optimum pressure setting for air compressor and avoidits misuse		
4.	Installation of high efficient screw air compressor in place of old compressor		
5.	Adoption of premier energy efficient IE3 motors for rewound & old inefficient motors		
6.	Replacement of T8 36 W tubelight with T5 25 W tubelightsand T5 18 W LED lights.	68.33	423.00
7.	Installation of proper size main motor in ring frame.		
8.	Installation of VFD for Pneumafil fan motor in ring framemachines.		
9.	Installation of APFC panels for power factor improvement.		
10.	Installation of Active Harmonic Filters for mitigation of harmonics.		
11.	Laying of additional LT cables to bring down the voltage drop.		

Technology Absorption:

Efforts made in Technology Absorption are furnished as under:

A) Research and Development (R&D):

1. **Specific areas in which Research & Development is carried out by the Company:**
   Research & Development is carried out for development of new products and for improvement in the production process and quality of products. The Company has been able to pioneer the launch of new products that have been successful in the market due to its R&D efforts.

2. **Benefits derived as a result of R & D:**
   The Company has been continuously improving the quality of its existing products and entered into new products and also been able to reduce the cost of production.

3. **Future Course of action:**
   Management is committed to strengthen R & D activities further to improve its competitiveness in times to come.

Annexure- V

4. Expenditure on R&D:

(₹ in Lakhs)

Particulars	(2016-17)	(2015-16)
Capital	636.02	1,398.81
Recurring	94.44	78.85
Total	730.46	1,477.66
Total R & D expenditure as a Percentage of Turnover	0.13%	0.26%

B) Technology Absorption, Adaptation and Innovation:

1. Efforts made:

The Company is continuously making efforts for adaptation of latest technology in all its units. The Company has also created specific cells for studying and analyzing the existing processes for further improvement.

2. Particulars of technology imported in last five years.

a)	Technology imported	NIL
b)	Year of import	N.A.
c)	Has technology been fully absorbed	N.A.

Foreign Exchange Earnings And Outgo:

Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plans are given hereunder:

- Exports of Yarns diversified into new Products & Markets with continuous growth.
- Continuous focus on Exports of Value Added Products.
- Continuously enhanced the sale of more environment friendly yarns.
- Achieved the annual growth targets in exports.
- Targeting the same level of growth in the next financial year.

Total Foreign Exchange earned and used:

(₹ in Lakhs)

	Particulars	(2016-17)	(2015-16)
a)	Earnings (FOB value of Exports, commission earned)	2,20,690.98	2,27,486.34
b)	Outgo (CIF value of Imports and expenditure in foreign currency)	43,932.67	43,544.02

Annexure- VI

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:

S.No.	Particulars	Details
i)	CIN	L17111PB1973PLC003345
ii)	Registration Date	8th October, 1973
iii)	Name of the Company	Vardhman Textiles Limited
iv)	Category/ Sub-Category of the Company	Listed Public Company
v)	Address of the Registered office and contact details	Vardhman Premises, Chandigarh Road, Ludhiana-141010, Punjab, India.
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Alankit Assignments Limited, 1E/13, Alankit Heights, Jhandewalan Extn., New Delhi- 110055. Phone: 011- 41540060-63 Fax: 011- 41540064 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:-

S. No	Name and Description of main products /services	NIC Code of the product/service	%to total turnover of the Company
1.	Textiles	131- spinning, weaving and finishing of textiles	100%

II. Particulars of Holding, Subsidiary and Associate Companies:

S. No	Name and Address of the company	CIN/ GLN	Holding / Subsidiary / Associate	% of shares held	Applicable section
1.	VMT Spinning Company Limited, Vardhman Premises, Chandigarh Road, Ludhiana-141010	U17117PB1990PLC014070	Subsidiary Company	89.44	2 (87)
2.	VTL Investments Limited, Vardhman Premises, Chandigarh Road, Ludhiana-141010	U17231PB1994PLC014256	Subsidiary Company	100.00	2 (87)
3.	Vardhman Acrylics Limited, Vardhman Premises, Chandigarh Road, Ludhiana-141010	L51491PB1990PLC019212	Subsidiary Company	70.74	2 (87)
4.	Vardhman Nisshinbo Garments Company Limited, Vardhman Premises, Chandigarh Road, Ludhiana-141010	U18100PB2009PLC032764	Subsidiary Company	51.00	2 (87)
5.	Vardhman Special Steels Limited, Vardhman Premises, Chandigarh Road, Ludhiana-141010	L27100PB2010PLC033930	Associate Company	31.39	2(6)
6.	Vardhman Spinning & General Mills Limited, Vardhman Premises, Chandigarh Road, Ludhiana-141010	U17121PB2007PLC030853	Associate Company	50	2(6)
7.	Vardhman Yarns and Threads Limited, Vardhman Premises, Chandigarh Road, Ludhiana-141010	U17230PB2005PLC027936	Associate Company	11	2(6)

Annexure- VI

IV. Share holding pattern (Equity Share Capital Breakup as percentage of Total Capital)

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	Physicals	Total	% of Total Shares	Demat	Physicals	Total	% of Total Shares	
A.	**Promoters**									
1)	**Indian**									
a)	Individual /HUF	14,61,658	0	14,61,658	2.30	12,83,095	0	12,83,095	2.23	(0.07)
b)	Central Govt./ State Govt. (s)	0	0	0	0	0	0	0	0	0
c)	Banks /FI	0	0	0	0	0	0	0	0	0
d)	Any other (Specify)									
	● Bodies corporate	2,51,55,246	0	2,51,55,246	39.52	2,27,96,397	0	2,27,96,397	39.72	0.20
	● LLP	1,29,78,058	0	1,29,78,058	20.39	1,14,13,130	0	1,14,13,130	19.89	(0.5)
Sub –total (A)(1):-		**3,95,94,962**	**0**	**3,95,94,962**	**62.21**	**3,54,92,622**	**0**	**3,54,92,622**	**61.84**	**(0.37)**
(2)	**Foreign**									
a)	NRIs Individuals	0	0	0	0	0	0	0	0	0
b)	Government	0	0	0	0	0	0	0	0	0
c)	Institutions	0	0	0	0	0	0	0	0	0
d)	Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0
Sub –total (A)(2):-		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Shareholding of promoter (A)= (A) (1) +(A) (2)		**3,95,94,962**	**0**	**3,95,94,962**	**62.21**	**3,54,92,622**	**0**	**3,54,92,622**	**61.84**	**(0.37)**
B.	**Public Shareholding**									
1.	**Institutions**									
a)	Mutual Funds	69,70,756	22,272	69,93,028	10.99	65,68,824	22,272	65,91,096	11.48	0.49
b)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
c)	Alternate Investment Funds	0	0	0	0	5,583	0	5,583	0.01	0.01
d)	Foreign Venture Capital	0	0	0	0	0	0	0	0	0
e)	Foreign Portfolio Investors	76,95,357	8,694	77,04,051	12.10	63,16,096	8,694	63,24,790	11.02	(1.08)
f)	Banks /FI	11,503	52,762	64,265	0.10	7,815	52,870	60,685	0.11	0.01
g)	Insurance Companies	50,000	1,575	51,575	0.08	50,000	1,575	51,575	0.09	0.01
h)	Provident Funds/ Pension Funds	0	0	0	0	0	0	0	0	0
i)	Any Others (specify)	0	0	0	0	0	0	0	0	0
Sub-Total(B)(1)		**1,47,27,616**	**85,303**	**1,48,12,919**	**23.27**	**1,29,48,318**	**85,411**	**1,30,33,729**	**22.71**	**(0.56)**

Annexure- VI

i) Category –wise share Holding (Contd.)

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	Physicals	Total	% of Total Shares	Demat	Physicals	Total	% of Total Shares	
2.	**Central Government/ State Government(s)/ President of India**	0	0	0	0	0	0	0	0	0
Sub –total (B)(2):-		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
3.	**Non Institutions**									
a)	Individuals									
i.	Individual shareholders holding nominal share capital up to ₹ 2 lakhs	38,94,319	10,47,611	49,41,930	7.76	33,92,905	9,63,239	43,56,144	7.59	(0.17)
ii.	Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs.	17,13,002	0	17,13,002	2.69	20,59,070	0	20,59,070	3.59	0.9
b)	NBFCs registered with RBI	7,274	0	7,274	0.01	8,284	0	8,284	0.01	0
c)	Employee Trusts	0	0	0	0	0	0	0	0	0
d)	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0	0	0	0	0	0
e)	Any Other									
e-1)	Bodies Corporate	6,49,295	43,034	6,92,329	1.09	5,29,146	43,984	5,73,130	1	(0.09)
e-2)	NRI	2,53,038	1,355	2,54,393	0.4	2,52,933	1,355	2,54,288	0.44	0.04
e-3)	Trust	16,35,070	0	16,35,070	2.57	16,13,743	0	16,13,743	2.81	0.24
Sub-Total (B)(3)		**81,51,998**	**10,92,000**	**92,43,998**	**14.52**	**78,56,081**	**10,08,578**	**88,64,659**	**15.45**	**0.93**
Total public shareholding (B) = (b) (1) +(b) (2) + (b) (3)		**2,28,79,614**	**11,77,303**	**2,40,56,917**	**37.79**	**2,08,04,399**	**10,93,989**	**2,18,98,388**	**38.16**	**0.37**
C.	**Shares held by custodian for GDRs & ADRs**	0	0	0	0	0	0	0	0	0
Grand total (A+B+C)		**6,24,74,576**	**11,77,303**	**6,36,51,879**	**100**	**5,62,97,021**	**10,93,989**	**5,73,91,010**	**100**	

During the year, the Company had bought back and extinguished 62,60,869 Equity shares of ₹ 10/- each at a price of ₹ 1,150 per share. Equity shares of the Company, post buyback reduced from 6,36,51,879 to 5,73,91,010.

Annexure- VI

(ii) Shareholding of Promoters:

S.No	Shareholders Name	Shareholding at the beginning of the year		Shareholding at the end of year		% change in shareholding during the year
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
1.	Adishwar Enterprises LLP	1,29,78,058	20.39	1,14,13,130	19.89	(0.50)
2.	Flamingo Finance & Investment Company Limited	5,90,513	0.93	5,32,959	0.93	0.00
3.	Anklesh Investments Private Limited*	3,58,566	0.56	Nil	-	(0.56)
4.	Marshall Investment & Trading Company Private Limited*	5,47,516	0.86	Nil	-	(0.86)
5.	Ramaniya Finance & Investment Company Limited	4,70,046	0.74	4,24,234	0.74	0.00
6.	Santon Finance & Investment Company Limited	5,05,609	0.79	4,56,330	0.80	0.01
7.	Plaza Trading Company Private Limited*	840	0.00	Nil	-	0
8.	Pradeep Mercantile Company Private Limited*	1,03,782	0.16	Nil	-	(0.16)
9.	Srestha Holdings Private Limited*	1,72,005	0.27	Nil	-	(0.27)
10.	Syracuse Investment & Trading Company Private Limited*	30,280	0.05	Nil	-	(0.05)
11.	Mahavir Spinning Mills Private Limited	1,09,628	0.17	98,944	0.17	0
12.	Devakar Investment & Trading Company Private Limited	56,48,566	8.87	61,92,786	10.79	1.92
13.	S.P. Oswal	6,62,125	1.04	5,97,591	1.04	0
14.	Shakun Oswal	1,53,583	0.24	1,38,615	0.24	0
15.	Suchita Jain	2,70,818	0.43	2,44,424	0.43	0
16.	Sachit Jain	40,005	0.06	Nil	-	(0.06)
17.	Soumya Jain	7,980	0.01	7,203	0.01	0
18.	Sagrika Jain	7,740	0.01	6,985	0.01	0
19.	Eastern Trading Company	59,040	0.09	53,286	0.09	0
20.	Amber Syndicate	86,255	0.14	77,848	0.14	0
21.	Northern Trading Company	82,560	0.13	74,513	0.13	0
22.	Paras Syndicate	91,552	0.14	82,630	0.14	0
23.	Vardhman Holdings Limited	1,54,83,895	24.33	1,40,67,671	24.51	0.18
24.	VTL Investments Limited	11,34,000	1.78	10,23,473	1.78	0
	Total	**3,95,94,962**	**62.21**	**3,54,92,622**	**61.84**	**(0.37)**

* 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

Annexure- VI

Investment and Trading Company Private Limited w.e.f. 1st April, 2015. Therefore, the Investments made by merged companies got vested in Devakar Investment and Trading Company Private Limited.

Note: During the year, the Company had bought back and extinguished 62,60,869 Equity shares of ₹ 10/- each at a price of ₹ 1,150 per share. Equity shares of the Company post buyback are reduced to 5,73,91,010 from 6,36,51,879.

(iii) Change in promoters' Shareholding (please specify, if there is no change):

S. No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
		No. of shares at the beginning (01.04.16)/ end of the year (31.03.17)	% of total shares of the company				No. of Shares	% of total shares of the Company
1	Adishwar Enterprises LLP	1,29,78,058	20.39	01-Apr-16				
				20-Jan-17	(1,264,928)	Buyback	1,17,13,130	20.41
				28-Mar-17	(2,22,567)	Transfer	1,14,90,563	20.02
				29-Mar-17	(77,433)	Transfer	1,14,13,130	19.89
		1,14,13,130	19.89	31-Mar-17			1,14,13,130	19.89
2	Flamingo Finance & Investment Company Limited	5,90,513	0.93	01-Apr-16				
				20-Jan-17	(57,554)	Buyback	5,32,959	0.93
		5,32,959	0.93	31-Mar-17			5,32,959	0.93
3	Anklesh Investments Private Ltd*	3,58,566	0.56	01-Apr-16				
				19-Oct-16	(3,58,566)	Amalgamation	0	0
		0	0	31-Mar-17			0	0
4	Marshall Investment and Trading Company Private Limited*	5,47,516	0.86	01-Apr-16				
				19-Oct-16	(5,47,516)	Amalgamation	0	0
		0	0	31-Mar-17			0	0
5	Ramaniya Finance and Investment Company Limited	4,70,046	0.74	01-Apr-16				
				20-Jan-17	(45,812)	Buyback	4,24,234	0.74
		4,24,234	0.74	31-Mar-17			4,24,234	0.74
6	Santon Finance and Investment Company Limited	5,05,609	0.79	01-Apr-16				
				20-Jan-17	(49,279)	Buyback	4,56,330	0.80
		4,56,330	0.8	31-Mar-17			4,56,330	0.80
7	Plaza Trading Company Private Limited*	840	0	01-Apr-16				
				19-Oct-16	(840)	Amalgamation	0	0
		0	0	31-Mar-17			0	0
8	Pradeep Mercantile Company Private Limited*	1,03,782	0.16	01-Apr-16				
				19-Oct-16	(1,03,782)	Amalgamation	0	0
		0	0	31-Mar-17			0	0
9	Srestha Holdings Private Limited*	1,72,005	0.27	01-Apr-16				
				19-Oct-16	(1,72,005)	Amalgamation	0	0
		0	0	31-Mar-17			0	0

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(iii) Change in promoters' Shareholding (please specify, if there is no change): (Contd.)

S. No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
		No. of shares at the beginning (01.04.16)/ end of the year (31.03.17)	% of total shares of the company				No. of Shares	% of total shares of the Company
10	Syracuse Investment And Trading Co Private Ltd*	30,280	0.05	01-Apr-16				
				19-Oct-16	(30,280)	Amalgamation	0	0
		0	0	31-Mar-17			0	0
11	Mahavir Spinning Mills Private Limited	1,09,628	0.17	01-Apr-16				
				20-Jan-17	(10,684)	Buyback	98,944	0.17
		98,944	0.17	31-Mar-17			98,944	0.17
12	Devakar Investment and Trading Company Private Limited*	56,48,566	8.87	01-Apr-16				
				19-Oct-16	1,212,989	Amalgamation	6,861,555	10.78
				20-Jan-17	(668,769)	Buyback	61,92,786	10.79
							61,92,786	10.79
		61,92,786	10.79	31-Mar-17				
13	Mr. S.P. Oswal	6,62,125	1.04	01-Apr-16				
				20-Jan-17	(64,534)	Buyback	5,97,591	1.04
		5,97,591	1.04	31-Mar-17			5,97,591	1.04
14	Shakun Oswal	1,53,583	0.24	01-Apr-16				
				20-Jan-17	(14,968)	Buyback	1,38,615	0.24
		1,38,615	0.24	31-Mar-17			1,38,615	0.24
15	Suchita Jain	2,70,818	0.43	01-Apr-16				
				20-Jan-17	(26,394)	Buyback	2,44,424	0.43
		2,44,424	0.43	31-Mar-17			2,44,424	0.43
16	Sachit Jain	40,005	0.06	01-Apr-16				
				20-Jan-17	(3,898)	Buyback	36,107	0.06
				23-Feb-17	(11,121)	Transfer	24,986	0.04
				01-Mar-17	(2,018)	Transfer	22,968	0.04
				02-Mar-17	(13,000)	Transfer	9,968	0.02
				03-Mar-17	(9,968)	Transfer	0	0
		0	0	31-Mar-17			0	0
17	Soumya Jain	7,980	0.01	01-Apr-16				
				20-Jan-17	(777)	Buyback	7,203	0.01
		7,203	0.01	31-Mar-17			7,203	0.01
18	Sagrika Jain	7,740	0.01	01-Apr-16				
				20-Jan-17	(755)	Buyback	6,985	0.01
		6,985		31-Mar-17			6,985	0.01
19	Eastern Trading Company	59,040	0.09	01-Apr-16				
				20-Jan-17	(5,754)	Buyback	53,286	0.09
		53,286	0.09	31-Mar-17			53,286	0.09
20	Amber Syndicate	86,255	0.14	01-Apr-16				
				20-Jan-17	(8,407)	Buyback	77,848	0.14
		77,848	0.14	31-Mar-17			77,848	0.14

Annexure- VI

(iii) Change in promoters' Shareholding (please specify, if there is no change): (Contd.)

S. No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
		No. of shares at the beginning (01.04.16)/ end of the year (31.03.17)	% of total shares of the company				No. of Shares	% of total shares of the Company
21	Northern Trading Company	82,560	0.13	01-Apr-16				
				20-Jan-17	(8,047)	Buyback	74,513	0.13
		74,513	0.13	31-Mar-17			74,513	0.13
22	Paras Syndicate	91,552	0.14	01-Apr-16				
				20-Jan-17	(8,922)	Buyback	82,630	0.14
		82,630	0.14	31-Mar-17			82,630	0.14
23	Vardhman Holdings Limited							
		1,54,83,895	24.33	01-Apr-16				
				30-May-16	5,000	Transfer	1,54,88,895	24.33
				31-May-16	5,000	Transfer	1,54,93,895	24.34
				01-Jun-16	5,000	Transfer	1,54,98,895	24.35
				02-Jun-16	228	Transfer	1,54,99,123	24.35
				20-Jan-17	(1,510,652)	Buyback	1,39,88,471	24.37
				13-Feb-17	5,497	Transfer	1,39,93,968	24.38
				14-Feb-17	7,356	Transfer	1,40,01,324	24.40
				15-Feb-17	10,263	Transfer	1,40,11,587	24.41
				16-Feb-17	7,175	Transfer	1,40,18,762	24.43
				17-Feb-17	4,107	Transfer	1,40,22,869	24.43
				20-Feb-17	87	Transfer	1,40,22,956	24.43
				23-Feb-17	11,381	Transfer	1,40,34,337	24.45
				28-Feb-17	748	Transfer	1,40,35,085	24.46
				01-Mar-17	24	Transfer	1,40,35,109	24.46
				20-Mar-17	2,718	Transfer	1,40,37,827	24.46
				21-Mar-17	3,798	Transfer	1,40,41,625	24.47
				22-Mar-17	6,000	Transfer	1,40,47,625	24.48
				23-Mar-17	5,242	Transfer	1,40,52,867	24.49
				27-Mar-17	5,290	Transfer	1,40,58,157	24.50
				30-Mar-17	9,514	Transfer	1,40,67,671	24.51
		1,40,67,671	24.51	31-Mar-17			1,40,67,671	24.51
24	VTL Investments Limited	11,34,000	1.78	01-Apr-16				
				20-Jan-17	(1,10,527)	Buyback	10,23,473	1.78
		10,23,473	1.78	31-Mar-17			10,23,473	1.78

* 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 w.e.f 1st April, 2015. Therefore, the Investments made by merged companies got vested in Devakar Investment and Trading Company Private Limited.

Note: During the year, the Company had bought back and extinguished 62,60,869 Equity shares of ₹ 10/- each at a price of ₹ 1,150 per share. Equity shares of the Company post buyback are reduced to 5,73,91,010 from 6,36,51,879.

Annexure- VI

(iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):-

S.No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
	Top Ten Shareholders	No. of Shares at beg (01.04.2016)/ end (31.03.2017)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	IDFC Premier Equity Fund	28,89,998	4.54	01-Apr-16				
				08-Apr-16	(35,420)	Transfer	28,54,578	4.48
				15-Apr-16	(54,578)	Transfer	28,00,000	4.40
				17-Jun-16	(2,50,000)	Transfer	25,50,000	4.01
				15-Jul-16	(5,29,448)	Transfer	20,20,552	3.17
				09-Sep-16	(6,082)	Transfer	20,14,470	3.16
				23-Sep-16	(56,834)	Transfer	19,57,636	3.08
				28-Oct-16	(55,238)	Transfer	19,02,398	2.99
				18-Nov-16	(8,17,395)	Transfer	10,85,003	1.70
				10-Dec-16	(92,688)	Transfer	9,92,315	1.56
				11-Dec-16	(30,685)	Transfer	9,61,630	1.51
				16-Dec-16	1,23,373	Transfer	10,85,003	1.70
				13-Jan-17	(2,00,000)	Transfer	8,85,003	1.39
				20-Jan-17	(2,375)	Transfer	8,82,628	1.39
				27-Jan-17	56,023	Transfer	9,38,651	1.64
				03-Feb-17	(1,50,000)	Transfer	7,88,651	1.37
				17-Feb-17	(50,000)	Transfer	7,38,651	1.29
				10-Mar-17	(373)	Transfer	7,38,278	1.29
				24-Mar-17	(25,084)	Transfer	7,13,194	1.24
				31-Mar-17	(63,666)	Transfer	6,49,528	1.13
		6,49,528	1.13	31-Mar-17			6,49,528	1.13
2	Franklin Templeton Investment Funds	26,29,517	4.13	01-Apr-16				
				10-Jun-16	(3,96,000)	Transfer	22,33,517	3.51
				25-Nov-16	(2,61,600)	Transfer	19,71,917	3.10
				02-Dec-16	(87,200)	Transfer	18,84,717	2.96
				10-Dec-16	(1,61,005)	Transfer	17,23,712	2.71
				11-Dec-16	(1,08,173)	Transfer	16,15,539	2.54
				16-Dec-16	2,69,178	Transfer	18,84,717	2.96
				30-Dec-16	(70,698)	Transfer	18,14,019	2.85
				20-Jan-17	(5,39,200)	Transfer	12,74,819	2
				27-Jan-17	2,70,022	Transfer	15,44,841	2.69
		15,44,841	2.69	31-Mar-17			15,44,841	2.69
3	Mahavir Shares Trust	15,98,741	2.51	01-Apr-16				
				20-Jan-17	(1,36,539)	Transfer	14,62,202	2.30
		14,62,202	2.55	31-Mar-17		Transfer	14,62,202	2.55
4	Barclays Merchant Bank (Singapore) Ltd.	10,01,468	1.57	01-Apr-16				
				10-Dec-16	(85,552)	Transfer	9,15,916	1.44
				11-Dec-16	(2,62,031)	Transfer	6,53,885	1.03
				16-Dec-16	3,47,583	Transfer	10,01,468	1.57
				13-Jan-17	(10,01,468)	Transfer	0	0
				27-Jan-17	6,53,885	Transfer	6,53,885	1.14
		6,53,885	1.14	31-Mar-17			6,53,885	1.14

Annexure- VI

(iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):- (Contd.)

S.No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
	Top Ten Shareholders	No. of Shares at beg (01.04.2016)/ end (31.03.2017)	% of total shares of the Company				No. of shares	% of total shares of the Company
5	Franklin Templeton Mutual Fund A/c Franklin India Prima Fund	7,53,864	1.18	01-Apr-16				
				08-Apr-16	1,00,000	Transfer	8,53,864	1.34
				27-May-16	8,349	Transfer	8,62,213	1.35
				03-Jun-16	21,651	Transfer	8,83,864	1.39
				10-Jun-16	85,000	Transfer	9,68,864	1.52
				15-Jul-16	(1,00,000)	Transfer	8,68,864	1.37
				07-Oct-16	7,864	Transfer	8,76,728	1.38
				10-Dec-16	(74,896)	Transfer	8,01,832	1.26
				11-Dec-16	74,896	Transfer	8,76,728	1.38
				13-Jan-17	33,130	Transfer	9,09,858	1.43
				03-Mar-17	(1,50,000)	Transfer	7,59,858	1.32
				10-Mar-17	(27,793)	Transfer	7,32,065	1.28
				24-Mar-17	(11,500)	Transfer	7,20,565	1.26
		7,20,565	1.26	31-Mar-17			7,20,565	1.26
6	Baring India Private Equity Fund Iii Listed Investments Limited*	7,52,477	1.18	01-Apr-16				
				15-Apr-16	(250,000)	Transfer	5,02,477	0.79
				10-Dec-16	(42,925)	Transfer	4,59,552	0.72
				11-Dec-16	(1,31,471)	Transfer	3,28,081	0.52
				16-Dec-16	1,74,396	Transfer	5,02,477	0.79
				20-Jan-17	(5,02,477)	Transfer	0	0
				27-Jan-17	3,28,081	Transfer	3,28,081	0.57
		3,28,081	0.57	31-Mar-17			3,28,081	0.57
7	Sundaram Mutual Fund A/C Sundaram Select Midcap*	6,41,742	1.01	01-Apr-16				
				29-Jul-16	(1,742)	Transfer	6,40,000	1.01
				10-Dec-16	(54,673)	Transfer	5,85,327	0.92
				11-Dec-16	(1,67,454)	Transfer	4,17,873	0.66
				16-Dec-16	2,22,127	Transfer	6,40,000	1.01
				20-Jan-17	(6,40,000)	Transfer	0	0
				27-Jan-17	4,17,873	Transfer	4,17,873	0.73
		4,17,873	0.73	31-Mar-17			4,17,873	0.73
8	UTI Dividend Yield Fund*	4,68,000	0.74	01-Apr-16				
				24-Jun-16	(18,000)	Transfer	4,50,000	0.71
				30-Jun-16	(18,000)	Transfer	4,32,000	0.68
				10-Dec-16	(36,904)	Transfer	3,95,096	0.62
				11-Dec-16	(4,884)	Transfer	3,90,212	0.61
				16-Dec-16	41,788	Transfer	4,32,000	0.68
				20-Jan-17	(54,000)	Transfer	3,78,000	0.59
				27-Jan-17	12,212	Transfer	3,90,212	0.68
		3,90,212	0.68	31-Mar-17			3,90,212	0.68
9	Ashish Kacholia	4,67,325	0.73	01-Apr-16				
				10-Dec-16	(39,922)	Transfer	4,27,403	0.67
				11-Dec-16	39,922	Transfer	4,67,325	0.73
				24-Feb-17	12,000	Transfer	4,79,325	0.84
				10-Mar-17	50,000	Transfer	5,29,325	0.92
		5,29,325	0.92	31-Mar-17			5,29,325	0.92

Annexure- VI

S.No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
	Top Ten Shareholders	No. of Shares at beg (01.04.2016)/ end (31.03.2017)	% of total shares of the Company				No. of shares	% of total shares of the Company
10	Anil Kumar Goel*	3,37,000	0.53	01-Apr-16				
				29-Apr-16	1,508	Transfer	3,38,508	0.53
				02-May-16	525	Transfer	3,39,033	0.53
				27-May-16	967	Transfer	3,40,000	0.53
				03-Jun-16	2,558	Transfer	3,42,558	0.54
				10-Jun-16	1,442	Transfer	3,44,000	0.54
				23-Sep-16	1,000	Transfer	3,45,000	0.54
				10-Dec-16	(29,471)	Transfer	3,15,529	0.5
				11-Dec-16	(2,148)	Transfer	3,13,381	0.49
				16-Dec-16	31,619	Transfer	3,45,000	0.54
				13-Jan-17	(37,000)	Transfer	3,08,000	0.48
				27-Jan-17	5,344	Transfer	3,13,344	0.55
				03-Feb-17	(3,344)	Transfer	3,10,000	0.54
				10-Feb-17	(1,000)	Transfer	3,09,000	0.54
				24-Feb-17	(1,000)	Transfer	3,08,000	0.54
		3,08,000	0.54	31-Mar-17			3,08,000	0.54
11	HDFC Trustee Company Ltd - A/C Hdfc Mid - Capopportunities Fund#	0	0	01-Apr-16				
				28-Oct-16	65,200	Transfer	65,200	0.1
				18-Nov-16	8,00,000	Transfer	8,65,200	1.36
				25-Nov-16	11,06,00	Transfer	9,75,800	1.53
				02-Dec-16	1,00,000	Transfer	10,75,800	1.69
				09-Dec-16	4,456	Transfer	10,80,256	1.7
				10-Dec-16	(92,283)	Transfer	9,87,973	1.55
				11-Dec-16	92,283	Transfer	10,80,256	1.7
				23-Dec-16	2,500	Transfer	10,82,756	1.7
				30-Dec-16	91,800	Transfer	11,74,556	1.85
				17-Feb-17	74,200	Transfer	12,48,756	2.18
		12,48,756	2.18	31-Mar-17			12,48,756	2.18
12	DSP Blackrock Micro Cap Fund#	0	0	01-Apr-16				
				16-Sep-16	1,00,000	Transfer	1,00,000	0.16
				30-Sep-16	2,97,66	Transfer	1,29,766	0.2
				18-Nov-16	90,037	Transfer	2,19,803	0.35
				25-Nov-16	1,68,994	Transfer	3,88,797	0.61
				10-Dec-16	(33,213)	Transfer	3,55,584	0.56
				11-Dec-16	33,213	Transfer	3,88,797	0.61
				03-Feb-17	1,50,000	Transfer	5,38,797	0.94
		5,38,797	0.94	31-Mar-17			5,38,797	0.94
13	Templeton Global Investment Trust - Templetonemerging Markets Small Cap Fund#	1,75,834	0.28	01-Apr-16				
				17-Jun-16	3,96,000	Transfer	5,71,834	0.9
				25-Nov-16	(17,400)	Transfer	5,54,434	0.87
				02-Dec-16	(5,800)	Transfer	5,48,634	0.86
				10-Dec-16	(46,868)	Transfer	5,01,766	0.79
				11-Dec-16	(23,957)	Transfer	4,77,809	0.75
				16-Dec-16	70,825	Transfer	5,48,634	0.86
				30-Dec-16	(9,765)	Transfer	5,38,869	0.85
				20-Jan-17	(1,30,635)	Transfer	4,08,234	0.64
				27-Jan-17	59,810	Transfer	4,68,044	0.82
		4,68,044	0.82	31-Mar-17			4,68,044	0.82

Annexure- VI

S.No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
	Top Ten Shareholders	No. of Shares at beg (01.04.2016)/ end (31.03.2017)	% of total shares of the Company				No. of shares	% of total shares of the Company
14	DSP Blackrock Small And Mid Cap Fund	0	0	01-Apr-16				
				02-May-16	1,19,183	Transfer	1,19,183	0.19
				13-May-16	3,230	Transfer	1,22,413	0.19
				20-May-16	30,785	Transfer	1,53,198	0.24
				27-May-16	18,077	Transfer	1,71,275	0.27
				03-Jun-16	18,179	Transfer	1,89,454	0.3
				10-Jun-16	27,790	Transfer	2,17,244	0.34
				17-Jun-16	377	Transfer	2,17,621	0.34
				24-Jun-16	1,11,509	Transfer	3,29,130	0.52
				19-Aug-16	27,075	Transfer	3,56,205	0.56
				09-Sep-16	1,03,555	Transfer	4,59,760	0.72
				10-Dec-16	(39,275)	Transfer	4,20,485	0.66
				11-Dec-16	39,275	Transfer	4,59,760	0.72
		4,59,760	0.8	31-Mar-17			4,59,760	0.8

* 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 shareholder as on 01.04.2016.

Not in the list of Top 10 shareholders as on 01.04.2016. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31.03.2017.

Note: During the year, the Company had bought back and extinguished 62,60,869 Equity shares of ₹ 10/- each at a price of ₹ 1,150 per share on 25th January, 2017. Therefore, for computing %age of total share capital of the Company in the above table, total no. of shares considered upto 24th January, 2017 are 6,36,51,879 and on or after 25th January, 2017 are 5,73,91,010.

iv) Shareholding of Directors and Key Managerial Personnel:

S. No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
		No. of shares at the beginning (01.04.16)/end of the year (31.03.17)	% of total shares of the company				No. of Shares	% of total shares of the Company
A) DIRECTORS:								
1	Mr. S.P. Oswal (Chairman and Managing Director)	6,62,125	1.04	01-Apr-16				
				20-Jan-17	(64,534)	Buyback	597,591	1.04
		5,97,591	1.041	31-Mar-17			597,591	1.04
2	Mr. Sachit Jain (Joint Managing Director)	40,005	0.06	01-Apr-16				
				20-Jan-17	(3,898)	Buyback	36,107	0.06
				23-Feb-17	(11,121)	Transfer	24,986	0.04
				01-Mar-17	(2,018)	Transfer	22,968	0.04
				02-Mar-17	(13,000)	Transfer	9,968	0.02
				03-Mar-17	(9,968)	Transfer	0	0
		0	0	31-Mar-17			0	0

Annexure- VI

iv) Shareholding of Directors and Key Managerial Personnel: (Contd.)

S. No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
		No. of shares at the beginning (01.04.16)/end of the year (31.03.17)	% of total shares of the company				No. of Shares	% of total shares of the Company
3	Mr. Neeraj Jain (Joint Managing Director)	0	0	01-Apr-16	0	Nil Holding/ movement during the year		
		0	0	31-Mar-17				
4	Mrs. Suchita Jain* (Joint Managing Director)	2,70,818	0.43	01-Apr-16				
				20-Jan-17	(26,394)	Buyback	2,44,424	0.43
		2,44,424	0.43	31-Mar-17			2,44,424	
5	Mr. D.L. Sharma (Non-Executive Director)	3,319	0.005	01-Apr-16				
				20-Jan-17	(400)	Buyback	2,919	0.005
		2,919	0.005	31-Mar-17			2,919	2,919
6	Mr. A.K. Kundra (Independent Director)	0	0	01-Apr-16	0	Nil Holding/ movement during the year		
		0	0	31-Mar-17			0	0
7	Mr. Prafull Anubhai (Independent Director)	0	0	01-Apr-16	0	Nil Holding/ movement during the year		
		0	0	31-Mar-17			0	0
8	Mr. Shravan Talwar (Independent Director)	0	0	01-Apr-16	0	Nil Holding/ movement during the year		
		0	0	31-Mar-17			0	0
9	Dr. S.K. Bijlani (Independent Director)	0	0	01-Apr-16	0	Nil Holding/ movement during the year		
		0	0	31-Mar-17			0	0
10	Mr. Devendra Bhushan Jain (Independent Director)	0	0	01-Apr-16	0	Nil Holding/ movement during the year		
		0	0	31-Mar-17			0	0
11	Mr. Rajendra Mohan Malla (Independent Director)	0	0	01-Apr-16	0	Nil Holding/ movement during the year		
		0	0	31-Mar-17			0	0
12	Mr. Suresh Kishinchand Khatanhar** (Nominee Director) Ceased to be Director on 28.11.2016	0	0	01-Apr-16	0	Nil Holding/ movement during the year		
		0	0	31-Mar-17			0	0
13	Mr. Kumar Neel Lohit** (Nominee Director)	0	0	01-Apr-16	0	Nil Holding/ movement during the year		
		0	0	31-Mar-17			0	0

Annexure- VI

iv) Shareholding of Directors and Key Managerial Personnel: (Contd.)

S. No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
		No. of shares at the beginning (01.04.16)/end of the year (31.03.17)	% of total shares of the company				No. of Shares	% of total shares of the Company
B) Key Managerial Personnel (Kmp's):								
1	Mr. Rajeev Thapar (Chief Financial Officer)	10	0	01-Apr-16	0	Nil movement during the year		
		10	0	31-Mar-17			10	0
2	Ms. Karan Kamal Walia*** (Company Secretary and Compliance Officer)	0	0	01-Apr-16	0	Nil Holding/ movement during the year		
		0	0	31-Mar-17			0	0

* Mrs. Suchita Jain has been appointed as Joint Managing Director of the Company w.e.f. 24th August, 2016.

** During the year, IDBI Bank has withdrawn the nomination of Mr. Suresh Khatanhar, from the Board w.e.f. 19th November, 2016 and has nominated Mr. Kumar Neel Lohit as the Nominee Director w.e.f. 28th November, 2016.

*** Ms. Karan Kamal Walia, Company Secretary resigned from the Company w.e.f. 11th May, 2017 and Mr. Sanjay Gupta has been appointed as Company Secretary in her place w.e.f. 1st June, 2017

(V) Indebtedness:

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

(₹ in Lakhs)

	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount	2,52,976.86	6,538.38	-	2,59,515.24
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	35.06	-		35.06
Total (i+ii+iii)	**2,53,011.92**	**6,538.38**	**-**	**2,59,550.30**
Change in indebtedness during the financial year				
Addition	6,489.95	-	-	6,489.95
Reduction	43,557.41	2,666.09		46,223.50
Net change	(37,067.46)	(2,666.09)	-	**(39,733.55)**
Indebtedness at the end of the financial year				
i) Principal amount	2,15,780.07	3,872.29		2,19,652.36
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	164.41	-	-	164.41
Total (i+ii+iii)	**2,15,944.48**	**3,872.29**	**-**	**2,19,816.77**

Annexure- VI

(vi) Remuneration of Directors and Key Managerial Personnel:

A. Remuneration to Managing Director, Whole Time Directors and /or Manager:

S. No	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount (in ₹)
1	Gross Salary	Mr. S.P. Oswal	Mr. Sachit Jain	Mr. Neeraj Jain	Mrs. Suchita Jain*	
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	66,46,459	69,87,098	68,04,189	55,37,075	2,59,74,821
	b) Value of perquisites u/s 17(2) Income-Tax Act,1961	6,29,438	39,600	39,600	39,600	7,48,238
	c) Profits in lieu of salary under section 17(3) Income – Tax Act, 1961	-	-	-		-
2	Stock option	-	-	-		-
3	Sweat Equity	-	-	-		-
4	Commission					
	- As % of profit	25,87,40,543	41,00,000	37,50,000	28,37,097	26,94,27,640
	- Others, specify					
5	Others					
	- Provident Fund	5,49,000	4,85,508	4,43,509	3,36,124	18,14,140
	- Family Pension Fund	-	6,492	6,492	4,328	17,312
	- Superannuation Fund		30,000	30,000	17,500	77,500
	- Leave Travel Allowance	-	1,40,274	-	-	1,40,274
	- Group Personal Accidental Insurance	3,761	3,761	3,761	-	11,284
	Total (A)	**26,65,69,201**	**1,17,92,733**	**1,10,77,551**	**87,71,724**	**29,82,01,209**
	Ceiling as per the Act					**129,37,02,712**

* Mrs. Suchita Jain has been appointed as Joint Managing Director of the Company w.e.f. 24th August, 2016.

B. Remuneration to other directors:

S. No	Particulars of Remuneration	Name of Directors						Total Amount (in ₹)
1	Independent Directors	Mr. Prafull Anubhai	Mr. A.K. Kundra	Mr. Shravan Talwar	Dr. S.K. Bijlani	Mr. D.B. Jain	Mr. R.M. Malla	
	- Fee for attending board/ committee meetings - Commission - Others, please specify	4,45,000/-	5,95,000/-	95,000/-	2,60,000/-	2,30,000/-	2,05,000/-	18,30,000/-
2	Other Non-Executive Directors	Mr. Suresh Khatanhar (IDBI Nominee)	Mr. Kumar Neel Lohit (IDBI Nominee)					
	- Fee for attending board/ committee meetings	70,000/-	35,000/-					1,05,000/-
	Total (1)	**4,45,000**	**5,95,000**	**95,000**	**2,60,000**	**2,30,000**	**2,05,000**	**18,30,000**
	Total (2)	**70,000**	**35,000**	**-**	**-**	**-**		**1,05,000**
	Total (B) =(1+2)	**5,15,000**	**6,30,000**	**95,000**	**2,60,000**	**2,30,000**	**2,05,000**	**19,35,000**
	Total Managerial Remuneration							**30,01,36,209**
	Overall ceiling as per the act							**142,30,72,984**

Annexure- VI

C. Remuneration to key managerial personnel other than MD/Manager /WTD

S. No	Particulars of Remuneration	Key managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary				
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act,1961	N.A.	8,52,785	46,00,626	54,53,411
	b) Value of perquisites u/s 17(2) Income Tax Act,1961		-	24,781	24,781
2.	Stock Option		-	-	-
3.	Sweat Equity		-	-	-
4.	Commission				
	- As % of profit				
	- Others, specify	-	-	-	-
5.	Others:				
	- Provident Fund	-	44,272	2,07,990	2,52,262
	- Leave Travel Allowance			50,000	50,000
	Total	-	**8,97,057**	**48,83,397**	**57,80,454**

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					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Others officers in default					
Penalty					
Punishment					
Compounding					

N.A.

Particulars of employees and related disclosures:

Annexure- VII

Details pertaining to remuneration as required under Section 197(12) of 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 are as under:

Sr. No.	Name of Director/ Kmp and Designation	Remuneration of Directors/ KMP for Financial Year 2016-17 (Amount In ₹)	% Increase in Remuneration in the Financial Year 2016-17	Ratio of Remuneration of each Director/ KMP to Median Remuneration of Employees
1.	S.P. Oswal Chairman & Managing Director	26,65,69,201	45.56	840.91
2.	Sachit Jain Joint Managing Director	1,17,92,733	38.52	37.20
3.	Neeraj Jain Joint Managing Director	1,10,77,551	41.13	34.94
4.	Suchita Jain* Joint Managing Director	87,71,724	-	27.67
5.	D.L. Sharma Non- Executive Non- Independent Director	-	-	-
6.	Prafull Anubhai Non- Executive Independent Director	4,45,000	25.35	1.40
7.	A.K. Kundra Non- Executive Independent Director	5,95,000	(5.56)	1.88
8.	D.B. Jain Non- Executive Independent Director	2,30,000	(29.23)	0.73
9.	Shravan Talwar Non-Executive Independent Director	95,000	(5.00)	0.30
10.	R.M. Malla Non- Executive Independent Director	2,05,000	17.14	0.65
11.	S.K. Bijlani Non- Executive Independent Director	2,60,000	30.00	0.82
12.	Suresh Khatanhar Nominee Director of IDBI Bank**	70,000	(25.00)	0.33
13.	Kumar Neel Lohit Nominee Director of IDBI Bank**	35,000		
14.	Rajeev Thapar Chief Financial Officer	48,83,397	11.89	15.41
15.	Karan Kamal Walia Company Secretary	8,97,057	12.70	2.83

Note:

* Details not given as Mrs. Suchita Jain was appointed as Joint Managing Director of the Company w.e.f. 24th August, 2016.

** During the year, IDBI Bank has withdrawn the nomination of Mr. Suresh Khatanhar, from the Board w.e.f. 19th November, 2016 and has nominated Mr. Kumar Neel Lohit as the Nominee Director w.e.f. 28th November, 2016.

2. The median remuneration of employees of the Company during the financial year was ₹ 3.17 lakhs.
3. In the financial year, there was an increase of 11.05% in the median remuneration of employees.
4. There were 21,206 permanent employees on the rolls of Company as on 31st March, 2017.

Annexure- VII

5. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year 2016-17 was 10.62% whereas the increase in the managerial remuneration for the same financial year was 49.14%.
6. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Persons employed throughout the financial year, who were in receipt of remuneration which, in the aggregate, was not less than ₹ 1,02,00,000/- per annum

Sr. No.	Name of employee	Designation/ Nature of duties	Remun-eration (in ₹ lakhs)	Quali-fication	Age (Years)	Experience (Years)	Date of employ-ment	Particulars of last employment
1.	Mr. S.P. Oswal	Chairman & Managing Director	2,665.69	M.Com	74	50	08.10.1973	Chairman and Managing Director (Vardhman Spinning and General Mills Limited)
2.	Mr. Sachit Jain	Joint Managing Director	117.93	B. Tech, MBA	51	27	13.06.1994	Executive Director, VMT Spinning Company Limited
3.	Mr. Neeraj Jain	Joint Managing Director	110.78	B.Com, CA	50	25	31.03.2010	N.A.

Persons employed for part of financial year, who were in receipt of remuneration for any part of that year, at a rate which in aggregate, was not less than ₹ 8,50,000/- per month

Sr. No.	Name of employee	Designation/ Nature of duties	Remun-eration (in ₹ lac)	Quali-fication	Age (Years)	Experience (Years)	Date of employ-ment	Particulars of last employment
1.	Suchita Jain	Joint Managing Director	87.72	M.Com	49	24	30.03.2005	N.A.

Disclosure in respect of remuneration or commission received by Mr. Neeraj Jain, Joint Managing Director of the company in VMT Spinning Company Limited (Subsidiary Company)

Sr. No.	Name of Director	Name of Subsidiary Company	Amount (₹ in Lakhs)
1.	Neeraj Jain	VMT Spinning Company Limited	34.96

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 & Disclosure Requirements) Regulations, 2015, gives an insight into the functioning of the Company.

1. COMPANY'S PHILOSOPHY:

- Faith in bright future of Indian textiles and hence 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.
- Global orientation targeting - atleast 20% production for exports.
- Integrated diversification/ product range expansion.
- 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 March 31, 2017

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

Category	Name of Directors
Promoter Directors	# S.P. Oswal- Chairman & Managing Director # Sachit Jain- Joint Managing Director # Suchita Jain- Joint Managing Director
Executive Non- Independent Director	Neeraj Jain- Joint Managing Director
Independent Directors	Prafull Anubhai A.K. Kundra S.K. Bijlani Shravan Talwar D.B. Jain R.M. Malla
Non- Executive Non- Independent Director	D.L. Sharma
Nominee Director of IDBI	Kumar Neel Lohit*

Relationship Inter-se:

Except Mr. S.P. Oswal, Mr. Sachit Jain and Mrs. Suchita Jain, none of the Director of the Company is related to any other Director of the Company.

ii. Board Meetings:

During the financial year 2016-2017, the Board met 5 (Five) times on the following dates:

- 9th May, 2016
- 24th August, 2016
- 24th September, 2016
- 15th November, 2016
- 9th February, 2017

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

Name of Director	No. of Board meetings attended	Attendance at last AGM	Total No. of Director-ships in other Companies	No. of Committee memberships in other Companies	Total No. of Board Chairmanship in other Companies	Total No. of Committee Chairmanship in other companies
S.P. Oswal	5	Yes	7	-	3	-
Sachit Jain	5	Yes	6	1	-	1
Suchita Jain	4	Yes	7	1	-	-
Neeraj Jain	5	Yes	5	1	-	-
D.L. Sharma	4	Yes	8	2	1	-
Prafull Anubhai	5	No	3	5	1	2
S.K. Bijlani	5	No	3	1	-	-
A. K. Kundra	5	No	2	-	-	-
Shravan Talwar	2	No	-	-	-	-
D.B. Jain	4	No	-	-	-	-
R.M. Malla	5	No	5	4	-	1
Suresh Khatanhar*	2	No	-	-	-	-
Kumar Neel Lohit*	1	No	-	-	-	-

* During the year, IDBI Bank Limited has withdrawn the nomination of Mr. Suresh Khatanhar from the Board of the Company w.e.f. 19th November, 2016 and nominated Mr. Kumar Neel Lohit as Director of the Company. Thereafter, Mr. Kumar Neel Lohit has been appointed as Nominee Director of the Company w.e.f. 28th 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	Prafull Anubhai (Chairman) S.K. Bijlani D.L. Sharma Shravan Talwar D.B. Jain A.K. Kundra	• The role of the Audit Committee is as per Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 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: http://www.vardhman.com/user_files/96c45534e3ab096d9bc682f8eebade0344f915151436264609.pdf.
Nomination and Remuneration Committee	Prafull Anubhai (Chairman) A.K. Kundra S.P. Oswal	• 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.

Name of Committee	Composition	Terms of Reference
Corporate Social Responsibility Committee	A.K. Kundra (Chairman) Sachit Jain Neeraj Jain D.L. Sharma	• 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: http://www.vardhman.com/user_files/d622b1c8d626fabfcecf09e145cb1b4e9f4884761436264563.pdf. • Recommends expenditure to be incurred for CSR activities/project and ensures effective monitoring of CSR policy of the Company from time to time. • The Annual Report on CSR activities undertaken by the Company forms part of the Board Report as Annexure III.
Stakeholders' Relationship Committee	A.K. Kundra (Chairman) Sachit Jain D.L. Sharma	• The Committee reviews and ensures redressal of investor grievances. • The Committee noted that during the year the Company received 66 complaints related to non-receipt of dividend, bonus shares and annual report, etc. All the complaints have been duly resolved by the Company and there is no pendency in respect of shares received for transfer during 2016-2017 except those that are disputed/ sub-judice.

Company Secretary and Compliance Officer of the Company 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**	**5**	**4**	**1**
S.P. Oswal	N.A.	N.A.	4	N.A.
Sachit Jain	N.A.	4	N.A.	0
Prafull Anubhai	4	N.A.	4	N.A.
S.K. Bijlani	4	N.A.	N.A.	N.A.
Neeraj Jain	N.A.	5	N.A.	N.A.
D.L. Sharma	3	2	N.A.	1
A. K Kundra	3	5	4	1
Suchita Jain	N.A.	N.A.	N.A.	N.A.
Shravan Talwar	2	N.A.	N.A.	N.A.
D.B. Jain	3	N.A.	N.A.	N.A.
R.M. Malla	N.A.	N.A.	N.A.	N.A.
Suresh Khatanhar*	N.A.	N.A.	N.A.	N.A.
Kumar Neel Lohit*	N.A.	N.A.	N.A.	N.A.

N.A.- Not a member of the Committee

* During the year, IDBI Bank Limited has withdrawn the nomination of Mr. Suresh Khatanhar from the Board of the Company w.e.f. 19th November, 2016 and nominated Mr. Kumar Neel Lohit as Director of the Company. Thereafter, Mr. Kumar Neel Lohit has been appointed as Nominee Director of the Company w.e.f. 28th November, 2016.

iii. Meeting of Independent Directors:

The meeting of Independent Directors of the Company for the calendar year 2016 was held on 15th 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/familarisation.pdf

4. DIRECTORS' REMUNERATION:

i) Chairman and Managing Director / Executive Directors:

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

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

(in ₹ Lakhs)

Name	Designation	Salary	Perquisites & Allowances	Retirement Benefit	Commission	Gross remuneration
S.P. Oswal	Chairman & Managing Director	45.75	27.04	5.49	2,587.41	2,665.69
Sachit Jain	Joint Managing Director	41.00	30.71	5.22	41.00	117.93
Neeraj Jain	Joint Managing Director	37.50	30.98	4.80	37.50	110.78
Suchita Jain*	Joint Managing Director	28.37	27.40	3.58	28.37	87.72

*Mrs. Suchita Jain has been appointed as Joint Managing Director of the Company w.e.f. 24th August, 2016. Therefore, the salary paid to her is for part of the year commencing from 24th August, 2016.

ii) Non-Executive Directors:

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

The Directors are paid sitting fees @ ₹ 35,000/- per Board Meeting and @ ₹ 30,000/- 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 Director	Sitting Fee (₹)
1.	Prafull Anubhai	4,55,000
2.	A.K. Kundra	5,95,000
3.	S.K. Bijlani	2,60,000
4.	Suresh Khatanhar (IDBI Nominee)*	70,000
5.	Kumar Neel Lohit (IDBI Nominee)*	35,000

S. No.	Name of Director	Sitting Fee (₹)
6.	Shravan Talwar	95,000
7.	D.B. Jain	2,30,000
8.	R.M. Malla	2,05,000

* During the year, IDBI Bank Limited has withdrawn the nomination of Mr. Suresh Khatanhar from the Board of the Company w.e.f. 19th November, 2016 and nominated Mr. Kumar Neel Lohit as Director of the Company. Thereafter, Mr. Kumar Neel Lohit has been appointed as Nominee Director of the Company w.e.f. 28th November, 2016.

5. SHAREHOLDING DETAILS OF DIRECTORS AS ON 31ST MARCH, 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.	S.P. Oswal	5,97,591
2.	Suchita Jain	2,44,424
3.	D.L. Sharma	2,919

No other director holds any share in the Equity Share Capital of the Company.

6. GENERAL BODY MEETINGS:

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

Meeting	Day, Date and Time of the Meeting	Venue	No. of Special Resolutions
43rd Annual General Meeting for the financial year ended 31st March, 2016.	Monday, 5th September, 2016 at 09:00 A.M.	Regd. Office, Chandigarh Road, Ludhiana- 141010.	1
42nd Annual General Meeting for the financial year ended 31st March, 2015.	Friday, 4th September, 2015 at 10.00 A.M.	Regd. Office, Chandigarh Road, Ludhiana- 141010.	1
41st Annual General Meeting for the financial year ended 31st March, 2014.	Wednesday, 24th September, 2014 at 11.30 A.M.	Regd. Office, Chandigarh Road, Ludhiana- 141010.	4

ii. Postal Ballot:

During the year, the Members approved following matters by passing Ordinary/ Special Resolution through Postal Ballot:-

A. Postal Ballot Notice dated 24th September, 2016:

a. Approval for Buyback of Equity Shares of the Company

The Board had appointed M/s. B.K. Gupta & Associates, Practicing Company Secretaries as Scrutinizer to conduct the postal ballot process in a fair and transparent manner. The details of the voting pattern is as follows:-

Promoter/ Public	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes in against on votes polled
	1	2	3 = (2/1)*100	4	5	6= (4/2)*100	7= (5/2)*100
Special Resolution							
Promoter & Promoter Group	3,96,10,190	3,96,10,190	100	3,96,10,190	0	100.00	0.00
Public	2,40,41,689	1,33,62,114	55.58	1,33,62,114	0	100.00	0.00
Total	**6,36,51,879**	**5,29,72,304**	**83.22**	**5,29,72,304**	**0**	**100.00**	**0.00**

B. Postal Ballot Notice dated 15th November, 2016:

a. Appointment of Mrs. Suchita Jain as Joint Managing Director of the Company.

b. Revision in remuneration being paid to Mr. Neeraj Jain, Joint Managing Director of the Company.

c. Revision in remuneration being paid to Mr. Sachit Jain, Joint Managing Director of the Company.

d. Issuance of Non- Convertible Debentures (NCDs)/ Bonds

The Board had appointed M/s. B.K. Gupta & Associates, Practicing Company Secretaries as Scrutinizer to conduct the postal ballot process in a fair and transparent manner. The details of the voting pattern is as follows:-

Promoter/ Public	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes in against on votes polled
	1	2	3 = (2/1)*100	4	5	6= (4/2)*100	7= (5/2)*100
Resolution No. 1 – Ordinary Resolution							
Promoter & Promoter Group	3,96,10,190	3,86,37,242	97.54	3,86,37,242	0	100.00	0.00
Public	2,40,41,689	1,34,50,935	55.95	1,34,42,693	8,242	99.94	0.06
Total	**6,36,51,879**	**5,20,88,177**	**81.83**	**5,20,79,935**	**8,242**	**99.98**	**0.02**

Promoter/ Public	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes in against on votes polled
	1	2	3 = (2/1)*100	4	5	6= (4/2)*100	7= (5/2)*100
Resolution No. 2 – Ordinary Resolution							
Promoter & Promoter Group	3,96,10,190	3,96,10,190	100.00	3,96,10,190	0	100.00	0.00
Public	2,40,41,689	1,34,50,911	55.95	1,34,42,619	8,292	99.94	0.06
Total	**6,36,51,879**	**5,30,61,101**	**83.36**	**5,30,52,809**	**8,292**	**99.98**	**0.02**

Promoter/ Public	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes in against on votes polled
	1	2	3 = (2/1)*100	4	5	6= (4/2)*100	7= (5/2)*100
Resolution No. 3 – Ordinary Resolution							
Promoter & Promoter Group	3,96,10,190	3,86,37,242	97.54	3,86,37,242	0	100.00	0.00
Public	2,40,41,689	1,34,50,935	55.95	1,34,42,638	8,297	99.94	0.06
Total	**6,36,51,879**	**5,20,88,177**	**81.83**	**5,20,79,880**	**8,297**	**99.98**	**0.02**

Promoter/ Public	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes in against on votes polled
	1	2	3 = (2/1)*100	4	5	6= (4/2)*100	7= (5/2)*100
Resolution No. 4 – Special Resolution							
Promoter & Promoter Group	3,96,10,190	3,96,10,190	100.00	3,96,10,190	0	100.00	0.00
Public	2,40,41,689	1,34,50,935	55.95	1,34,43,397	7,538	99.94	0.06
Total	**6,36,51,879**	**5,30,61,125**	**83.36**	**5,30,53,587**	**7,538**	**99.99**	**0.01**

There is no immediate proposal for passing any resolution through Postal Ballot in the financial year 2017-18.

7. DISCLOSURES:

i. There was no materially significant related party transaction that may have any potential conflict with interest of the Company at large.

ii. There has not been any non-compliance by the Company in respect of which penalties or strictures were imposed by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other Statutory Authority during the last three years.

iii. The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. 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/user_files/20b9bcdbd2cc01fde3e8e7d392d93573769de1941436265078.pdf

iv. 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.

v. 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.

vi. During the year no case was filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

vii. Risk Management Policy as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been duly formulated and approved by the Board of Directors of the Company. The aim of Risk Management Policy is to maximize opportunities in all activities and to minimize adversity.

viii. Further, the Company has complied with all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The Company may also take up the non-mandatory requirements of the 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, conducting analyst meets 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) 44th Annual General Meeting:	
Date	: 22nd September, 2017
Time	: 09:00 a.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	: November, 2017
Third Quarter Results	: February, 2018
Annual Results	: May, 2018
iii) Dates of Book Closure	: 11.09.2017 to 22.09.2017 (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 fee to both the aforesaid Stock Exchanges for the financial year 2016-17.

vi) Stock Code:

- The Bombay Stock Exchange Limited, Mumbai : 502986
- The National Stock Exchange of India Limited : VTL

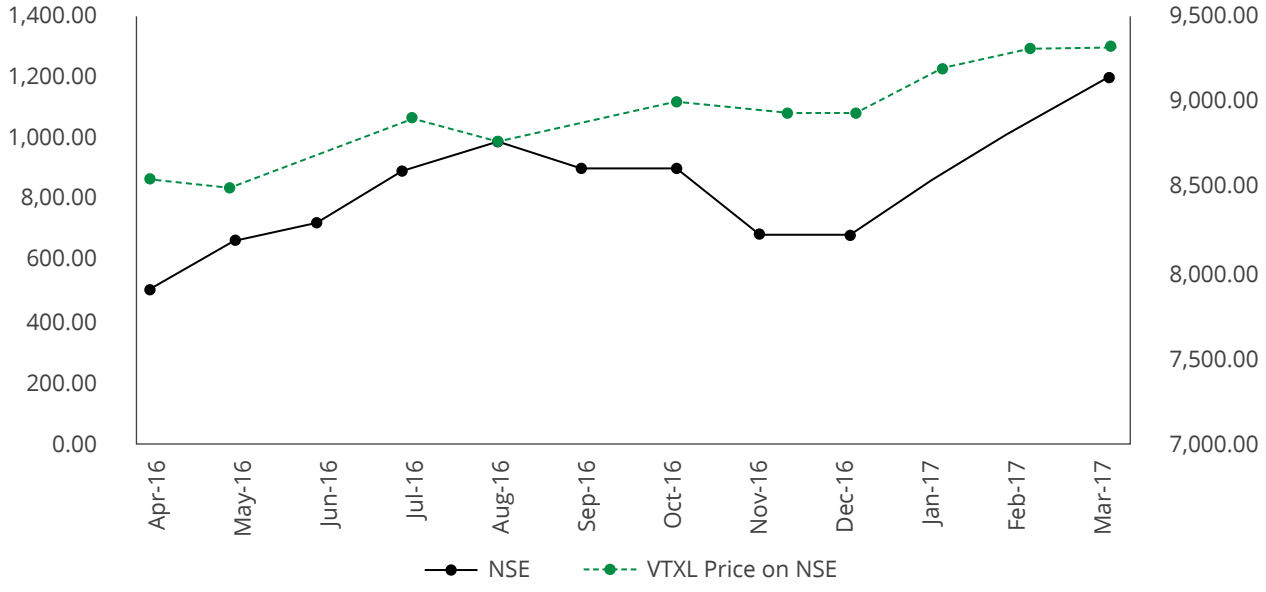
vii) Stock Market Data:

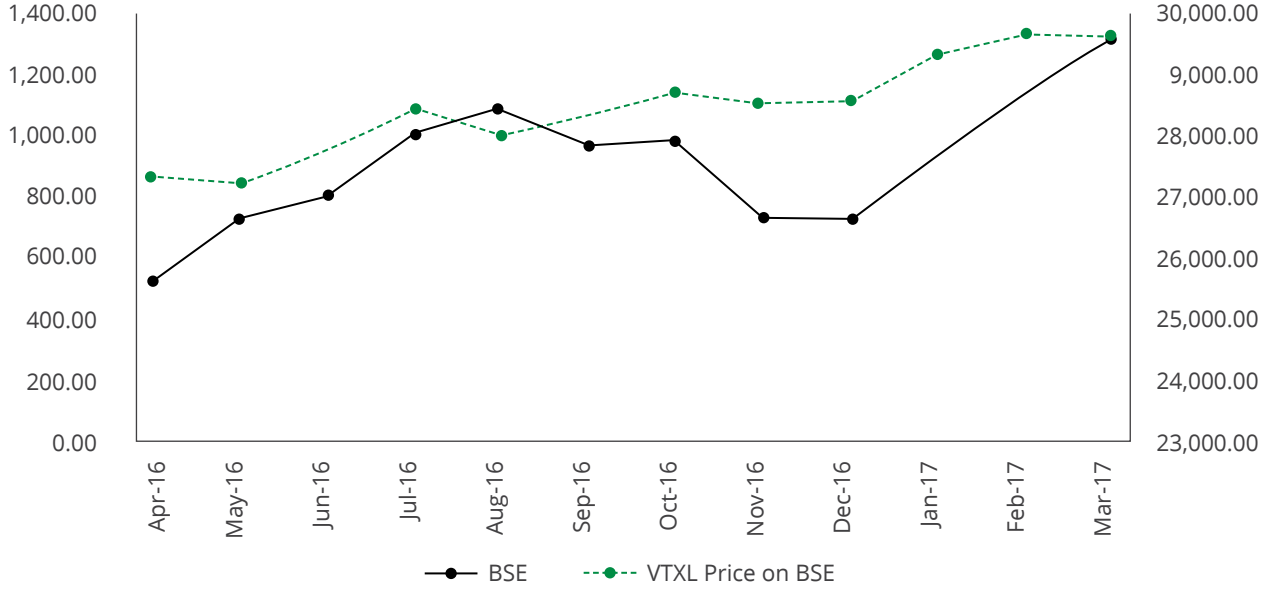
The month-wise highest and lowest and closing stock prices of NSE vis-a-vis BSE during the financial year 2016-17 are given below: -

Financial Year 2016-17	Share Prices of Vardhman Textiles Limited on NSE				Share Prices of Vardhman Textiles Limited on BSE			
	Highest (₹)	Lowest (₹)	Closing (₹)	%age change over last month's closing	Highest (₹)	Lowest (₹)	Closing (₹)	%age change over last month's closing
April	899.90	765.00	876.50	13.32	899.00	770.00	868.75	12.34
May	1,028.50	828.00	846.00	-3.48	1,028.00	829.75	845.50	-2.68
June	963.70	833.00	951.25	12.44	963.65	840.00	952.20	12.62
July	1,120.00	931.60	1,087.20	14.29	1,101.25	932.10	1,089.70	14.44
August	1,098.00	973.00	1,001.85	-7.85	1,105.00	970.95	1,001.30	-8.11
September	1,116.00	954.00	1,065.35	6.34	1,116.75	955.00	1,065.55	6.42
October	1,159.50	1,055.15	1,135.95	6.63	1,159.75	1,058.50	1,140.50	7.03

Financial Year 2016-17	Share Prices of Vardhman Textiles Limited on NSE				Share Prices of Vardhman Textiles Limited on BSE			
	Highest (₹)	Lowest (₹)	Closing (₹)	%age change over last month's closing	Highest (₹)	Lowest (₹)	Closing (₹)	%age change over last month's closing
November	1,159.75	1030	1,103.45	-2.86	1,150.00	1,034.20	1,104.60	-3.15
December	1,129.75	1026	1,111.90	0.77	1,122.15	1,026.10	1,110.40	0.53
January	1,290.00	1090	1,263.70	13.65	1,289.75	1,085.00	1,265.05	13.93
February	1,387.45	1,256.7	1,329.10	5.18	1,383.35	1,263.70	1,331.85	5.28
March	1,404.00	1,250.8	1,312.65	-1.24	1,439.95	1,273.00	1,318.10	-1.03

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





ix) Information regarding Dividend Payment:

a) 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.

b) 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,
(Unit: Vardhman Textiles Limited)
1E/13, Alankit Heights, Jhandewalan Extension,
New Delhi - 110 055.
Phone: (011) 41540060-63, Fax: (011) 41540064,
E-mail: rta@alankit.com

xi) Share Transfer System:

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

The shares of the Company are traded on the Stock Exchanges compulsorily in demat form. The Company has participated as an issuer both with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The shareholders may operate through any of the depositories, based on tariffs, quality and range of services being offered by them. The International Securities Identification Number (ISIN) of the Company is **INE 825 A01012.**

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

Range No. of shares	Shareholders		Shares	
	Number of total holders	% to total holders	Number of shares held	% to total shares
Upto-500	19,206	89.84	19,28,039	3.36
501-1000	1,088	5.09	7,77,947	1.36
1001-2000	468	2.19	6,61,835	1.15
2001-3000	165	0.77	4,17,533	0.73
3001-4000	76	0.36	2,66,944	0.47
4001-5000	42	0.20	1,93,594	0.33
5001-10000	119	0.56	8,69,437	1.51
10001- above	213	0.99	5,22,75,681	91.09
Total	**21,377**	**100.00**	**5,73,91,010**	**100.00**

xiii) Dematerialisation of shares:

As on 31st March, 2017, 98.09% of the capital comprising 5,62,97,021 shares, out of total of 57,391,010 shares, were dematerialized.

xiv) Stock Options:

During the year, the Company has granted Options to its employees under Vardhman Textiles Limited Employee Stock Option Plan, 2016. Out of a total of 6,36,518 Options, the Company has granted 6,14,000 Options to its employees. One option entitles the holder to apply for one equity share of the company, subject to corporate action, after a vesting period of 1 year from the date of Grant i.e. 15th November, 2016. So, the exact impact on the paid-up capital of the Company depends on the rights exercised by the eligible employees to convert these options into equity shares of the Company.

xiv) Plant Location:

- Arihant Spinning Mill
  Industrial Area, Malerkotla-148 023
- Anant Spinning Mills,
  New Industrial Area, Mandideep-462 046
- Arisht Spinning Mills,
  Sai Road, Baddi, Distt. Solan (H.P.)- 173 205
- Auro Spinning Mills,
  Sai Road, Baddi, Distt. Solan (H.P.)- 173 205
- Auro Dyeing (Unit- I & II),
  Sai Road, Baddi, Distt. Solan (H.P.)- 173 205
- Auro Weaving Mills,
  Sai Road, Baddi, Distt. Solan (H.P.) - 173 205
- Auro Textiles (Unit- I & II),
  Sai Road, Baddi, Distt. Solan (H.P.)- 173 205
- Mahavir Spinning Mills
  (Textile Division), Sai Road, Baddi,
  Distt. Solan (H.P.)- 173 205
- Vardhman Spinning Mills,
  Sai Road, Baddi, Distt. Solan (H.P.)- 173 205
- Vardhman Spinning and General Mills (Unit-I & II),
  Chandigarh Road, Ludhiana-141 010
- Vardhman Fabrics
  Budhni, Distt. Sehore (M.P.)
- Vardhman Yarns
  Satlapur, Distt. Raisen (M.P.)
- Vardhman Fabrics (Power Division)
  Budhni, Distt. Sehore (M.P.)
- Vardhman Yarns (Power Division)
  Satlapur, Distt. Raisen (M.P.)

xiv) Address for correspondence:

Registered office	: Chandigarh Road, Ludhiana-141010
Tel	: 0161-2228943-48
Fax	: 0161-2601048, 2602710, 2222616
E-mail	: secretarial.lud@vardhman.com (Exclusively for redressal of investors' grievances)

Chairman & Managing Director's Declaration

I, S.P. Oswal, Chairman & Managing Director of Vardhman Textiles 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: 10th May, 2017

(S.P. Oswal)
Chairman & Managing Director

Independent Auditors' Compliance Certificate

To
The Members of
Vardhman Textiles Limited,

1. We, SC Vasudeva & Co., Chartered Accountants, the Statutory Auditors of Vardhman Textiles Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st 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 31st March 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 **S.C. Vasudeva &Co,**
Chartered Accountants
Firm's Registration No.000235N

(Sanjiv Mohan)
Partner
M. No. 086066

Place: Ludhiana
Date: 10th May, 2017

Independent Auditors' Report

To the Members of Vardhman Textiles Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Vardhman Textiles Limited ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes 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 standalone Ind AS 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 Ind AS 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 Directors, as well as evaluating the overall presentation of the standalone Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the financial position of the Company as at 31 March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Independent Auditors' Report

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 a part of this report, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143(3) of the Act, we report that:

   (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) the balance sheet, the statement of profit and loss (including other comprehensive income) , the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

   (d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;

   (e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 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 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 the explanations given to us:

      i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. Refer Note No. 37 of standalone Ind AS 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

      iv. the Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note No. 55 of standalone Ind AS financial statements.

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

(Sanjiv Mohan)
Partner
M. No. 086066
Ludhiana
10th May, 2017

Annexure - A to the Auditors' Report

The Annexure referred to the Independent Auditors' Report to the members of the Company on the Standalone Ind AS financial statements for the year ended 31 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 the information and explanations given to us, the Company has adopted a policy of physical verification of the fixed assets once in every three years. Pursuant to the said policy, the Company has physically verified the entire block of Plant and Machinery during the year under audit. Discrepancies noticed on such physical verification were not material and have been properly dealt with in the books of account.

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) According to the information and explanations given to us, the inventories have been physically verified by the management during the year. In our opinion the frequency of verification is reasonable.

According to the information and explanations given to us, discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been dealt with in the books of account.

(iii) According to the information and explanations given to us, we report that the Company has granted loans to two companies covered in the register maintained under section 189 of the Companies Act, 2013.

(a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company

(b) The borrowers have been regular in the payment of the principal and interest as stipulated.

(c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.

(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 any deposits covered under the provisions of sections 73 to 76, other relevant provisions of the Companies Act, 2013 and the rules framed there under. According to the information and explanations given to us, no order under the aforesaid sections has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company.

(vi) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of such records with a view to determine whether they are accurate or complete.

(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

Annexure - A to the Auditors' Report

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, Value Added Tax, Sale Tax Act, Service Tax and duty of Excise have not deposited by the company on account of dispute:

(Amount in Lakhs)

Sr. No.	Name of Statute	Total Demand	Paid under Protest	Unpaid	Financial Year to which it relates	Forum at which dispute is pending.
1	Central Excise Act 1944	1.02	-	1.02	2009-10	Commissioner Appeals, Bhopal
2	Central Excise Act 1944	26.67	8.00	18.67	2009-10	Customs Excise & Service Tax Appellate Tribunal, Delhi
3	Central Excise Act 1944	216.06	-	216.06	2009-10	Customs Excise & Service Tax Appellate Tribunal, Delhi
4	Central Excise Act 1944	34.59	-	34.59	2013-14	Customs Excise & Service Tax Appellate Tribunal, Chandigarh
5	Central Excise Act 1944	4.26	-	4.26	2008-09	Hon'ble Supreme Court, New Delhi
6	Central Excise Act 1944	6.51	1.63	4.88	2008-09	Commissioner Appeals, Chandigarh
7	Central Excise Act 1944	5.80	1.00	4.80	2006-07	Customs Excise & Service Tax Appellate Tribunal, Delhi
8	Central Excise Act 1944	66.66	1.94	64.72	Jan 2008 to March 2011	Customs Excise & Service Tax Appellate Tribunal, Delhi
9	Central Excise Act 1944	4.95	2.88	2.07	2003-04, 2004-05	Commissioner Appeals, Chandigarh
10	Central Excise Act 1944	1.57	1.39	0.18	2002-03	Assistant Commissioner, Central Excise, Ludhiana
11	Central Excise Act 1944	112.00	-	112.00	2011-12	Customs Excise & Service Tax Appellate Tribunal, Delhi
12	Central Excise Act 1944	2.59	-	2.59	Oct 2001 to April 2004	Commissioner Appeals, Chandigarh
13	Central Excise Act 1944	5.16	-	5.16	2015-16	Commissioner Appeals, Chandigarh
14	Central Excise Act 1944	0.37	-	0.37	2012-13 & 2013-14	Commissioner Appeals, Chandigarh

Annexure - A to the Auditors' Report

(Amount in Lakhs)

Sr. No.	Name of Statute	Total Demand	Paid under Protest	Unpaid	Financial Year to which it relates	Forum at which dispute is pending.
15	Central Excise Act 1944	0.19	-	0.19	2013-14 & 2014-15	Commissioner Appeals, Chandigarh
16	Central Excise Act 1944	0.20	-	0.20	2014-15 & 2015-16	Commissioner Appeals, Chandigarh
17	Central Sales Tax Act,1956	6.19	-	6.19	2009-10	Deputy Excise & Taxation Commissioner Appeals, Jalandhar
18	Central Sales Tax Act,1956	2.45	0.65	1.80	2005-06	Deputy Commissioner Of Sales Tax, Mumbai
19	Commercial Tax Act, 1994	6.10	1.06	5.04	2001-02	Assistant Commissioner, Commercial Tax, Bhopal
20	Entry Tax Act, 1976	0.74	0.21	0.53	2001-02	Assistant Commissioner, Commercial Tax, Bhopal
21	Entry Tax Act, 1976	11.26	3.16	8.10	2003-04	Assistant Commissioner, Commercial Tax, Bhopal
22	MP VAT Act,2002	51.46	20.59	30.87	2006-07	Appellate Board, Commercial Tax, Bhopal
23	MP VAT Act,2002	8.25	4.30	3.95	2010-11	Appellate Board, Commercial Tax, Bhopal
24	MP VAT Act,2002	5.95	3.34	2.61	2011-12	Appellate Board, Commercial Tax, Bhopal
25	MP VAT Act,2002	2.60	1.51	1.09	2012-13	Appellate Board, Commercial Tax, Bhopal
26	Punjab VAT Act, 2005	1.10	0.28	0.82	2002-03	Joint Director Enforcement, Patiala
27	The Finance Act 1994	5.02	-	5.02	2007-08 to 2009-10	Commissioner Appeals,Chandigarh.
28	The Finance Act 1994	11.22	-	11.22	2005-06	Commissioner Appeals, Chandigarh
29	The Finance Act 1994	0.66	-	0.66	2015-16	Commissioner Appeals, Chandigarh
30	Income tax Act,1961	12,397.35	6,873.59	5,523.76	2009-10 to 2011-12	Income tax Appellant Tribunal, Chandigarh
31	Income tax Act,1961	2,823.80	169.62	2,654.18	2012-13	Commissioner of Income tax, Appeals, Ludhiana
32	Income tax Act,1961	3.81	-	3.81	2000-01	Income tax Appellant Tribunal, Chandigarh

(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 term loans taken during the year by the Company have been applied for the purpose for which they were raised. 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.

Annexure - A to the Auditors' Report

(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 the managerial remuneration in accordance with the requisite approvals mandated by the 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 Act, where applicable and the details of the transactions have been disclosed in the standalone Ind AS 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) According to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

(Sanjiv Mohan)
Partner
M. No. 086066
Ludhiana
10th May, 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")

We have audited the internal financial controls over financial reporting of Vardhman Textiles Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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 issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit

Annexure - B to the Auditors' Report

in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (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 standalone Ind AS 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.

Meaning of Internal Financial Controls over Financial Reporting

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company 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 31 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 **S.C. Vasudeva & Co,**
Chartered Accountants
Firm Reg. No.000235N

(Sanjiv Mohan)
Partner
M. No. 086066
Ludhiana
10th May, 2017

Balance Sheet

as at 31st March, 2017

(Amount in Lakhs)

Particulars	Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Assets				
1. Non-current assets				
(a) Property, Plant and Equipment	3(a)	245,141.10	248,903.62	249,527.54
(b) Capital work-in-progress		4,853.91	8,483.29	7,677.68
(c) Other Intangible Assets	3(b)	674.19	1,108.24	1,393.29
(d) Financial Assets				
- Investments	4	97,219.10	106,983.92	60,064.79
- Loans	5	61.04	75.95	85.01
- Other financial assets	6	173.54	1,192.56	12,426.54
(e) Other non-current Assets	7	6,603.95	7,699.05	6,714.22
Total Non-current assets		**354,726.83**	**374,446.63**	**337,889.07**
2. Current assets				
(a) Inventories	8	158,900.38	180,911.59	163,673.47
(b) Financial Assets				
- Investments	9	67,060.37	59.22	9,963.64
- Trade receivables	10	71,790.98	76,999.63	81,406.86
- Cash and cash equivalents	11	3,822.39	21,368.82	5,908.75
- Bank Balance other than above	11A	224.72	6,308.14	11,646.02
- Loans	12	3,656.20	2,928.02	3,688.67
- Other financial assets	13	4,047.49	4,613.67	3,559.06
(c) Current tax assets (net)		4,513.57	2,191.25	1,139.55
(d) Other current assets	14	27,109.82	28,706.33	28,565.48
Total Current assets		**341,125.92**	**324,086.67**	**309,551.50**
Total Assets		**695,852.75**	**698,533.30**	**647,440.57**
Equity and Liabilities				
Equity				
(a) Equity Share capital	15	5,592.88	6,205.31	6,205.31
(b) Other Equity	16	392,991.86	362,786.73	311,173.16
Total Equity		**398,584.74**	**368,992.04**	**317,378.47**
Liabilities				
1. Non-current liabilities				
(a) Financial Liabilities				
- Borrowings	17	71,935.28	102,223.85	131,468.40
- Other financial liabilities	18	48.78	19.12	1,299.49
(b) Provisions	19	889.91	592.82	514.71
(c) Deferred tax liabilities (Net)	20	23,840.02	20,638.93	20,524.52
(d) Other non-current liabilities	21	2,101.02	2,032.34	2,146.81
Total Non-current liabilities		**98,815.01**	**125,507.06**	**155,953.93**
2. Current liabilities				
(a) Financial Liabilities				
- Borrowings	22	105,505.99	101,682.13	60,579.67
- Trade payables	23	17,740.83	14,590.67	12,954.60
- Other financial liabilities	24	60,075.59	73,827.25	88,304.22
(b) Other current liabilities	25	14,701.70	13,412.79	11,599.13
(c) Provisions	26	428.89	521.36	670.55
Total Current liabilities		**198,453.00**	**204,034.20**	**174,108.17**
Total Equity and Liabilities		**695,852.75**	**698,533.30**	**647,440.57**

The accompanying notes are integral part of these financial statements

As per our report of even date
For **S. C. Vasudeva & Co.**,
Chartered Accountants
Firm Regn. No.: 000235N

For and on behalf of the Board of Directors

(Sanjiv Mohan)
Partner
M. No. 086066

Karan Kamal Walia
Company Secretary

Rajeev Thapar
Chief Financial Officer

Sachit Jain
Joint Managing Director
DIN : 00746409

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

Place : Ludhiana
Dated: 10-05-2017

Statement of Profit and Loss

for the year ended 31st march 2017

(Amount in Lakhs)

Particulars				Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
I.	**Revenue from operations**			27	572,828.74	561,395.80
II.	**Other income**			28	56,758.24	24,097.29
III.	**Total Income (I+II)**				**629,586.98**	**585,493.09**
IV.	**Expenses :**					
	Cost of materials consumed			29	283,669.41	266,715.11
	Purchases of stock-in-trade			30	2,920.35	6,715.09
	Changes in inventories of finished goods, work-in-progress and stock-in-trade			31	(7,417.89)	1,220.20
	Employee benefits expense			32	45,361.38	41,043.33
	Finance costs			33	9,183.10	8,670.69
	Depreciation and amortization expense			3 (a) & (b)	32,949.39	36,309.60
	Other expenses			34	132,439.97	134,880.67
	Total Expenses				**499,105.71**	**495,554.69**
V.	**Profit before tax (III-IV)**				**130,481.27**	**89,938.40**
VI.	**Tax expense:**					
	(1)	Current tax			28,157.00	22,184.15
	(2)	Deferred tax			3,194.83	114.43
	(3)	Mat Credit Entitlement			(1,029.85)	-
VII.	**Profit for the year (V-VI)**				**100,159.29**	**67,639.82**
VIII.	**Other Comprehensive Income**					
	A	(i)	Items that will not be reclassified to profit or loss			
			- Remeasurements of the defined benefit plans		(51.33)	(6.22)
			- Gain on Fair Valuation of Equity instruments carried at Fair Value through Profit & Loss		18.05	-
		(ii)	Income tax relating to items that will not be reclassified to profit or loss		11.52	2.15
	B	(i)	Items that will be reclassified to profit or loss		-	-
		(ii)	Income tax relating to items that will be reclassified to profit or loss		-	-
					(21.76)	**(4.07)**
IX.	**Total Comprehensive Income for the year (VII+VIII)**				**100,137.53**	**67,635.75**
	Earnings per equity share			42		
	Basic - Par value of ₹ 10 per share				163.67	109.00
	Diluted - Par value of ₹ 10 per share				163.67	109.00

The accompanying notes are integral part of these financial statements

As per our report of even date
For **S. C. Vasudeva & Co.**,
Chartered Accountants
Firm Regn. No.: 000235N

For and on behalf of the Board of Directors

(Sanjiv Mohan)
Partner
M. No. 086066

Karan Kamal Walia
Company Secretary

Rajeev Thapar
Chief Financial Officer

Sachit Jain
Joint Managing Director
DIN : 00746409

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

Place : Ludhiana
Dated: 10-05-2017

Cash Flow Statement

for the year ended 31st march, 2017

(Amount in Lakhs)

		For the year ended 31st March 2017		For the year ended 31st March 2016	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before Exceptional items and tax		130,481.27		89,938.40
	Adjustments for :				
	Depreciation and amortisation	32,949.39		36,309.60	
	Interest expense	11,252.47		13,014.39	
	Fair Valuation Gain on Investment	(9,530.24)		(3,871.07)	
	Subsidy Income	(181.33)		(150.20)	
	Prepayments of Leasehold land	8.15		8.15	
	Interest income	(3,330.26)		(5,529.83)	
	Dividend income	(1,540.96)		(16,181.65)	
	(Profit)/Loss on sale of Assets(Net)	(6,158.37)		(744.69)	
	(Profit)/Loss on sale of Investments (Net)	(36,561.46)		(671.46)	
	Provision no longer required written Back(Net)	(349.59)		(174.10)	
	Sundry balance written back	-		(116.54)	
	Excess income written off	-		871.13	
	Amortisation of Processing Charges	86.93		91.62	
	Fixed assets written off	433.87		479.15	
	Bad debts written off	352.44		33.66	
	Allowances for doubtful trade receivables and advances written back	274.44		118.90	
			(12,294.52)		**23,487.05**
	Changes in Working capital		**118,186.75**		**113,425.45**
	Adjustments for :				
	(Increase)/Decrease in Trade and other Receivables	7,310.96		10,141.14	
	(Increase)/Decrease in Inventories	22,011.20		(17,238.12)	
	Increase/(Decrease) in Trade Payables and other Liabilities	5,762.63		3,765.61	
			35,084.79		**(3,331.38)**
	Cash generated from Operations		**153,271.54**		**110,094.08**
	Net income tax paid	(30,461.55)	**(30,461.55)**	(23,233.70)	**(23,233.70)**
	Net cash flow from/ (used in) operating activities		**122,809.99**		**86,860.38**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Fixed Assets	(29,103.16)		(37,112.92)	
	Proceeds from sale of Fixed Assets	8,318.58		1,198.16	
	Purchase of Investments	(91,842.44)		(45,484.66)	
	Purchase of shares of Subsidiary	-		-	
	Proceeds from sale of Investments	80,715.89		13,012.48	
	Interest received	5,188.89		4,239.07	
	Dividend received	1,540.96		16,181.65	
	Net Cash used in investing activities		**(25,181.29)**		**(47,966.21)**

Cash Flow Statement

for the year ended 31st march, 2017

(Amount in Lakhs)

		For the year ended 31st March 2017	For the year ended 31st March 2016
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds/ (Repayment) from Long Term Borrowings (Net)	(43,644.34)	(45,593.88)
	Proceeds/ (Repayment) from Short Term Borrowings (Net)	3,823.86	46,020.37
	Proceeds/ (Repayment) from Equity Share Capital	(70,544.85)	-
	Capital Subsidy received	334.68	-
	Dividend Paid (including taxes)	(104.77)	(15,867.72)
	Interest Paid	(11,123.12)	(13,330.77)
	Net Cash flow from/(used in) Financing Activities	**(121,258.54)**	**(28,772.00)**
	Net Increase in cash and cash equivalents	**(23,629.84)**	**10,122.17**
	Cash and cash equivalents at the beginning of the year	**27,676.95**	**17,554.77**
	Cash and cash equivalents at the end of the year	**4,047.11**	**27,676.95**
	Bank Balances not considered as cash and cash equivalents	162.96	1,077.58

The accompanying notes are integral part of these financial statements

As per our report of even date
For **S. C. Vasudeva & Co.**,
Chartered Accountants
Firm Regn. No.: 000235N

(Sanjiv Mohan)
Partner
M. No. 086066

Karan Kamal Walia
Company Secretary

Rajeev Thapar
Chief Financial Officer

Sachit Jain
Joint Managing Director
DIN : 00746409

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

Place : Ludhiana
Dated: 10-05-2017

Statement of Changes in Equity

Particulars	As at 31st March 2017		As at 31st March 2016	
	Number	Amount(In Lakhs)	Number	Amount(In Lakhs)
Equity Share Capital				
Balance at the beginning of reporting period	**63,651,879**	**6,365.19**	**63,651,879**	**6,365.19**
Own shares (Refer Note 38)	(1,598,741)	(159.88)	(1,598,741)	(159.88)
Net issued Share Capital at beginning of reporting period	**62,053,138**	**6,205.31**	**62,053,138**	**6,205.31**
Changes in equity share capital				
Buyback of shares (net of 1,36,539 number of shares held through trust)	(6,124,330)	(612.43)	-	-
Balance at the closing of reporting period	**55,928,808**	**5,592.88**	**62,053,138**	**6,205.31**

Other Equity

(Amount in Lakhs)

Particulars	Reserves & Surplus					Equity instruments through other comprehensive income	Other items of other comprehensive income	Total
	Capital reserve	Capital Redemption Reserve	Securities premium	General Reserve	Retained Earnings			
Balance as at 01 April 2016	**124.32**	**-**	**20,990.54**	**186,302.34**	**155,280.53**	**93.07**	**(4.07)**	**362,786.73**
Changes in equity for the year ended 31 March 2017								
Value of own shares reduced								-
Profit for the year					100,159.29			100,159.29
Other comprehensive income for the year						11.80	(33.57)	(21.77)
Total Comprehensive Income for the year					**100,159.29**	**11.80**	**(33.57)**	**100,137.53**
Transfer to Capital redemption reserve on account of buyback of equity shares					(626.09)			(626.09)
Transfer from Retained Earnings on account of buyback of equity shares		626.09						626.09
Premium on buy back of shares (Net of ₹ 1448.21 Lakhs of premium relating to own shares held through trust)			(20,990.54)	(48,941.86)				(69,932.40)
Balance as at 31 March 2017	**124.32**	**626.09**	**-**	**137,360.48**	**254,813.74**	**104.87**	**(37.64)**	**392,991.86**
Balance as at 01 April 2015	124.32	-	20,990.54	186,302.34	103,662.89	93.07	-	311,173.16
Changes in equity for the year ended 31 March 2016								
Value of own shares reduced								-
Profit for the year					67,639.82			67,639.82
Other comprehensive income for the year							(4.07)	(4.07)
Total Comprehensive Income for the year					**67,639.82**		**(4.07)**	**67,635.75**
Less: Interim Dividend on equity for financial year 2015-16 (Amount per share ₹ 15)					(9,547.78)			(9,547.78)
Equity Dividend for the financial year 2014-15 (Amount ₹ 10 per share)					(6,365.19)			(6,365.19)
Tax on Dividend					(109.21)			(109.21)
Balance as at 31 March 2016	**124.32**	**-**	**20,990.54**	**186,302.34**	**155,280.53**	**93.07**	**(4.07)**	**362,786.73**

Notes

forming part of financial statements for the year ended 31st March, 2017

1. CORPORATE INFORMATION

Vardhman Textiles Limited (the Company) is a public company incorporated under the provisions of the Companies Act, 1956 on 8th October, 1973 and has its registered office at Chandigarh Road, Ludhiana. The name of the company at its incorporation was Mahavir Spinning Mills Ltd. and subsequently changed to Vardhman Textiles Limited on 5th September, 2006. The company is engaged in manufacturing of Cotton yarn, Synthetic yarn and woven fabric. The company is listed on two stock exchanges i.e. at National Stock Exchange and at Bombay Stock Exchange.

2. SIGNIFICANT ACCOUNTING POLICIES :

(a) Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under Companies (Accounting Standard) Rule, 2006 (Indian GAAP). These financial statements for the year ended 31 March 2017 are the first the Company has prepared in accordance with Ind AS. Note no. 35 explains the manner in which the Company has adopted Ind AS.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

The accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(b) Use of Estimates and Judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made. Differences between actual results and estimates are recognised in the period in which the results are known/ materialised.

(c) Revenue Recognition

Revenue is recognised at the fair value of the consideration received or receivable. The amount disclosed as revenue is inclusive of excise duty and net of returns, trade discounts, value added tax and amount collected on behalf of third parties.

The company recognizes revenue when the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity.

(i) Sales of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of

Notes

forming part of financial statements for the year ended 31st March, 2017

ownership of the goods are transferred to the buyer and the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

(ii) Services

Revenue from the sale of services is recognised on the basis of the stage of completion. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

(iii) Export Incentives

Revenue in respect of the export incentives is recognized on post export basis.

(iv) Interest

Income from interest is recognized using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

(v) Dividend

Dividend income is recognized when the right to receive the payment is established.

(vi) Insurance and Other Claims

Revenue in respect of claims is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

(d) Employees Benefits

(i) 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.

(ii) Post Employment Benefits

(a) Defined Contribution Plans:

Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Superannuation

Certain employees of the Company are participants in a defined contribution plan. The Company has no further obligations to the Plan beyond its annual contributions which are periodically contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India.

(b) Defined Benefit Plans

Gratuity

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The company fully contributes all ascertained liabilities to the Mahavir Employee Gratuity Fund Trust (the Trust). Trustees administrate contributions made to the Trusts and contributions are invested in the schemes as permitted by the laws of India.

The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Remeasurements comprising of actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net

Notes

forming part of financial statements for the year ended 31st March, 2017

interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognised in Other Comprehensive Income which are not reclassified to profit or loss in subsequent periods.

(iii) Long-term employee benefits

The liability of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method.

(e) Property, Plant and Equipment

The Company has applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2015 as the deemed cost under IND AS and hence regarded thereafter as historical cost.

Freehold land is carried at cost. All other items of Property, plant and equipment are stated at cost, less accumulated depreciation. The Cost of an item of Property, Plant and Equipment comprises:

(a) its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates.

(b) any attributable expenditure directly attributable for bringing an asset to the location and the working condition for its intended use and

(c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

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

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

(f) Intangible Assets

Intangible assets are stated at cost less accumulated amount of amortization.

Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, etc. The amortization method and useful lives are reviewed periodically at end of each financial year.

(g) Inventories

Inventories are valued at cost or net realizable value, whichever is lower. The cost in respect of the various items of inventory is computed as under:

- In case of raw materials at weighted average cost plus direct expenses. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Notes

forming part of financial statements for the year ended 31st March, 2017

- In case of stores and spares at weighted average cost plus direct expenses. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

- In case of work in progress at raw material cost plus conversion costs depending upon the stage of completion.

- In case of finished goods at raw material cost plus conversion costs, packing cost, excise duty (if applicable) and other overheads incurred to bring the goods to their present location and condition.

(h) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(i) Earnings per Share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

(j) Income Taxes

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is also recognized in equity or other comprehensive income respectively.

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets and liabilities are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit

Notes

forming part of financial statements for the year ended 31st March, 2017

will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(k) Government Grants

The government grants are recognized only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Government grants related to assets are treated as deferred income and are recognized in the statement of profit and loss on a systematic and rational basis over the useful life of the asset. Government grants related to revenue are recognized on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

(l) Foreign Currency Transactions

(i) Functional and Presentation currency

The functional currency of the company is Indian rupee. These financial statements are presented in Indian rupee.

(ii) Transaction and balances

The foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

The foreign currency monetary items are translated using the closing rate at the end of each reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognised in profit or loss in the period in which they arise.

Foreign exchange differences recorded as an adjustment to borrowing costs are presented in the statement of profit and loss, as a part of finance cost. All other foreign exchange gains and losses are presented in the statement of profit and loss on net basis.

In respect of foreign branch, which is in the nature of integral foreign operations, all transactions are translated using the exchange rate at the date of the transaction. The translation of monetary assets and liabilities is performed using the exchange rate in effect at the balance sheet date. Fixed assets are translated as at the date of transaction. Depreciation is translated at the rates applied for translation of fixed assets.

(m) Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.

(n) Leases

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease under which the risks

Notes

forming part of financial statements for the year ended 31st March, 2017

and rewards incidental to ownership are not transferred to lessee is classified as operating lease. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the statement of profit and loss over the lease term.

(o) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Initial Recognition and measurement

On initial recognition, all the financial assets and liabilities are recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability except financial asset or financial liability measured at fair value through profit or loss. Transaction costs of financial assets and liabilities carried at fair value through the Profit and Loss are immediately recognized in the Statement of Profit and Loss.

(ii) Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss (FVTPL)

A financial asset is measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income.

(iv) Investments in subsidiaries, joint ventures and associates

The Company has adopted to measure investments in subsidiaries, joint ventures and associates at cost in accordance with Ind AS 27 and carrying amount as per previous GAAP at the date of transition has been considered as deemed cost in accordance with Ind AS 101.

(v) Financial liabilities

The financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

b. Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is

Notes

forming part of financial statements for the year ended 31st March, 2017

ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

c. Share capital and treasury shares

(i) Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

(ii) Treasury Shares

The equity shares of the company held by it through a trust are presented as a deduction from total equity, until they are cancelled or sold.

(iii) Derecognition of financial instruments

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expired.

(iv) Fair value measurement of financial instruments

The fair value of financial instruments is determined using the valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Based on the three level fair value hierarchy, the methods used to determine the fair value of financial assets and liabilities include quoted market price, discounted cash flow analysis and valuation certified by the external valuer.

In case of financial instruments where the carrying amount approximates fair value due to the short maturity of those instruments, carrying amount is considered as fair value.

(p) Impairment of assets

a. Financial assets

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

b. Non-financial assets

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows

Notes

forming part of financial statements for the year ended 31st March, 2017

that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

(q) Cash and cash equivalents

The Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity period of three months or less from the balance sheet date, which are subject to an insignificant risk of changes in value.

(r) Cash flow statement

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) - 7 "Statement of Cash flows" using the indirect method for operating activities.

(s) Provisions

A provision shall be recognised when:

(a) an entity has a present obligation as a result of a past event;

(b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

(c) a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Notes

forming part of financial statements for the year ended 31st March, 2017

3(a). Property, Plant and Equipment

(Amount in Lakhs)

Particulars	Original Cost					Depreciation and Amortization					Net Block	
	Balance as at 1st April, 2016	Additions	Disposals	Other adjustments	Balance as at 31st March, 2017	Balance as at 1st April, 2016	Depreciation expense for the year	Eliminated on disposal of assets	Other adjustments	Balance as at 31st March, 2017	Balance as at 31st March, 2017	Balance as at 31st March, 2016
Tangible Assets:												
Free-hold Land	6,558.79	1,949.68	89.33	(219.97)	8,639.11	-	-	-	-	-	8,639.11	6,558.79
Buildings #	93,178.57	6,691.47	1,138.04	540.17	98,191.83	22,851.36	2,881.66	638.93	158.96	24,935.13	73,256.70	70,327.21
Plant and Equipment	452,461.02	20,092.78	10,976.56	1,997.70	459,579.54	283,430.91	28,769.25	9,023.58	3,071.92	300,104.66	159,474.88	169,030.11
Furniture and Fixtures	2,329.61	436.91	26.96	634.06	2,105.50	1,566.64	143.18	12.94	423.34	1,273.54	831.96	762.97
Vehicles	1,528.84	295.21	119.78	12.75	1,691.52	606.98	176.48	78.52	1.37	703.57	987.95	921.86
Office equipment	3,444.78	867.15	18.68	(885.07)	5,178.32	2,142.10	515.42	21.28	(591.58)	3,227.82	1,950.50	1,302.68
Total	**559,501.61**	**30,333.20**	**12,369.35**	**2,079.64**	**575,385.82**	**310,597.99**	**32,485.99**	**9,775.25**	**3,064.01**	**330,244.72**	**245,141.10**	**248,903.62**

Particulars	Original Cost					Depreciation and Amortization					Net Block	
	Balance as at 1st April, 2015	Additions	Disposals	Other adjustments	Balance as at 31st March, 2016	Balance as at 1st April, 2015	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Other adjustments	Balance as at 31st March, 2016	Balance as at 31st March, 2016	Balance as at 31st March, 2015
Tangible Assets:												
Free-hold Land	6,174.57	238.23	5.16	(151.15)	6,558.79	-	-	-	-	-	6,558.79	6,174.57
Buildings #	87,343.38	5,892.43	28.95	28.29	93,178.57	20,272.97	2,622.28	11.37	32.52	22,851.36	70,327.21	67,070.41
Plant and Equipment	428,159.99	28,765.20	2,580.00	1,884.17	452,461.02	254,385.01	32,513.25	2,241.01	1,226.34	283,430.91	169,030.11	173,774.98
Furniture and Fixtures	2,192.62	184.26	4.55	42.72	2,329.61	1,434.85	173.21	3.12	38.30	1,566.64	762.97	757.77
Vehicles	1,424.31	278.15	173.84	(0.22)	1,528.84	577.27	162.29	132.55	0.03	606.98	921.86	847.04
Office equipment	2,765.82	836.03	16.16	140.91	3,444.78	1,863.05	414.56	15.27	120.24	2,142.10	1,302.68	902.77
Total	**528,060.69**	**36,194.30**	**2,808.66**	**1,944.72**	**559,501.61**	**278,533.15**	**35,885.59**	**2,403.32**	**1,417.43**	**310,597.99**	**248,903.62**	**249,527.54**

Includes ₹ 248.20 lac (Previous Year ₹ 248.20 Lakhs) cost of Residential flats at Mandideep, the land cost of which has not been excluded from this cost. The depreciation for the year has been taken on the entire cost of ₹248.20 Lakhs (Previous Year ₹ 248.20 Lakhs).

Freehold land includes ₹ Nil (Previous Year ₹ 31.00 Lakhs) for the cost of land at Baddi, (Himachal Pradesh) for which title deeds are yet to be executed in favour of the Company, though the possession thereof has been taken by the company.

- Depreciation for the year includes net depreciation of ₹ Nil (Previous year (-) ₹ 57.73 Lakhs) pertaining to earlier years.

Notes
forming part of financial statements for the year ended 31st March, 2017

3(b). Other Intangible Assets

(Amount in Lakhs)

Particulars	Original Cost					Depreciation and Amortisation					Net Block	
	Balance as at 1st April, 2016	Additions	Disposals	Other adjustments	Balance as at 31st March, 2017	Balance as at 1st April, 2016	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Other adjustments	Balance as at 31st March, 2017	Balance as at 31st March, 2017	Balance as at 31st March, 2016
Other Intangible Assets:												
Computer Softwares	1,833.07	65.44	-	103.61	1,794.90	1,041.58	302.50	-	67.52	1,276.56	518.34	791.49
Contribution to CETP	64.00	-	-	-	64.00	46.40	4.40	-	-	50.80	13.20	17.60
Right to use Power lines	1,812.51	-	-	-	1,812.51	1,513.36	156.50	-	-	1,669.86	142.65	299.15
Total	**3,709.58**	**65.44**	**-**	**103.61**	**3,671.41**	**2,601.34**	**463.40**	**-**	**67.52**	**2,997.22**	**674.19**	**1,108.24**

Particulars	Original Cost					Depreciation and Amortisation					Net Block	
	Balance as at 1st April, 2015	Additions	Disposals	Other adjustments	Balance as at 31st March, 2016	Balance as at 1st April, 2015	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Other adjustments	Balance as at 31st March, 2016	Balance as at 31st March, 2016	Balance as at 31st March, 2015
Other Intangible Assets:												
Computer Softwares	1,758.10	74.97	-	-	1,833.07	814.26	227.32	-	-	1,041.58	791.49	943.84
Contribution to CETP	-	64.00	-	-	64.00	-	46.40	-	-	46.40	17.60	-
Right to use Power lines	1,812.51	-	-	-	1,812.51	1,363.06	150.30	-	-	1,513.36	299.15	449.45
Total (B)	**3,570.61**	**138.97**	**-**	**-**	**3,709.58**	**2,177.32**	**424.02**	**-**	**-**	**2,601.34**	**1,108.24**	**1,393.29**

Intangible Assets are not internally generated.

Notes

forming part of financial statements for the year ended 31st March, 2017

4 Investments (Non Current)

(Amount in Lakhs)

	Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
I	**Trade Investments (at cost)**			
	Financial assets carried at cost			
a.	**Investment in equity instruments**			
(i)	**Investment in subsidiaries (quoted)**			
	5,68,51,144 (31 March 2016: 6,58,00,834 1st April 2015: 6,58,00,834) Equity shares of ₹10/- each fully paid up of Vardhman Acrylics Limited	5,315.19	6,151.92	6,151.92
(ii)	**Investment in subsidiaries (unquoted)**			
	1,85,15,060 (31 March 2016: 1,85,15,060 1st April 2015: 1,85,15,060) Equity shares of ₹10/- each fully paid up of VMT Spinning Company Limited	2,856.39	2,856.39	2,856.39
	40,00,000 (31 March 2016: 40,00,000 1st April 2015: 40,00,000) Equity shares of ₹10/- each fully paid up of VTL Investments Limited	403.50	403.50	403.50
(iii)	**Investment in Joint Ventures/ associates (Unquoted)**			
	62,70,699 (31 March 2016: 290,72,240 1st April 2015: 290,72,240) Equity shares of ₹10/- each fully paid up of Vardhman Yarns & Threads Limited (Refer Note 54)	2,749.77	12,747.16	12,747.16
	71,40,000 (31 March 2016: 71,40,000 1st April 2015: 71,40,000) Equity shares of ₹10/- each fully paid up of Vardhman Nisshinbo Garments Company Limited	714.00	714.00	714.00
	25,000(31 March 2016: 25,000 1st April 2015:25,000) Equity shares of ₹10/- each fully paid-up of Vardhman Spinning and General Mills Limited	2.50	2.50	2.50
(iv)	**Investment in Associates (Quoted)**			
	58,25,000 (31 March 2016: 58,25,000 1st April 2015: 58,25,000) Equity shares of ₹10/- each fully paid up of Vardhman Special Steels Limited	582.50	582.50	582.50
b.	**Investment in preference instruments**			
(i)	**Investment in joint ventures (unquoted)**			
	1,00,00,000 (31 March 2016: 1,00,00,000 1st April 2015: 1,00,00,000) 10% non-cumulative convertible perference shares of ₹10/- each fully paid up of Vardhman Nisshinbo Garments Company Limited	1,000.00	1,000.00	1,000.00
	Financial assets measured at fair value through OCI			
(i)	**Investment in equity instruments (unquoted)**			
	41,000 (31 March 2016: 41,000 1st April 2015:41,000) Equity-Shares of ₹10/- each fully paid-up of Shivalik Solid Waste Management Limited (Section 8 under Company Act 2013)	5.92	5.35	5.35

Notes

forming part of financial statements for the year ended 31st March, 2017

4 Investments (Non Current) (contd.)

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
1,40,625 (31 March 2016:1,40,625 1st April 2015: 1,40,625) Equity shares of ₹10/- each fully paid-up of Nimbua Greenfield (Punjab) Limited	160.79	155.14	155.14
2,225 Equity shares of ₹10/- each fully paid-up of Diwakar Investment & Trading Co. pvt ltd. (Shreshtha Holding company has got merged with Diwakar Investment & Trading Co. private limited and the company has got 2,225 equity shares of Diwakar Investment & Trading Co. Pvt Limited in lieu of 4495 equity share of shreshta holding company)	12.28	0.45	0.45
Financial assets measured at fair value through Profit and loss			
(i) Investment in Bonds/ Preference shares/ Debentures (quoted)			
6,660 (31 March 2016:6,660 1st April 2015: Nil) 17.38% Non Convertible Redeemable cumulative Preference Shares of ₹ 7,500/- each fully paid of IL & FS Financial Services Ltd.	1,123.52	999.00	-
10,000 (31 March 2016:10,000 1st April 2015: Nil) 16.46% Non Convertible Redeemable cumulative Preference Shares of ₹ 7,500/- each fully paid of IL & FS Financial Services Ltd.	1,565.59	1,503.50	-
# Nil (31 March 2016:10,00,000 1st April 2015: Nil) 3% cumulative compulsorily convertible Preference Shares of ₹ 100/- each of TATA Motors Finance Ltd.	-	1,000.00	-
# Nil (31 March 2016:996 1st April 2015: Nil) Secured redeemable Non convertible Principal protected market linked debentures of ₹ 1,00,000/- each of Reliance Capital Ltd	-	996.00	-
2,500 (31 March 2016:2,500 1st April 2015: Nil) Principal protected Market Linked redeemable Non Convertible Debentures of ₹ 1,00,000/- each of ECL Finance limited	2,500.00	2,521.74	-
1,500 (31 March 2016:Nil 1st April 2015: Nil) Principal protected Market Linked redeemable Non Convertible Debentures of ₹ 1,00,000/- each of IIFL wealth Finance limited	1,606.43	-	-
2,000 (31 March 2016:Nil 1st April 2015: Nil) Principal protected Market Linked redeemable Non Convertible Debentures of ₹ 1,00,000/- each of IIFL wealth Finance limited	2,134.41	-	-
100 (31 March 2016:Nil 1st April 2015: Nil) Principal protected Market Linked redeemable Non Convertible Debentures of ₹ 1,000,000/- each of Aspire Home Finance ltd	1,062.69	-	-

Notes

forming part of financial statements for the year ended 31st March, 2017

4 Investments (Non Current) (contd.)

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(ii) Investment in Equity Fund/Liquid Funds/Debt Funds/ Monthly Income Plans (Quoted)			
2,00,00,000 (31 March 2016:2,00,00,000 1st April 2015: Nil) units of ₹ 10/- each of Reliance fixed horizon fund- XXIX-Series 1- Direct Growth Plan	2,310.60	2,110.46	-
3,00,00,000 (31 March 2016:3,00,00,000 1st April 2015: Nil) units of ₹ 10/- each of Reliance fixed horizon fund- XXIX-Series 2- Direct Growth Plan	3,453.57	3,156.27	-
5,00,00,000 (31 March 2016:5,00,00,000 1st April 2015: Nil) units of ₹ 10/- each of Kotak FMP Series 178 Direct Growth	5,746.35	5,250.70	-
5,00,00,000 (31 March 2016:5,00,00,000 1st April 2015: Nil) units of ₹ 10/- each of Birla Sunlife Fixed Term Plan Series MX (1128 Days)	5,714.95	5,219.80	-
2,50,00,000 (31 March 2016:Nil 1st April 2015: Nil) units of ₹ 10/- each of Birla Sunlife Fixed Term Plan Series ok -Gr-Direct (1135 Days)	2,507.48	-	-
5,00,00,000 (31 March 2016:5,00,00,000 1st April 2015: Nil) units of ₹ 10/- each of ICICI Prudential FMP Series 77-1129 Days Plan W Direct Plan Cumulative	5,658.10	5,213.10	-
5,00,08,075.344 (31 March 2016: 5,00,08,075 1st April 2015: Nil) units of ₹ 10/- each of Reliance Fixed Horizon Fund-XXIX-Series 8 Direct Growth Plan	5,717.82	5,224.84	-
2,20,00,000 (31 March 2016:2,20,00,000 1st April 2015: Nil) units of ₹ 10/- each of UTI Fixed Term Income Fund Series XXIII-II (1100 Days) Direct Growth Plan	2,510.11	2,283.09	-
1,30,00,000 (31 March 2016:1,30,00,000 1st April 2015: Nil) units of ₹ 10/- each of Kotak FMP Series 180-1099 Days	1,472.24	1,345.67	-
1,00,00,000 (31 March 2016:1,00,00,000 1st April 2015: Nil) units of ₹ 10/- each of UTI Fixed Term Income Fund Series XXIII-VII (1098 Days) Direct Growth Plan	1,128.34	1,030.32	-
3,00,00,000 (31 March 2016:3,00,00,000 1st April 2015: Nil) units of ₹ 10/- each of Kotak FMP Series 191 Direct Growth	3,293.52	3,011.70	-
1,00,00,000 (31 March 2016:1,00,00,000 1st April 2015: Nil) units of ₹ 10/- each of ICICI Prudential FMP Series 78-1115 Days Plan X Direct Plan Cumulative	1,095.93	1,001.80	-
2,50,00,000(31 March 2016:2,50,00,000 1st April 2015: Nil) units of ₹ 10/- each of HDFC FMP 1114D Direct Growth	2,749.77	2,506.63	-
2,50,00,000 (31 March 2016:2,50,00,000 1st April 2015: Nil) units of ₹ 10/- each of SBI Debt Fund Series- B -36(1131 Days)-Direct Growth	2,732.38	2,500.00	-

Notes

forming part of financial statements for the year ended 31st March, 2017

4 Investments (Non Current) (contd.)

(Amount in Lakhs)

Particulars		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
#	Nil (31 March 2016:1,00,00,000 1st April 2015: 1,00,00,000) Units of ₹10/- each of SBI debt Fund Series - (400 Day) Regular -Growth	-	1,181.57	1,094.35
#	Nil (31 March 2016:2,50,00,000 1st April 2015: 2,50,00,000)Units of ₹10/- each of SBI debt Fund Series -Direct -(380 Day)Growth	-	2,961.80	2,733.03
#	Nil (31 March 2016:1,50,00,000 1st April 2015: 1,50,00,000) Units of ₹10/- each of SBI debt Fund Series - Direct - (400 Day)Growth	-	1,788.30	1,649.49
	2,50,00,000 (31 March 2016:Nil 1st April 2015: Nil) Units of ₹10/- each of SBI debt Fund Series - Direct - (1170 Day) Growth	2,517.45	-	-
#	Nil (31 March 2016:2,50,00,000 1st April 2015: 2,50,00,000) Units of ₹10/- each of Dsp Blackrock FMP	-	2,976.88	2,751.58
#	Nil (31 March 2016:2,50,00,000 1st April 2015: 2,50,00,000) Units of ₹10/- each of Reliance Fixed Horiozon Fund XXVI Series 2 Direct Growth Plan	-	2,979.15	2,747.63
#	Nil (31 March 2016:2,50,00,000 1st April 2015: 2,50,00,000) Units of ₹10/- each of BSL Fixed Term Plan -Series KR - Growth Direct	-	2,982.50	2,753.10
#	Nil (31 March 2016:2,54,82,906 1st April 2015: 5,00,00,000) Units of ₹10/- each of ICICI Prudential FMP Series 73-390 Direct Plan Cumulative	-	3,046.18	5,495.00
#	Nil (31 March 2016: 3,00,00,000 1st April 2015: 3,00,00,000) Units of ₹10/- each of UTI Fixed Term Income Fund Series XVIII-I Direct Growth Plan	-	3,561.18	3,291.81
	1,50,00,000 (31 March 2016: Nil 1st April 2015: Nil) Units of ₹10/- each of UTI Fixed Term Income Fund Series XXIV-XIV (1831 Days)Direct Growth Plan	1,635.06	-	-
	2,50,00,000 (31 March 2016: Nil 1st April 2015: Nil) Units of ₹10/- each of UTI Fixed Term Income Fund Series XXV-11 (1097 Days)Direct Growth Plan	2,643.68	-	-
#	Nil (31 March 2016: 2,00,00,000 1st April 2015: 2,00,00,000) Units of ₹10/- each of Reliance Fixed Horizon Fund- XXV- Series 33- Direct Plan Growth Plan	-	2,377.80	2,193.84
#	Nil (31 March 2016: 2,50,00,000 1st April 2015: 2,50,00,000) Units of ₹10/- each of Kotak FMP Series 149 Direct - Growth	-	2,961.25	2,735.00

Notes

forming part of financial statements for the year ended 31st March, 2017

4 Investments (Non Current) (contd.)

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
3,50,00,000 (31 March 2016: Nil 1st April 2015: Nil) Units of ₹10/- each of Kotak FMP Series 202 Direct - Growth	3,507.49	-	-
5,00,00,000 (31 March 2016: 5,00,00,000 1st April 2015: 5,00,00,000) Units of ₹10/- each of SBI Debt Fund Series-B (1105 DAYS) Direct Plan Growth FMP	5,916.00	5,412.75	5,000.00
3,00,00,000 (31 March 2016: 3,00,00,000 1st April 2015: 3,00,00,000) Units of ₹10/- each of ICICI Prudential FMP Series 76-1108 Days Plan V Direct Plan Cumulative	3,561.21	3,261.03	3,001.05
25,000,000 (31 March 2016: Nil 1st April 2015: Nil) Units of ₹10/- each of ICICI Prudential FMP Series 80-1233 Days Plan O Direct Plan Cumulative	2,516.80	-	-
2,50,00,000 (31 March 2016: Nil 1st April 2015: Nil) Units of ₹10/- each of Reliance Fixed Horizon Fund- XXXIII-Series 3- Direct Plan Growth Plan	2,518.95	-	-
2,50,00,000 (31 March 2016: Nil 1st April 2015: Nil) Units of ₹10/- each of Reliance Fixed Horizon Fund- XXXIIV-Series 4- Direct Plan Growth Plan	2,515.83	-	-
Total	**97,219.10**	**106,983.92**	**60,064.79**
1. Aggregate amount of quoted investments	89,313.94	89,099.42	42,180.29
2. Aggregate Market Value of quoted investments	120,282.33	106,939.41	52,963.78
3. Aggregate amount of unquoted investments	7,905.16	17,884.50	17,884.50

Investments having maturity period of less than 12 months from 31st March 2017 i.e. the balance sheet date have been reclassified as ' Current Investment' as per the requirement of Schedule III of the Companies Act, 2013

5 Loans (Non Current)

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(unsecured, considered good)			
Financial assets at amortized cost			
- Loans to employees	61.04	75.95	85.01
Total	**61.04**	**75.95**	**85.01**

Notes

forming part of financial statements for the year ended 31st March, 2017

6 Other Financial Assets (Non Current)

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Financial assets at amortized cost			
Fixed Deposits with banks more than twelve months maturity	162.96	1,077.58	12,008.42
Interest Receivable	10.58	114.98	418.12
Total	**173.54**	**1,192.56**	**12,426.54**

7 Other Non Current Assets

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non Financial Assets at amortized cost			
(unsecured, considered good)			
Capital advances	2,333.10	2,330.53	1,663.04
Balance with government authorities	1,397.92	1,769.26	1,943.41
Security deposits	2,094.23	2,799.17	2,213.66
Lease hold land prepayment	730.78	740.11	748.26
Prepaid (Deferred) Expense for employee benefit	5.28	4.47	5.53
Prepaid expenses	42.64	55.51	42.86
Other Recoverable	-	-	97.46
Total	**6,603.95**	**7,699.05**	**6,714.22**

8 Inventories

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(at cost or net realisable value, whichever is lower)			
Raw materials (includes in transit ₹ 5,528.60 Lakhs, 31st March 2016: ₹ 1,493.95 Lakhs 1st April 2015: ₹ 2,971.32 Lakhs)	87,556.00	116,562.34	98,380.88
Work-in-progress	13,769.08	10,955.01	11,763.34
Finished Goods	44,671.14	40,067.32	40,479.19
Stores and Spares (includes in transit ₹ 1,469.44 Lakhs 31st March 2016: ₹ 1,292.39 Lakhs 1st April 2015: ₹ 1,021.86 Lakhs)	12,904.16	13,326.92	13,050.06
Total	**158,900.38**	**180,911.59**	**163,673.47**

Notes

forming part of financial statements for the year ended 31st March, 2017

9 Investments (Current)

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Financial assets measured at fair value through Profit and loss			
(i) Investment in Bonds/ Preference shares/ Debentures (quoted)			
Nil (31 March 2016: Nil 1st April 2015: 25,00,000) 8.65% NABARD Bonds of ₹100/- each	-	-	2,500.00
# 10,00,000 (31 March 2016: Nil 1st April 2015: Nil) 3% cumulative compulsorily convertible Preference Shares of ₹ 100/- each of TATA Motors Finance Ltd.	1,000.00	-	-
# 1,500 (31 March 2016:Nil 1st April 2015: Nil) Principal protected Market Linked redeemable Non Convertible Debentures of ₹ 1,00,000/- each of ECL Finance limited	1,500.00	-	-
# 1,000 (31 March 2016:Nil 1st April 2015: Nil) Principal protected Market Linked redeemable Non Convertible Debentures of ₹ 1,00,000/- each of ECL Finance limited	1,110.72	-	-
# 996 (31 March 2016:Nil 1st April 2015: Nil) Secured redeemable Non convertible Principal protected market linked debentures of ₹ 1,00,000/- each of Reliance Capital Ltd	988.53	-	-
1,500 (31 March 2016:Nil 1st April 2015: Nil) Principal protected Market Linked redeemable Non Convertible Debentures of ₹ 1,00,000/- each of IIFL wealth Finance limited	1,590.21	-	-
100 (31 March 2016:Nil 1st April 2015: Nil) Bonds of ₹ 1,000,000/- each of 7.17% NHAI 23 DEC 2021*	1,013.74	-	-
81 (31 March 2016:Nil 1st April 2015: Nil) Bonds of ₹ 1,000,000/- each of 7.18% NABARD 23 Mar 2020*	813.18	-	-
5 (31 March 2016:Nil 1st April 2015: Nil) Bonds of ₹ 1,000,000/- each of 7.47% PFC 16 Sep 2021*	52.07	-	-
7 (31 March 2016:Nil 1st April 2015: Nil) Bonds of ₹ 1,000,000/- each of 7.50% PFC 16 Aug 2021*	73.43	-	-
43 (31 March 2016:Nil 1st April 2015: Nil) Bonds of ₹ 1,000,000/- each of 7.60% Axis Bank 20 Oct 2023*	439.93	-	-
50 (31 March 2016:Nil 1st April 2015: Nil) Bonds of ₹ 1,000,000/- each of 7.60% ICICI 07 OCT 2023*	514.90	-	-
71 (31 March 2016:Nil 1st April 2015: Nil) Bonds of ₹ 1,000,000/- each of 7.63% PFC 14 Aug 2026*	743.84	-	-
50 (31 March 2016:Nil 1st April 2015: Nil)Bonds of ₹ 1,000,000/- each of 7.95% HDFC Bank 21 Sep 2026*	526.27	-	-
66 (31 March 2016:Nil 1st April 2015: Nil) Bonds of ₹ 1,000,000/- each of 8.22% DAIMLER FINANCIAL	666.51	-	-
5 (31 March 2016:Nil 1st April 2015: Nil) Bonds of ₹ 1,000,000/- each of 8.38% LIC HOUSING FINANCE 27 Feb 2019*	52.04	-	-
100 (31 March 2016:Nil 1st April 2015: Nil) Bonds of ₹ 1,000,000/- each of 8.48% LIC HOUSING FINANCE 29 JUN 2026*	1,098.62	-	-

Notes

forming part of financial statements for the year ended 31st March, 2017

9 Investments (Current) (Contd.)

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
60 (31 March 2016:Nil 1st April 2015: Nil) Principal protected Market Linked redeemable Non Convertible Debentures of ₹ 1,000,000/- each of INDIABULLS HOUSING FINANCE*	603.61	-	-
1,000,000 (31 March 2016:Nil 1st April 2015: Nil)Bonds of ₹ 100/- each of KARNATAKA STATE DEVELOPMENT LOAN 17448*	1,025.50	-	-
1,000,000 (31 March 2016:Nil 1st April 2015: Nil)Bonds of ₹ 100/- each of MAHARASHTRA STATE DEVELOPMENT LOAN 18601*	1,018.25	-	-
1,000,000 (31 March 2016:Nil 1st April 2015: Nil) Bonds of ₹ 100/- each of 7.77 KERALA STATE DEVELOPMENT LOAN 01 Mar 2027*	1,009.51	-	-
5,00,000 (31 March 2016:Nil 1st April 2015: Nil) Bonds of ₹ 100/- each of TAMIL NADU STATE DEVELOPMENT LOAN 17957*	511.12	-	-
5,00,000 (31 March 2016:Nil 1st April 2015: Nil) Bonds of ₹ 100/- each of 7.64 HARYANA STATE DEVELOPMENT LOAN 29 March 2027*	501.60	-	-
(ii) Investment in Equity Fund/Liquid Funds/Debt Funds/ Monthly Income Plans (Quoted)			
Nil (31 March 2016: Nil 1st April 2015: 7,37,849.45) Units of ₹1000/- each of SBI Premier Liquid Fund Regular Plan Daily Dividend	-	-	7,402.47
Nil (31 March 2016: Nil 1st April 2015: 606) Units of ₹10/- each of Sbi Ultra fund SHF Ultra Short Term debt fund Direct Daily Dividend	-	-	0.01
Nil (31 March 2016: Nil 1st April 2015: 1,013.965) Units of ₹10/- each of Principal Debt Opportunity Fund Conservative Plan	-	-	10.16
6492.73 (31 March 2016: 5914.18 1st April 2015: 3,910.64) Units of ₹1,000/- each of BARODA PIONEER LIQUID FUND PLAN A ddr*	65.01	59.22	51.00
26,700.657 (31 March 2016:Nil 1st April 2015: Nil) Units of ₹1,000/- each of Bank of India Axa Liquid Fund -Direct Plan-Growth	500.30	-	-
5,17,523.56 (31 March 2016: Nil 1st April 2015: Nil) Units of ₹100/- each of Birla Sun Life Cash Plus-Direct-Growth*	1,352.34	-	-

Notes

forming part of financial statements for the year ended 31st March, 2017

9 Investments (Current) (Contd.)

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
0.18 (31 March 2016: Nil 1st April 2015: Nil) Units of ₹1,000/- each of HDFC Cash Management Funds-Savings Plan-Direct-Growth*	0.01	-	-
# 1,00,00,000 (31 March 2016:Nil 1st April 2015: Nil) Units of ₹10/- each of SBI debt Fund Series - (400 Day) Regular -Growth	1,270.25	-	-
# 1,50,00,000 (31 March 2016:Nil 1st April 2015: Nil) Units of ₹10/- each of SBI debt Fund Series - Direct - (400 Day) Growth	1,931.39	-	-
# 2,50,00,000(31 March 2016:Nil 1st April 2015: Nil) Units of ₹10/- each of SBI debt Fund Series -Direct - (380 Day) Growth	3,203.55	-	-
# 2,54,82,906 (31 March 2016: Nil 1st April 2015: Nil) Units of ₹10/- each of ICICI Prudential FMP Series 73-390 D Plan I Direct Plan Cumulative	3,282.43	-	-
# 2,50,00,000(31 March 2016:Nil 1st April 2015: Nil) Units of ₹10/- each of Dsp Blackrock FMP	3,218.35	-	-
# 2,50,00,000 (31 March 2016: Nil 1st April 2015: Nil) Units of ₹10/- each of Kotak FMP Series 149 Direct - Growth	3,198.75	-	-
4,00,00,000 (31 March 2016: Nil 1st April 2015: Nil) Units of ₹10/- each of Kotak FMP Series 200 Direct - Growth	4,024.92	-	-
83,58,827.758 (31 March 2016: Nil 1st April 2015: Nil) Units of ₹10/- each of Kotak Bond (short Term) -Direct Plan Growth	2,644.80	-	-
# 2,50,00,000(31 March 2016:Nil 1st April 2015: Nil) Units of ₹10/- each of Reliance Fixed Horiozon Fund XXVI Series 2 Direct Growth Plan	3,220.50	-	-
# 2,00,00,000 (31 March 2016: Nil 1st April 2015: Nil) Units of ₹10/- each of Reliance Fixed Horizon Fund- XXV- Series 33- Direct Plan Growth Plan	2,571.00	-	-
83,48,611.292 (31 March 2016:Nil 01st April 2015: Nil) Units of ₹10/- each of Reliance short Term Fund - Direct Growth Plan Growth Option	2,638.22	-	-
# 2,50,00,000 (31 March 2016: Nil 1st April 2015: Nil) Units of ₹10/- each of Brila Sun Life Fixed Term Plan -Series KR - Growth Direct	3,221.33	-	-
12,49,786.287 (31 March 2016:Nil 1st April 2015: Nil) units of ₹ 10/- each of Birla Sun life Treasury Optimizer Plan-Growth-Direct Plan	2,628.84	-	-
95,359.82 (31 March 2016:Nil 1st April 2015: Nil) units of ₹ 10/- each of Birla Sun life Floating Rate- Short Term -Growth-Direct Plan	206.79	-	-
24336821.61 (31 March 2016: Nil 01st April 2015:Nil) Units of ₹10/- each of Idfc Corporate Bond Fund -Direct Plan -Growth Option	2,729.59	-	-

Notes

forming part of financial statements for the year ended 31st March, 2017

9 Investments (Current) (Contd.)

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
# 3,00,00,000 (31 March 2016: Nil 1st April 2015: Nil) Units of ₹10/- each of UTI Fixed Term Income Fund Series XVIII-I Direct Growth Plan	3,854.22	-	-
45,840.73 (31 March 2016: Nil 01st April 2015: Nil) Units of ₹1,000/- each of Reliance Money Manager Fund - Growth*	1,028.00	-	-
(iii) Investment in equity instruments (Quoted)			
1,50,800 (31 March 2016 :Nil 1st April 2015 : Nil) Equity Shares of ₹ 10 /-each fully paid up of Hindustan Petroleum Corporation Ltd.	792.68	-	-
8,06,000 (31 March 2016 :Nil 1st April 2015 : Nil) Equity shares of ₹ 10 /- each fully paid up of Rural Electrification Corporation Limited	1,458.86	-	-
13,04,645 (31 March 2016 :Nil 1st April 2015 : Nil) Equity shares of ₹ 1 /- each fully paid up of Welspun India Limited	1,142.22	-	-
26,000 (31 March 2016 :Nil 1st April 2015 : Nil) Equity shares of ₹ 10 /-each fully paid up of Trident Limited	22.44	-	-
TOTAL	**67,060.37**	**59.22**	**9,963.64**
1. Aggregate amount of quoted investments	67,060.37	59.22	9,963.64
2. Aggregate Market Value of quoted investments	67,060.37	59.22	9,963.64
3. Aggregate amount of unquoted investments	-	-	-

* These Investments are made through Portfolio management services

Investments having maturity period of less than 12 months from 31st March 2017 i.e. the balance sheet date have been reclassified as ' Current Investment' as per the requirement of Schedule III of the Companies Act, 2013

10 Trade receivables

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Receivable from related parties (Refer Note 45)			
- Unsecured, considered good	212.69	435.76	-
Receivable from others			
- Unsecured, considered good	71,578.29	76,563.87	81,406.86
- Doubtful	496.79	202.77	18.79
Less: Allowances for doubtful trade receivables	496.79	202.77	18.79
Total	**71,790.98**	**76,999.63**	**81,406.86**

Notes

forming part of financial statements for the year ended 31st March, 2017

11 Cash and cash equivalents

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
a) Balances with banks			
- In current accounts	2,795.52	3,256.97	4,264.77
- In deposit accounts with maturity upto three months	980.00	18,005.50	1,576.99
b) Cheques on hand	18.53	84.12	16.66
c) Cash on hand	28.34	22.23	50.33
Total	**3,822.39**	**21,368.82**	**5,908.75**

11A Bank Balances other than Cash and cash equivalents

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
a) Other bank balances			-
- Earmarked balances with banks*	191.21	295.97	141.87
- Deposits with more than twelve months maturity	162.96	1,077.58	12,008.42
- Deposits with more than three months but less than twelve months maturity	33.51	6,012.17	11,504.15
	387.68	**7,385.72**	**23,654.44**
Less: Amounts disclosed as other financial non current assets (refer note 6)	162.96	1,077.58	12,008.42
Total	**224.72**	**6,308.14**	**11,646.02**

* Earmarked balances with banks includes ₹ 190.01 Lakhs (31 March 2016: 294.77 Lakhs 1st April 2015: 140.31 Lakhs) pertaining to dividend accounts with banks and ₹ 1.20 Lakhs (31 March 2016:1.20 Lakhs1st April 2015:1.56 Lakhs) pledged with government authorities and others.

12 Loans (Current)

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Financial assets at amortized cost			
Loans to related parties (refer note 45)			
Subsidiary companies	700.00	-	-
Others	2,699.12	2,699.12	3,472.69
Loan to employees	257.08	228.90	215.98
Total	**3,656.20**	**2,928.02**	**3,688.67**

Notes

forming part of financial statements for the year ended 31st March, 2017

13 Other financial assets (Current)

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Financial assets at amortized cost			
Recoverable from related parties (Refer Note 45)	2.95	89.87	-
Interest receivables (includes recoverable from related parties ₹ 80.11 Lakhs 31st March 2016 ₹ 151.34 Lakhs, 1st April 2015 ₹ 126.24 Lakhs)	841.16	2,699.79	1,152.39
Claims receivables	68.54	669.19	732.94
Other Recoverable	1,328.45	1,154.82	1,673.73
Financial assets at Fair value through Profit and loss			
Derivative Financial Instruments	1,806.39	-	-
TOTAL	**4,047.49**	**4,613.67**	**3,559.06**

14 Other Current Assets

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(unsecured considered good, unless otherwise stated)			
Amount recoverable from Mahavir Share Trust in respect of shares held in Trust (refer note 39)	359.58	360.09	359.70
Advances to suppliers	9,685.17	5,407.38	6,773.61
Lease hold land prepayments	8.15	8.15	8.15
Balance with government authorities	6,274.93	9,429.74	11,889.87
Prepaid (Deferred) Expense for employee benefit	11.24	11.82	11.51
MAT Credit Recoverable	1,029.85	-	-
Prepaid expenses	468.87	733.57	495.09
Other Recoverables			
- Considered good	9,272.03	12,755.58	9,027.55
- doubtful	2.55	22.13	87.20
Less: Allowances for doubtful advances	(2.55)	(22.13)	(87.20)
TOTAL	**27,109.82**	**28,706.33**	**28,565.48**

Notes

forming part of financial statements for the year ended 31st March, 2017

15 EQUITY SHARE CAPITAL

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
Authorised	Number	Amount (In Lakhs)	Number	Amount (In Lakhs)	Number	Amount (In Lakhs)
Equity shares of ₹ 10/- each (par value)	90,000,000	9,000.00	90,000,000	9,000.00	90,000,000	9,000.00
Redeemable cumulative preference shares of ₹ 10/- each (par value)	10,000,000	1,000.00	10,000,000	1,000.00	10,000,000	1,000.00
Total	**100,000,000**	**10,000.00**	**100,000,000**	**10,000.00**	**100,000,000**	**10,000.00**
Issued, subscribed and fully paid-up						
Equity shares of ₹ 10/- each	55,928,808	5,592.88	62,053,138	6,205.31	62,053,138	6,205.31
Total	**55,928,808**	**5,592.88**	**62,053,138**	**6,205.31**	**62,053,138**	**6,205.31**

a Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period :

Particulars	As at 31st March, 2017		As at 31st March, 2016	
Equity shares	Number	Amount (In Lakhs)	Number	Amount (In Lakhs)
At the beginning of the reporting period	**63,651,879**	**6,365.19**	**63,651,879**	**6,365.19**
Own shares held through trust (refer Note 39)	(1,598,741)	(159.88)	(1,598,741)	(159.88)
Net issued Share Capital at beginning of reporting period	**62,053,138**	**6,205.31**	**62,053,138**	**6,205.31**
Add: Issued during the reporting period	-	-	-	-
Less: Buyback during the reporting period (net of 1,36,539 number of shares held through trust)	(6,124,330)	(612.43)	-	-
Outstanding at the end of the reporting period	**55,928,808**	**5,592.88**	**62,053,138**	**6,205.31**

(b) Rights, preferences and restrictions attached to equity shares

The company has one class of equity shares having a par value of ₹10/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.

During the year ended March 31, 2017 the amount of dividend recognised as distributions to equity shareholders is Nil (Previous Year: ₹ 15 per share).

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 shareholders.

(c) Rights, preferences and restrictions attached to preference shares

The rate of dividend on preference shares will be decided by the Board of Directors as and when issued. Preference shares as and when issued shall have the cumulative right to receive dividend as and when declared and shall have preferential right of repayment of amount of capital.

(d) 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 /ultimate holding company of the Company.

(e) The Board of Directors of the Company at its meeting held on 24th September 2016 approved

Notes

forming part of financial statements for the year ended 31st March, 2017

the buyback of upto 62,60,869 fully paid up equity shares of ₹ 10 each, at a price not exceeding ₹ 1,175 payable in cash,through the Tender Offer route, upto an aggregate amount not exceeding ₹ 720 crore from the open market through Stock Exchange(s). During the year, the Company had bought back and extinguished 62,60,869 Equity Shares of ₹ 10 each at a price of ₹ 1,150.00. Consequently, ₹ 626.08 Lakhs were transferred to Capital Redemption Reserve as per requirements of section 69 of Companies Act, 2013.

(f) Aggregate number and class of shares alloted 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.

	Aggregate number of shares as at 31st March 2017	Aggregate number of shares as at 31st March 2016
Equity Shares alloted as fully paid up by way of bonus shares	-	-
Equity shares alloted as fully paid up pursuant to contract without payment being received in cash	-	-
Equity Shares bought back by the Company (net of 1,36,539 number of shares held through trust)	6,124,330	-

(g) Detail of shareholders holding more than 5% shares in the Company

Class of shares and Name of shareholder	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	Number	% shareholding	Number	% shareholding	Number	% shareholding
Equity shares of ₹ 10 each fully paid						
Devakar Investment and Trading Co. Private Limited	6,192,786	10.79	5,648,566	8.87	5,540,887	8.70
Adishwar Enterprises LLP (Formerly Adinath Investment and Trading Company)	11,413,130	19.89	12,978,058	20.39	12,947,815	20.34
Vardhman Holdings Limited	14,067,671	24.51	15,483,895	24.33	15,402,598	24.20
IDFC Premier Equity Fund	N.A.	N.A.	N.A.	N.A.	3,952,000	6.21

(h) Terms of securities convertible into equity/preference shares N.A.

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forming part of financial statements for the year ended 31st March, 2017

16 Other Equity

Amount(In Lakhs)

Particulars	Reserves & Surplus					Equity instruments through other comprehensive income	Other items of other comprehensive income	Total
	Capital reserve	Capital Redemption Reserve	Securities premium	General Reserve	Retained Earnings			
Balance as at 01 April 2016	**124.32**	**-**	**20,990.54**	**186,302.34**	**155,280.53**	**93.07**	**(4.07)**	**362,786.73**
Changes in equity for the year ended 31 March 2017								
Value of own shares reduced								-
Profit for the year					100,159.29			100,159.29
Other comprehensive income for the year						11.80	(33.56)	(21.77)
Total Comprehensive Income for the year					**100,159.29**	**11.80**	**(33.56)**	**100,137.53**
Transfer to Capital redemption reserve on account of buyback of equity shares					(626.09)			(626.09)
Transfer from Retained Earnings on account of buyback of equity shares		626.09						626.09
Premium on buy back of shares (Net of ₹ 1448.21 Lakhs of premium relating to own shares held through trust)			(20,990.54)	(48,941.86)				(69,932.40)
Balance as at 31 March 2017	**124.32**	**626.09**	**-**	**137,360.48**	**254,813.73**	**104.87**	**(37.63)**	**392,991.86**
Balance as at 01 April 2015	**124.32**	**-**	**20,990.54**	**186,302.34**	**103,662.89**	**93.07**	**-**	**311,173.16**
Changes in equity for the year ended 31 March 2016								
Value of own shares reduced								-
Profit for the year					67,639.82			67,639.82
Other comprehensive income for the year							(4.07)	(4.07)
Total Comprehensive Income for the year					**67,639.82**		**(4.07)**	**67,635.75**
Less: Interim Dividend on equity for financial year 2015-16 (Amount per share ₹ 15)					(9,547.78)			(9,547.78)
Equity Dividend for the financial year 2014-15 (Amount ₹ 10 per share)					(6,365.19)			(6,365.19)
Tax on Dividend					(109.21)			(109.21)
Balance as at 31 March 2016	**124.32**	**-**	**20,990.54**	**186,302.34**	**155,280.53**	**93.07**	**(4.07)**	**362,786.73**

Notes

forming part of financial statements for the year ended 31st March, 2017

17 Borrowings (Non Current)

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured			
Term loans			
From banks (Net of unamortized processing charges 31 March 2017 185.40 31 March 2016 272.33 and 01 April 2015 258.07)	114,310.78	157,868.19	203,476.33
Less: Current maturities (refer note-24)	42,375.50	55,644.34	72,007.93
Total	**71,935.28**	**102,223.85**	**131,468.40**

a). Details of security for term loans

Term loans from banks are secured by mortgage created or to be created on all the immovable assets of the company, both present and future and hypothecation of all movable assets including movable machinery, machinery parts, tools and accessories and other movable both present and future (except book debts), subject to charges created or to be created in favour of the bankers for securing the working capital limits.

b) Terms of repayment of term loans*

₹ in Lakhs		Repayment Period		Installments Outstanding		Periodicity of Repayment	
Balance as at 31st March 2017	Balance as at 31st March 2016	Current Year (No.)	Previous Year (No.)	Current Year	Previous Year (No.)	Current Year	Previous Year
7,175.00	12,275.00	5	5	4	8	Quarterly	Quarterly
16,310.00	23,830.00	5	5	5	9	Quarterly	Quarterly
5,172.00	7,608.00	5	5	6	10	Quarterly	Quarterly
11,014.00	17,514.00	5	5	7	11	Quarterly	Quarterly
10,900.00	14,000.00	5	5	9	13	Quarterly	Quarterly
4,200.00	4,400.00	5	5	16	20	Quarterly	Quarterly
4,600.00	100.00	5	5	20	20	Quarterly	Quarterly
3,530.00	4,130.00	5	5	12	16	Quarterly	Quarterly
-	9,083.19	8	8	-	1	Quarterly	Quarterly
-	4,118.17	8	8	-	2	Quarterly	Quarterly
-	4,440.00	8	8	-	3	Quarterly	Quarterly
-	2,112.00	8	8	-	4	Quarterly	Quarterly
2,375.00	10,300.00	8	8	1	5	Quarterly	Quarterly
1,320.00	1,480.00	8	8	9	13	Quarterly	Quarterly
9,700.00	10,900.17	8	8	10	14	Quarterly	Quarterly
4,000.00	4,350.00	8	8	13	17	Quarterly	Quarterly
20,700.00	21,500.00	8	8	12	16	Quarterly	Quarterly
13,500.00	6,000.00	5	5	20	20	Quarterly	Quarterly
114,496.00	**158,140.53**						

* Figures of term loan stated above in paragraph (b) includes current maturities of long term debt shown separately in note 24

Notes

forming part of financial statements for the year ended 31st March, 2017

18 Other financial liabilities (Non Current)

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Financial liabilities at amortized cost			
Retention money	48.78	19.12	30.69
Financial Liabilities at Fair Value through Profit and Loss			
Derivative Financial Instruments	-	-	1,268.80
Total	**48.78**	**19.12**	**1,299.49**

19 Provisions (Non Current)

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Provision for employee benefits :			
- Leave encashment	889.91	592.82	514.71
Total	**889.91**	**592.82**	**514.71**

20 Deferred tax liabilities (net)

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Deferred tax liabilities			
Gross deferred tax liability (A) [Refer note 46(a)]	25,899.16	22,318.96	21,679.81
Deferred tax assets			
Gross deferred tax asset (B) [Refer note 46(a)]	2,059.14	1,680.03	1,155.29
Deferred tax liability (Net) (A-B)	**23,840.02**	**20,638.93**	**20,524.52**

21 Other non-current liabilities

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non Finacial liabilities at amortized cost			
Deferred Income for Capital subsidy	1,983.69	1,860.65	2,010.85
Due to employees	4.93	34.71	24.38
Other	112.40	136.98	111.58
Total	**2,101.02**	**2,032.34**	**2,146.81**

Notes

forming part of financial statements for the year ended 31st March, 2017

22 Borrowings (Current)

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Working capital loans			
- From banks (secured)	101,633.70	95,143.75	59,221.85
- From banks (unsecured)	3,872.29	6,538.38	1,357.82
Total	**105,505.99**	**101,682.13**	**60,579.67**

Details of security for working capital borrowings

Working capital borrowings from banks are secured by way of hypothecation of entire present and future tangible current assets of the company as well as a second charge on the entire present and future fixed assets of the company.

23 Trade payables

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Trade payables			
Due to others (refer note 43)	17,261.15	14,572.12	12,843.46
Due to related parties (Refer Note 45)	479.68	18.55	111.14
Total	**17,740.83**	**14,590.67**	**12,954.60**

24 Other financial liabilites (Current)

(Amount in Lakhs)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Financial liabilities at amortized cost			
Current maturities of non current debt	42,375.50	55,644.34	72,007.93
Interest accrued but not due on borrowings	164.41	35.06	337.19
Other payables			
- Retention money	825.07	905.04	745.76
- Security deposits	168.17	204.93	134.16
- Expense payable	9,013.10	8,479.77	8,633.19
- Payables for purchase of fixed assets	749.27	2,132.32	1,438.87
- Due to employees	6,780.07	6,313.90	4,146.35
Financial liabilities at Fair value through Profit and loss			
Derivative Financial Instruments	-	111.89	860.77
Total	**60,075.59**	**73,827.25**	**88,304.22**

Notes

forming part of financial statements for the year ended 31st March, 2017

25 Other current liabilities

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Statutory remittances**	4,785.29	4,263.02	3,083.74
Deferred Income for Capital subsidy	180.51	150.20	150.20
Unpaid dividends #	190.04	294.81	140.34
Advances from customers	7,585.23	7,400.37	6,260.05
Other Liabilities	1,960.63	1,304.39	1,964.80
Total	**14,701.70**	**13,412.79**	**11,599.13**

** Statutory remittances include contribution to provident fund and ESIC, tax deducted at source, excise duty, vat, service tax etc.

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

26 Provisions (Current)

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Provision for employee benefits :			
Leave encashment	181.53	138.33	109.05
Gratuity (refer note 51)	247.36	383.03	561.50
Total	**428.89**	**521.36**	**670.55**

27 Revenue from operations

(Amount in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Sale of products (Net of turnover discount and including excise duty)	557,159.16	546,468.42
Sale of services	670.17	361.17
Other operating revenues		
- Export benefits	11,174.64	10,798.59
- Others	1,076.62	1,100.45
Gain on foreign currency transactions and translations (Net)	2,748.15	2,667.17
Total	**572,828.74**	**561,395.80**

Notes

forming part of financial statements for the year ended 31st March, 2017

28 Other income

(Amount in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Dividend Income from investment carried at cost	-	15,376.50
Dividend income from investments- carried at fair value through Profit or Loss	1,540.96	805.15
Net gain on sale of investments- carried at fair value through Profit or Loss	1,622.58	671.46
Gain on Sale of investment in Joint Venture-carried at cost (Refer Note 54)	31,300.77	-
Gain on buyback of shares- carried at cost	3,638.11	-
Claims received (net of expenses)	167.28	152.96
Provisions no longer required written back	349.59	174.10
Capital Subsidy	181.33	150.20
Interest Income on employee loans	11.82	11.51
Gain on Fair valuation of Investments arrived at fair value through profit & loss	9,530.24	3,871.07
Net gain on disposal of property, plant and equipment	6,158.37	744.69
Miscellaneous	2,257.19	2,139.65
Total	**56,758.24**	**24,097.29**

29 Cost of materials consumed *

(Amount in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Cotton	222,114.11	205,312.17
Manmade fibre	57,395.91	59,441.37
Yarn	2,404.99	1,083.89
Fabric	1,356.15	463.32
Others	398.25	414.36
Total	**283,669.41**	**266,715.11**

* Including Cost of goods sold

30 Purchases of Stock-in-trade:

(Amount in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Fabric	3.04	135.53
Yarn	2,917.22	6,576.74
Others	0.09	2.82
Total	**2,920.35**	**6,715.09**

Notes

forming part of financial statements for the year ended 31st March, 2017

31 Changes in inventories of finished goods, work-in-progress and stock-in-trade

(Amount in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Inventories at the beginning of the year		
Work-in-progress	10,955.01	11,763.34
Finished goods	40,067.32	40,479.19
	51,022.33	**52,242.53**
Inventories at the end of the year		
Work-in-progress	13,769.08	10,955.01
Finished goods	44,671.14	40,067.32
	58,440.22	**51,022.33**
Total	**(7,417.89)**	**1,220.20**

32 Employee benefits expense

(Amount in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Salaries and wages	40,683.31	36,632.16
Contribution to provident and other funds	4,061.44	3,804.12
Staff welfare expenses	616.63	607.05
Total	**45,361.38**	**41,043.33**

33 Finance costs

(Amount in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest expense (net) (Refer Note 49)	7,922.20	7,490.94
Other borrowing costs	1,260.90	1,179.75
Total	**9,183.10**	**8,670.69**

34 Other expenses

(Amount in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Power and fuel	55,399.39	60,173.10
Consumption of stores and spare parts	3,756.46	3,346.15
Packing materials and charges	7,811.18	7,948.17
Dyes and Chemical consumed	18,586.26	19,656.86
Rent	228.91	223.32
Repairs and maintenance to buildings	3,363.05	2,394.34
Repairs and maintenance to machinery	15,900.18	14,329.92
Insurance	652.26	673.12
Rates and taxes	130.63	130.93

Notes

forming part of financial statements for the year ended 31st March, 2017

34 Other expenses (Contd.)

(Amount in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Auditors remuneration:		
Audit fee	36.80	36.80
Tax audit fee	9.20	9.16
Reimbursement of expenses	12.82	12.24
In other capacity	4.54	9.58
Bad debts written off	352.44	33.66
Excise duty consumed on sale of goods	51.65	53.99
Allowances for doubtful trade receivables and advances - (Net of written back)	274.44	118.90
Forwarding charges and octroi	8,488.99	8,419.28
Commission to selling agents	4,901.72	4,994.61
Assets Written off	433.87	-
Prior period items (net) (Refer Note 48)	144.65	280.55
Rebate and discount	986.29	1,123.92
Miscellaneous (Refer Note 50)	10,914.24	10,912.07
Total	**132,439.97**	**134,880.67**

35. First time adoption of Ind AS

This financial statement is the first financial statement that has been prepared in accordance with Ind AS together with the comparative period data as at and for the year ended 31st March 2016, as described in the summary of significant accounting policies. The transition to Ind AS has been carried out in accordance with Ind AS 101–'First time adoption of Indian Accounting Standards' with 1st April 2015 as the transition date.

This note explains the exemptions availed by the company on first time adoption of Ind AS and the principal adjustments made by the Company in restating its Indian GAAP financial statements as at 1st April 2015 and financial statements as at and for the year ended 31st March 2016 in accordance with Ind AS 101.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has, accordingly, applied following exemptions:

a) The Company has elected to consider carrying amount of all items of property, plant and equipments measured as per Indian GAAP as recognized in the financial statements as at the date of transition, as deemed cost at the date of transition. The effect of consequential changes arising on the application of other Ind AS has been adjusted to the deemed cost of Property, Plant & Equipment.

b) The Company has adopted to measure investments in subsidiaries, joint ventures and associates at cost in accordance with Ind AS 27 and therefore has measured such investments in its separate opening Ind AS balance sheet at carrying amount as per Indian GAAP at the date of transition in accordance with Ind AS 101.

c) The Company has availed the exemption of fair value measurement of financial assets or liabilities at initial recognition and accordingly will apply fair value measurement of financial assets or liabilities at initial recognition prospectively to transactions entered into on or after 01st April 2015.

Notes

forming part of financial statements for the year ended 31st March, 2017

d) The estimates at 1st April 2015 and at 31st March, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items under Indian GAAP did not require estimation:

- Fair values of Financial Assets & Financial Liabilities

- Impairment of financial assets based on expected credit loss modal

- Discount rates

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions as at 1st April, 2015 and 31st March, 2016.

Notes to the reconciliation of equity as at 1st April 2015 and 31st March 2016 and Total comprehensive income for the year ended 31st March 2016

1. **Leasehold land**
   Under Indian GAAP, land on lease was not covered under 'Leases' and therefore it was shown as Tangible assets. Under Ind AS, land on lease is considered as operating lease. Therefore, net block of leasehold land (31st March 2016 ₹ 748.26 Lakhs, 1st April 2015 ₹ 756.41Lakhs) has been re-classified under the head "Other non-current assets" (31st March 2016 ₹ 740.11 Lakhs, 1st April 2015 ₹ 748.26 Lakhs) and "Other current assets" (31st March 2016 ₹ 8.15 Lakhs, 1st April 2015 ₹ 8.15 Lakhs) as 'Prepayments of leasehold land'. Further, the amortization of leasehold payment for the year ended 31st March 2016 amounting to ₹ 8.15 Lakhs has been reclassified from 'Depreciation and amortization' to 'Other expenses'. However, the same has no impact on the total equity as at 31st March, 2016.

2. **Fair Valuation of Investments**
   Under Indian GAAP, investments in equity instruments, mutual funds and debt securities were classified as long term investments or current investments based on the intended holding period and realisability. Long term investments were carried at cost less provision for other than temporary diminution in the value of investments. Current investments were carried at lower of cost and fair value. Ind AS requires such investments to be measured at fair value except investments in subsidiaries, associates and joint venture for which exemption has been availed.

   Accordingly, the Company has designated such investments as investments measured at FVTPL/FVTOCI/amortized cost in accordance with Ind AS. The difference between the instrument's fair value and carrying amount as per Indian GAAP has been recognized in retained earnings. This has resulted in increase in retained earnings of ₹ 6482.59 Lakhs and ₹ 2611.52 Lakhs as at 31st March 2016 and 1st April 2015 respectively and increase in net profit of ₹ 3871.07 Lakhs for the year ended 31st March 2016.

3. **Financial instruments measured at amortized cost**
   Under Indian GAAP, interest free loan to employees are recorded at their transaction value. Under Ind AS, these loans are to be measured at amortized cost on the basis of effective interest rate method. Due to this, long term loans to employees and short term loans to employees has been decreased and difference between carrying amount and amortized cost has been recognized as 'Deferred employee cost' under the head 'Other non-current assets' (31st March 2016 ₹ 4.47 Lakhs, 1st April 2015 ₹ 5.53 Lakhs) and 'Other current assets' (31st March 2016 ₹ 11.82 Lakhs, 1st April 2015 ₹ 11.51Lakhs). Further, Employee benefit expense has been increased due to amortisation of the deferred employee benefit of ₹ 11.51 Lakhs which is offset by the notional interest income on loan to employee of ₹ 11.51Lakhs for the year ended 31st March 2016.

Notes

forming part of financial statements for the year ended 31st March, 2017

4. **Derivative Instruments**
The fair value of derivative instruments is recognized under Ind AS which was not recognized under Indian GAAP. Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases. Accordingly, difference on account of fair valuation of these instruments has been adjusted in retained earnings in accordance with Ind AS. This has resulted in increase in retained earnings of ₹ 248.13 Lakhs and ₹ 689.76 Lakhs as at 31st March 2016 and 1st April 2015 respectively and decrease in net profit of ₹ 442.33 Lakhs for the year ended 31st March 2016.

5. **Borrowings**
Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method. This has resulted in decrease in long term borrowings on account of unamortized amount of processing charges with a corresponding adjustment in retained earnings of ₹ 272.34 Lakhs and ₹ 258.08 Lakhs as at 31st March 2016 and 1st April 2015 respectively and increase in the net profit for the year ended 31st March 2016 of ₹ 14.26 Lakhs.

6. **Capital grant**
(i) Under Indian GAAP, certain capital grant received from Government as 'Promoter Contribution' is shown under the head 'Capital reserve'. Under Ind AS, such grant is treated as deferred income and is recognized as income over the useful life of the assets for which such grant is received. This has resulted in decrease in Capital reserve (31st March 2016 ₹ 285.00 Lakhs, 1st April 2015 ₹ 285.00 Lakhs) with a corresponding adjustment in retained earnings (31st March 2016 ₹ 271.00 Lakhs, 1st April 2015 ₹ 263.00 Lakhs) and deferred income for capital subsidy (31st March 2016 ₹ 14.00 Lakhs, 1st April 2015 ₹ 22.00 Lakhs) respectively. Further profit for the year ended 31st March 2016 has been increased with ₹ 8.00 Lakhs on account of income of capital grant pertaining to financial year 2015-16.

(ii) Under Indian GAAP, Government grant related to Property, plant and equipment are reduced from the cost of respective asset. Under Ind AS, Government grant related to Property, plant and equipment are treated as deferred income and are recognized in the statement of profit and loss on a systematic basis over the useful life of the asset. This has resulted in increase in Property, Plant and Equipment (net of accumulated depreciation) (31st March 2016 1924.99 Lakhs,1st April 2015 ₹ 2050.28 Lakhs) with a corresponding adjustment in retained earnings (31st March 2016 ₹ 72.56 Lakhs, 1st April 2015 ₹ 88.76 Lakhs) and deferred income for capital subsidy (31st March 2016 1996.85 Lakhs, 1st April 2015 ₹ 2139.05 Lakhs). Further profit for the year ended 31st March 2016 has been increased with ₹ 16.90 Lakhs on account of difference between income of capital grant amounting to ₹ 142.20 Lakhs and the depreciation amounting to ₹ 125.29 Lakhs pertaining to financial year 2015-16 related to the grant earlier decapitalized in fixed assets under Indian GAAP.

7. **Proposed Dividend**
Under Indian GAAP, proposed dividend (including Dividend Distribution Tax) is recognized as a liability in the period to which it relates, irrespective of when it is declared. Under Ind AS, proposed dividend is recognized as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid.

In the case of the Company, the declaration of dividend occurs after period end. Therefore, the liability for the year ended 31st March 2015 recorded as proposed dividend as on 1st

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April, 2015 along with dividend distribution tax amounting to ₹ 7697.09 Lakhs has been de-recognised with a corresponding adjustment in the retained earnings.

8. Defined benefit obligation

Under Ind AS, remeasurements i.e. actuarial gains and losses are to be recognized in 'Other comprehensive income' and are not to be reclassified to profit and loss in a subsequent period. Under the Indian GAAP, these remeasurements were forming part of the profit or loss. Therefore, actuarial gain/loss amounting to ₹ 6.22 Lakhs for the financial year 2015-16 has been recognized in OCI (net of tax ₹ 2.15 Lakhs) which was earlier recognised as Employee benefits expense. However, the same has no impact on the total equity as at 31st March, 2016.

9. Sale of goods

a. Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Thus, sale of goods under Ind AS has increased by ₹ 53.99 Lakhs with a corresponding increase in other expenses.

b. Under Indian GAAP, turnover discount was shown as expense. However under Ind AS revenue is to be shown as net of turnover discount. Accordingly, turnover discount amounting to ₹ 39.53 Lakhs has been reduced from revenue with a corresponding adjustment in other expenses.

10. Treasury Shares

The Company is holding 15,98,741 equity shares of Vardhman Textiles Limited at cost of ₹ 1,428.72 Lakhs through a trust, which were received by it in its capacity as a shareholder of Vardhman Holdings Limited, in accordance with the 'Scheme of Arrangement and Demerger'.

The Equity share capital has been reduced with paid up value of ₹ 159.87 Lakhs and Reserve & Surplus has been reduced with ₹ 1,268.85 Lakhs as per Ind AS-32.

11. Bill discounted against debtors

Under Indian GAAP, bills discounted against debtors were shown as contingent liability. However, the same falls under the category of 'Financial instruments' under Ind AS. Therefore, the bills discounted amounting to ₹ 8,807.06 Lakhs and ₹ 13,724.98 Lakhs as on 31st March 2016 and 1st April 2015 respectively have been shown under 'Short term borrowings' with a corresponding adjustment in 'Trade receivables'. However, the same has no impact on the total equity as at 31st March, 2016 and 1st April, 2015.

12. Deferred tax

Under Indian GAAP, deferred tax was recognized for the temporary timing differences which focus on differences between taxable profits and accounting profits for the period. Ind AS requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Further, the application of Ind AS has resulted in recognition of deferred tax on certain temporary differences which was not required under Indian GAAP. Accordingly, deferred tax adjustments have been recognised in correlation to the underlying transactions in retained earnings/OCI in accordance with Ind AS. This has resulted decrease in retained earnings of ₹ 1814.49 Lakhs and ₹ 676.91Lakhs as at 31st March 2016 and 1st April 2015 respectively. The net profit has been decreased with ₹ 1137.58 Lakhs for the year ended 31st March 2016 with a corresponding adjustment in 'Deferred tax liability'.

13. Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on statement of cash flows.

Notes

forming part of financial statements for the year ended 31st March, 2017

Reconciliation of Equity as on 31st March 2016 and 1st April 2015

(Amount in Lakhs)

Particulars	Note No.	As at 31st March 2016			As at 1st April 2015		
		As per Indian GAAP	Ind AS Adjustments	As per Ind AS	As per Indian GAAP	Ind AS Adjustments	As per Ind AS
ASSETS							
1 Non-current assets							
(a) Property, Plant and Equipment	1,6	247,726.91	1,176.71	248,903.62	248,233.66	1,293.88	249,527.54
(b) Capital work-in-progress		8,483.29		8,483.29	7,677.68		7,677.68
(c) Other Intangible Assets		1,108.24		1,108.24	1,393.29		1,393.29
(d) Financial Assets		-		-	-		-
- Investments	2	100,501.34	6,482.58	106,983.92	57,476.60	2,588.18	60,064.79
- Loans	3	80.42	(4.47)	75.95	90.55	(5.54)	85.01
- Others financial assets		1,192.56		1,192.56	12,426.54	-	12,426.54
(e) Other non-current Assets	1,3	6,954.47	744.58	7,699.05	5,960.43	753.79	6,714.22
Total Non-current assets		**366,047.23**	**8,399.39**	**374,446.63**	**333,258.75**	**4,630.31**	**337,889.07**
2 Current assets							
(a) Inventories		180,911.59		180,911.59	163,673.47		163,673.47
(b) Financial Assets					-		-
- Investments	2	59.21	0.01	59.22	9,940.31	23.33	9,963.64
- Trade receivables	11	68,192.56	8,807.07	76,999.63	67,681.88	13,724.98	81,406.86
- Cash and cash equivalents		21,368.82	-	21,368.82	5,908.75	-	5,908.75
- Bank Balance other than above		6,308.14	-	6,308.14	11,646.02	-	11,646.02
- Loans	3	2,939.84	(11.82)	2,928.02	3,700.18	(11.52)	3,688.67
- Other financial assets		4,613.67	-	4,613.67	3,559.06		3,559.06
(c) Current tax assets (net)		2,191.25	-	2,191.25	1,139.55		1,139.55
(d) Other current assets	1,3,10	30,114.68	(1,408.35)	28,706.33	29,974.15	(1,408.67)	28,565.48
Total Current assets		**316,699.76**	**7,386.90**	**324,086.66**	**297,223.37**	**12,328.13**	**309,551.50**
Total Assets		**682,746.99**	**15,786.29**	**698,533.29**	**630,482.11**	**16,958.44**	**647,440.57**
Equity And Liabilities							
Equity							
(a) Equity Share capital	10	6,365.19	(159.88)	6,205.31	6,365.19	(159.87)	6,205.31
(b) Other Equity	1 to 12	358,953.18	3,833.55	362,786.73	301,972.83	9,200.33	311,173.16
Total Equity		**365,318.37**	**3,673.67**	**368,992.04**	**308,338.02**	**9,040.46**	**317,378.47**
1 Liabilities							
Non-current liabilities							
(a) Financial Liabilities							
- Borrowings	5	102,496.18	(272.34)	102,223.85	131,726.48	(258.08)	131,468.40
- Other financial liabilities	4	77.61	(58.49)	19.12	1,310.34	(10.85)	1,299.49
(b) Provisions		592.82		592.82	514.71		514.71
(c) Deferred tax liabilities (Net)	12	18,824.45	1,814.48	20,638.93	19,847.61	676.91	20,524.52
(d) Other non-current liabilities	6	171.00	1,861.34	2,032.34	135.95	2,010.85	2,146.81
Total Non-current liabilities		**122,162.06**	**3,345.00**	**125,507.06**	**153,535.09**	**2,418.83**	**155,953.93**
2 Current liabilities							
(a) Financial Liabilities							
- Borrowings	11	92,875.07	8,807.06	101,682.13	46,854.69	13,724.98	60,579.67
- Trade payables		14,590.67		14,590.67	12,954.60		12,954.60
- Other financial liabilities	4	74,016.90	(189.65)	73,827.25	88,983.13	(678.92)	88,304.22
(b) Other current liabilities	6	13,262.56	150.23	13,412.79	11,448.94	150.18	11,599.13
(c) Provisions	7	521.36	-	521.36	8,367.64	(7,697.09)	670.55
Total Current liabilities		**195,266.56**	**8,767.64**	**204,034.20**	**168,609.00**	**5,499.15**	**174,108.17**
Total Equity And Liabilities		**682,746.99**	**15,786.30**	**698,533.30**	**630,482.11**	**16,958.44**	**647,440.57**

Note:

The figures of Indian GAAP have been reclassified to confirm to presentation requirements of Division II of Schedule III of Companies Act, 2013 as applicable to a company whose financial statements are required to be drawn up in compliance of the (Indian Accounting Standards) Rules, 2015

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Reconciliation of Total Comprehensive Income for the year ended March 31, 2016

(Amount in Lakhs)

Particulars			Note No.	As per Indian GAAP	IND AS Adjustments	As per IND AS
Revenue from operations (net)			9	561,381.35	14.45	561,395.80
Other income			2,3,6	20,064.52	4,032.77	24,097.29
I.	**Total revenue**			**581,445.87**	**4,047.22**	**585,493.09**
II.	**Expenses :**					
	Cost of materials consumed			266,715.11	-	266,715.11
	Purchases of stock-in-trade			6,715.09	-	6,715.09
	Changes in inventories of finished goods, work-in-progress and stock-in-trade			1,220.20	-	1,220.20
	Employee benefits expense		3,8	41,038.05	5.28	41,043.33
	Finance costs		5	8,684.95	(14.26)	8,670.69
	Depreciation and amortization		1,6	36,192.45	117.15	36,309.60
	Other expenses		1,4,9	134,415.73	464.94	134,880.67
	Total Expenses			**494,981.58**	**573.11**	**495,554.69**
III.	**Profit/(loss) before tax (I-II)**			**86,464.29**	**3,474.11**	**89,938.40**
IV.	**Tax expense:**					
	(1)	Current tax	8	22,182.00	2.15	22,184.15
	(2)	Deferred tax	12	(1,023.15)	1,137.58	114.43
V.	**Profit (Loss) for the period (III-IV)**			**65,305.44**	**2,334.38**	**67,639.82**
VI.	**Other Comprehensive Income**					
A	(i)	Items that will not be reclassified to profit or loss				
		- Remeasurements of the defined benefit plans	8		(6.22)	(6.22)
	(ii)	Income tax relating to items that will not be reclassified to profit or loss	8		2.15	2.15
B	(i)	Items that will be reclassified to profit or loss			-	-
	(ii)	Income tax relating to items that will be reclassified to profit or loss			-	
VII.	**Total Comprehensive Income for the period (V+VI)**			**65,305.44**	**2,330.31**	**67,635.75**

Notes
forming part of financial statements for the year ended 31st March, 2017

36 (a) Financial Instruments by Category

(a) The carrying value and fair value of financial instruments at the end of each reporting period is as follows:

As at 31st March 2017

(Amount in Lakhs)

Particulars	At Cost	At Amortized cost	At fair value through profit or loss		At fair value through OCI		Total carrying value	Total Fair value
			Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:								
Investments (Non Current) (Refer Note 4)	13,623.86			83,416.25	178.99		97,219.10	128,187.49
Loans (Non Current) (Refer Note 5)		61.04					61.04	61.04
Other financial non-current assets (Refer Note 6)		173.54					173.54	173.54
Investments (Current) (Refer Note 9)		-		67,060.37			67,060.37	67,060.37
Trade receivables (Refer Note 10)		71,790.98					71,790.98	71,790.98
Cash and Cash Equivalents (Refer Note 11)		3,822.39					3,822.39	3,822.39
Other Bank Balances (Refer Note 11A)		224.71					224.71	224.71
Loans (Current) (Refer Note 12)		3,656.20					3,656.20	3,656.20
Other financial assets (Current) (Refer Note 13)		2,241.10		1,806.39			4,047.49	4,047.49
Total	**13,623.86**	**81,969.96**	**-**	**152,283.01**	**178.99**	**-**	**248,055.82**	**279,024.21**
Liabilities:							-	-
Borrowings (Non Current) (Refer Note 17)	-	71,935.28					71,935.28	71,935.28
Other financial liabilities (Non Current) (Refer Note 18)		48.78					48.78	48.78
Borrowings (Current) (Refer Note 22)		105,505.99					105,505.99	105,505.99
Trade Payables (Refer Note 23)		17,740.83					17,740.83	17,740.83
Other financial liabilities (Current) (Refer Note 24)		60,075.59					60,075.59	60,075.59
Total	**-**	**255,306.47**	**-**	**-**	**-**	**-**	**255,306.47**	**255,306.47**

Notes

forming part of financial statements for the year ended 31st March, 2017

As at 31st March 2016

(Amount in Lakhs)

Particulars	At Cost	At Amortized cost	At fair value through profit or loss		At fair value through OCI		Total carrying value	Total Fair value
			Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:								
Investments (Non Current) (Refer Note 4)	24,457.98			82,365.00	160.94		106,983.92	124,823.91
Loans (Non Current) (Refer Note 5)		75.95					75.95	75.95
Other financial non-current assets (Refer Note 6)		1,192.56					1,192.56	1,192.56
Investments (Current) (Refer Note 9)		-		59.22			59.22	59.22
Trade receivables (Refer Note 10)		76,999.63					76,999.63	76,999.63
Cash and Cash Equivalents (Refer Note 11)		21,368.82					21,368.82	21,368.82
Other Bank Balances (Refer Note 11A)		6,308.14					6,308.14	6,308.14
Loans (Current) (Refer Note 12)		2,928.02					2,928.02	2,928.02
Other financial assets (Current) (Refer Note 13)		4,613.67					4,613.67	4,613.67
Total	**24,457.98**	**113,486.80**	**-**	**82,424.22**	**160.94**	**-**	**220,529.94**	**238,369.93**
Liabilities:							-	-
Borrowings (Non Current) (Refer Note 17)	-	102,223.85					102,223.85	102,223.85
Other financial liabilities (Non Current) (Refer Note 18)		19.12					19.12	19.12
Borrowings (Current) (Refer Note 22)		101,682.13					101,682.13	101,682.13
Trade Payables (Refer Note 23)		14,590.67					14,590.67	14,590.67
Other financial liabilities (Current) (Refer Note 24)		73,715.36		111.89			73,827.25	73,827.25
Total	**-**	**292,231.13**	**-**	**111.89**	**-**		**292,343.02**	**292,343.02**

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forming part of financial statements for the year ended 31st March, 2017

As at 31st March 2015

(Amount in Lakhs)

Particulars	At Cost	At Amortized cost	At fair value through profit or loss		At fair value through OCI		Total carrying value	Total Fair value
			Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:								
Investments (Non Current) (Refer Note 4)	24,457.98			35,445.87	160.94		60,064.79	70,848.28
Loans (Non Current) (Refer Note 5)		85.01					85.01	85.01
Other financial non-current assets (Refer Note 6)		12,426.54					12,426.54	12,426.54
Investments (Current) (Refer Note 9)		-		9,963.64			9,963.64	9,963.64
Trade receivables (Refer Note 10)		81,406.86					81,406.86	81,406.86
Cash and Cash Equivalents (Refer Note 11)		5,908.75					5,908.75	5,908.75
Other Bank Balances (Refer Note 11A)		11,646.02					11,646.02	11,646.02
Loans (Current) (Refer Note 12)		3,688.67					3,688.67	3,688.67
Other financial assets (Current) (Refer Note 13)		3,559.06					3,559.06	3,559.06
Total	**24,457.98**	**118,720.91**	**-**	**45,409.51**	**160.94**	**-**	**188,749.35**	**199,532.83**
Liabilities:							-	-
Borrowings (Non Current) (Refer Note 17)	-	131,468.40					131,468.40	131,468.40
Other financial liabilities (Non Current) (Refer Note 18)		30.69		1,268.80			1,299.49	1,299.49
Borrowings (Current) (Refer Note 22)		60,579.67					60,579.67	60,579.67
Trade Payables (Refer Note 23)		12,954.60					12,954.60	12,954.60
Other financial liabilities (Current) (Refer Note 24)		87,443.45		860.77			88,304.22	88,304.22
Total	**-**	**292,476.81**	**-**	**2,129.57**	**-**	**-**	**294,606.38**	**294,606.38**

Notes

forming part of financial statements for the year ended 31st March, 2017

36 (b) Fair Value Measurement

(i) Fair Value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

(ii) The following table presents fair value hierarchy of assets and liabilities measured at fair value:

As at 31st March 2017

(Amount in Lakhs)

Particulars	Fair Value	Fair Value measurement using		
		Level 1	Level 2	Level 3
Long term Investments				
Fair Value through OCI (Equity instruments designated upon initial recognition)	178.99			178.99
Fair Value through Profit and Loss	83,416.24	83,416.24		
Current Investments				
Fair Value through Profit and Loss	67,060.36	3,416.20	63,644.16	
Other financial current assets				
- Derivative financial instruments	1,806.39		1,806.39	

As at 31st March 2016

(Amount in Lakhs)

Particulars	Fair Value	Fair Value measurement using		
		Level 1	Level 2	Level 3
Long term Investments				
Fair Value through OCI (Equity instruments designated upon initial recognition)	160.94			160.94
Fair Value through Profit and Loss	82,365.00	82,365.00		
Current Investments				
Fair Value through Profit and Loss	59.22	-	59.22	
Other financial current liabilities				
-Derivative financial instruments	111.89		111.89	

Notes

forming part of financial statements for the year ended 31st March, 2017

As at 1st April 2015

(Amount in Lakhs)

Particulars	Fair Value	Fair Value measurement using		
		Level 1	Level 2	Level 3
Long term Investments				
Fair Value through OCI (Equity instruments designated upon initial recognition)	160.94			160.94
Fair Value through Profit and Loss	35,445.87	35,445.87		
Current Investments				
Fair Value through Profit and Loss	9,963.64	-	9,963.64	
Other financial non current liabilities				
Derivative financial instruments	1,268.80	-	1,268.80	
Other financial current liabilities				
-Derivative financial instruments	860.77	-	860.77	

37. Contingent liabilities and Commitments (to the extent not provided for):-

(Amount in Lakhs)

Particulars			As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
I	**Contingent Liabilities**				
	(i)	Claims not acknowledged as debts	436.37	1,020.77	827.69
	(ii)	Bank Guarantees and Letters of Credit outstanding	11,254.86	6,030.86	8,781.05
	(iii)	Other monies for which the company is contingently liable			

a) The Company has contested the additional demand in respect of Sales Tax, Excise Duty etc., amounting to ₹ 666.43 Lakhs (31.03.2016 ₹ 1,194.71 Lakhs, 01.04.2015 ₹ 1,159.80 Lakhs). As against this a sum of ₹ 67.21 Lakhs (31.03.2016 ₹ 110.21 Lakhs, 01.04.2015 ₹ 113.70 Lakhs) has been deposited under protest and stands included under the head "Balance with government authorities in note-14 – Other Current Assets ". The Company has filed an appeal with the Appellate Authorities and is advised that the demand is not in accordance with law. No provision, therefore, has been made in accounts in respect thereof.

b) The Company has contested the additional demand in respect of income tax amounting to ₹ 18,250.72 Lakhs (31.03.2016 ₹ 18,253.23 Lakhs, 01.04.2015 ₹ 16,298.27 Lakhs). As against this a sum of ₹ 10,068.97 Lakhs (31.03.2016 ₹ 6,799.35 Lakhs, 01.04.2015 ₹ 6,035.72 Lakhs) has been deposited/ adjusted under protest and stands included in "Advance income tax" under the head "Current Tax Assets". Provision of ₹ 15,635.13 (31.03.2016 ₹ 15,635.13 Lakhs, 01.04.2015 ₹ 14,250.47 Lakhs) in this respect has not been made as the company has filed various appeals with the appellate authorities and the company is confident to get the desired relief.

c) The company had taken over the textile undertaking of Vardhman Holdings Limited (formerly known as Vardhman Spinning & General Mills Limited) by a scheme of Arrangement and De-merger. An injunction was obtained against the London Branch of the said textile undertaking for preventing disposal of assets upto the value of Pound Sterling 2.99 Lac as a result of a court case pending in London for alleged non-fulfilment of an agreement of cotton purchase. The said matter had been decided against the said textile undertaking and accordingly, Pound Sterling 0.48 Lac lying in the bank account at London had been paid to the claimant pursuant to the Order of the Court. The said amount was written off in the books of the said undertaking by way of debit to the statement of Profit and Loss. No provision has been made for the balance decreed

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forming part of financial statements for the year ended 31st March, 2017

amount by the undertaking in view of the fact that the said undertaking was prevented by force majure in fulfiling its part of contract. The Company as successor to the textile undertaking is contesting this matter in Indian Courts and is confident that there would not be any further liability in this regard.

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 01st April, 2015
(II) Commitments			
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	8,071.34	5,923.71	12,151.21
Exports obligations under Export Promotion Capital Goods (EPCG) scheme#	16,057.27	50,392.70	49,512.28

The Company has executed bonds for an aggregate amount of ₹ 95,411.71 Lakhs (31.03.2016 ₹ 1,17,933.85 Lakhs, 01.04.2015 ₹ 91,640.51 Lakhs) in favour of the President of India under section 59 (2) and 67 of the Customs Act,1962 and Central Excise and salt Act, 1944 for fulfilment of the obligation under the said Acts. However, ₹ 16,057.27 Lakhs (31 March 2016: ₹ 50,392.70 Lakhs, 1 April 2015: ₹ 49,512.28 Lakhs) is outstanding to be discharged against these bonds.

38. Amortisation of Intangible assets

a. Softwares have been amortised @ 25% on straight line basis as the useful life has been estimated to be not more than four years.

b. Right to use power lines have been amortised @ 20% on straight line basis as the useful life thereof has been estimated to be not more than five years.

c. Contribution to CETP has been amortised @ 20% on straight line basis as the useful life thereof has been estimated to be not more than five years.

39. (a) The Company was holding its own 15,98,741 (31.03.2016- 15,98,741) equity shares of ₹ 10 each through a Trust, which were received by it in its capacity as a shareholder of Vardhman Holdings Limited, in accordance with the 'Scheme of Arrangement and Demerger'. Out of above 1,36,539 shares were tendered during the year in terms of buy back announced by the company. The value of shares held at the end of each reporting period has been adjusted in the equity in accordance with Ind AS 32.

(b) The aforesaid Trust is also holding 3,19,748 equity shares (31.03.2016- 3,19,748) of ₹ 10 each of Vardhman Special Steels Limited which were allotted to it in the capacity of a shareholder of the company by virtue of 'Scheme of Arrangement & Demerger' entered into by the company, Vardhman Special Steels Limited and their respective shareholders and creditors.

As the aforesaid shares are held by a Trust on behalf of the company and company not being registered owner of shares, the cost of these shares is not reflected in Investments but same has been valued at cost as reflected in other current asset.

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forming part of financial statements for the year ended 31st March, 2017

(c) The detail of the amount recoverable from Mahavir Share Trust as at the close of the year is as under:

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 01st April, 2015
Cost of Shares (Vardhman Textiles Limited)	1,306.32	1,428.30	1,428.30
Cost of Shares (Vardhman Special Steels Limited)	357.10	357.10	357.10
Other recoverable	2.48	2.99	2.60
Total	**1,665.90**	**1,788.41**	**1,788.02**

The amount recoverable on account of equity shares of Vardhman Textiles Limited held by the trust has been reduced from equity share capital & retained earnings.

40. Business segments have been identified based on the nature and class of products and services, assessment of differential risks and returns. Accordingly, company is a single segment company operating in textile business and disclosure requirements as contained in Ind AS- 108 'Operating Segments' are not required in the Standalone financial statements. However, the disclosure has been made in the Consolidated Financial Statements.

41. In accordance with Ind AS-36 on "Impairment of Assets" the Company has assessed as on the balance sheet date, whether there are any indications 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.

42. Earning Per Share

(a) The calculation of Earning Per Share (EPS) as disclosed in the statement of profit and loss has been made in accordance with Indian Accounting Standard (Ind AS)-33 on "Earning Per Share"

(i) A statement on calculation of basic & Diluted EPS is as under:

(Amount in Lakhs)

Particulars	31.03.2017	31.03.2016
Net Profit after tax attributable to equity shareholders	100,159.29	67,639.82
Total (A)	**100,159.29**	**67,639.82**
Weighted average number of equity shares (No in lac)	611.94	620.53
Total (B)	**611.94**	**620.53**
Basic earning per Share (₹) (A)/(B)	**163.67**	**109.00**
Diluted earning per Share (₹)* (A)/(B)	**163.67**	**109.00**
Face value per equity share (₹)	10.00	10.00

* There are no potential equity shares

Notes

forming part of financial statements for the year ended 31st March, 2017

43. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 under the chapter on delayed payments to Micro & small enterprises.

(Amount in Lakhs)

Sr. No.	Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
1	Principal amount remaining unpaid to any supplier as at the end of accounting period	-	-	-
2	Interest due on remaining unpaid to any supplier as at the end of the accounting period	-	-	-
3	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during accounting period	-	-	-
4	The amount of interest due and payable for the year	-	-	-
5	The amount of interest accrued and remaining unpaid at the end of accounting year	-	-	-
6	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-

Dues of Micro, Small and Medium enterprises have been determined on the basis of information collected by the management. This has been relied upon by the auditors.

44. Leases :

The Company has leased facilities under cancellable and non-cancellable operating lease arrangements with a lease term ranging from one to five years, which are subject to renewal at mutual consent thereafter. The cancellable arrangements can be terminated by either party after giving due notice. The lease rent expenses recognised during the year amounts to ₹ 161.57 Lakhs (31.03.2016 ₹ 156.74 Lakhs). The future minimum lease payments in respect of the non-cancellable operating leases are:

(Amount in Lakhs)

		As at 31st March,2017	As at 31st March,2017
a)	Not later than one year	127.90	118.22
b)	later than one year but not later than five years	271.28	270.57
c)	later than five years	3350.26	3401.87

Notes

forming part of financial statements for the year ended 31st March, 2017

45. Related Party Disclosure

(a) Disclosure of Related Parties and relationship between the parties.

1.	Subsidiaries	VMT Spinning Company Limited
		Vardhman Acrylics Limited
		VTL Investments Limited
2.	Joint Venture	Vardhman Yarns and Threads Limited (upto 31.08.2016)
		Vardhman Nisshinbo Garments Company Limited
3	Associates	Vardhman Spinning and General Mills Limited
		Vardhman Special Steels Limited
		Vardhman Yarns and Threads Limited (w.e.f 01.09.2016)
4.	Key Management Personnel (KMP)	Mr. S.P.Oswal, Chairman and Managing Director
		Mr. Sachit Jain, Joint Managing Director
		Mrs. Suchita Jain, Joint Managing Director(w.e.f 24.08.2016)
		Mr. Neeraj Jain, Joint Managing Director
		Mr. Rajeev Thapar (Chief Financial Officer)
		Ms. Karan Kamal Walia (Company Secretary)
5.	Enterprises over which key Management Personnel and relative of such personnel is able to exercise significant influence or control	Vardhman Holdings Limited
		Vardhman Apparels Limited
		Smt. Banarso Devi Oswal Public Charitable Trust
		Sri Aurobindo Socio Economic and Management Research Institute
		# Adhiswar Enterprises LLP (formerly known as Adinath Investment and Trading Company)
		#Devakar Investment and Trading Co. Limited
		# *Srestha Holdings Limited
		#Santon Finance and Investment Co. Limited
		#Flamingo Finance and Investment Co. Limited
		#Ramaniya Finance and Investment Co. Limited
		#*Marshall Investment and Trading Co. (P) Limited
		#*Pardeep Mercentile Co. (P) Limited
		#*Plaza Trading Co. (P) Limited
		#*Anklesh Investment (P) Limited
		#*Syracuse Investment and Trading Co. (P) Limited
		#Amber Syndicate
		#Paras Syndicate
		#Adinath Syndicate
		#Eastern Trading Co.
		#Mahavir Spinning Mills (P) Ltd
		#Northern Trading Co.
5.	Relatives of KMP	Ms. Soumya Jain

Note: * These companies have been merged into Dewakar Investment & Trading Company Limited during the current year.
No transaction has taken place during the year.

Notes

forming part of financial statements for the year ended 31st March, 2017

(b) Description of the nature of transactions with the related parties :-

(Amount in Lakhs)

Particulars	Subsidiaries		Joint Venture		Associates#		Key Management Personnel (KMP)		Relative of Key Manageent Personnel (KMP)		Enterprises over which KMP is able to exercise significant influence		Total	Total
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Purchase Processing of goods	21,755.50	32,622.04	5.96	2.90	1,082.54	518.00							22,844.00	33,182.94
Sale processing of goods	1,296.14	1,022.92	1,398.36	1,602.38	641.94	499.88							3,336.44	3,125.18
Sale of DEPB licences					-	368.53							-	368.53
Purchase of Property, Plant & Equipment	20.45	14.77			2,821.63	0.51							2,842.08	15.28
Sale of Property, Plant & Equipment	114.31	229.16	1.59	-	6,298.00	45.90							6,413.90	275.06
Donation paid											418.66	472.00	418.66	472.00
Rent paid					0.10	-					9.81	9.61	9.91	9.61
Reimbursement of expenses paid	219.65	1,065.88	15.71	59.67	484.70	758.26							720.06	1,883.81
Reimbursement of expenses received	62.06	62.34	3.41	2.20	590.85	793.05							656.32	857.59
Receipt against corporate services agreement*	149.60	148.32	2.85	2.85	420.44	422.87							572.89	574.04
Payment against licenses agreement*											98.50	96.79	98.50	96.79
Interest paid	4.61	29.85											4.61	29.85
Interest received	36.40	16.79	92.30	97.03	117.26	71.50							245.96	185.32
Rent received	11.03	10.72			30.20	22.51							41.23	33.23
Dividend received	-	4,503.50			-	10,873.00						-	-	15,376.50
Dividend paid		283.50									-	9,227.33	-	9,510.83
KMP Remuneration	-						3,032.89	2,046.57	6.58	4.16			3,039.47	2,050.73
Loan given (Including Opening Balance)	2,225.00	-	1,399.12	1,599.12	1,500.00	7,254.57							5,124.12	8,853.69
Loan received back	1,525.00	-	200.00	400.00	-	5,754.57							1,725.00	6,154.57
Closing Balance	700.00	-	1,199.12	1,199.12	1,500.00	1,500.00							3,399.12	2,699.12
Year end balance receivable	-	-	295.76	523.08	-	153.89							295.76	676.97
Year end balance payable	-	-			479.68	18.55							479.68	18.55
	28,119.75	**40,049.79**	**4,614.18**	**5,488.35**	**15,967.34**	**29,055.59**	**3,032.89**	**2,046.57**	**6.58**	**4.16**	**526.97**	**9,805.73**	**52,267.72**	**86,450.19**

#Transaction with VYTL for the whole year is taken in Associates

*excluding service tax

Notes

forming part of financial statements for the year ended 31st March, 2017

Contribution paid to trusts under Post-employment benefit plan

(Amount in Lakhs)

	Current year	Previous year
Mahavir Employee Gratuity Fund Trust	383.03	578.90
Mahavir Superannuation Trust	77.43	64.33

46. Income taxes:

(a) The detail of deferred tax liabilities and assets as at the end of each reporting period is as under:

	As at 1st April 2015	Movement during 2015-16	As at 31st March 2016	Movement during 2016-17	As at 31st march 2017
Deferred tax Liability					
Impact of Depreciation	20,558.55	(510.88)	20,047.67	279.82	20,327.47
Fair valuation Gain on investments	903.79	1,339.70	2,243.50	3,300.38	5,543.88
MTM Gain on forex fluctuation	217.46	(189.66)	27.80	-	27.80
(A)	**21,679.81**	**639.16**	**22,318.97**	**3,580.20**	**25,899.15**
Deferred tax Asset					
43B Disallowances	1,122.09	480.11	1,602.20	284.14	1,886.34
Provision for Doubtful Debt	33.21	44.62	77.83	94.97	172.80
(B)	**1,155.30**	**524.73**	**1,680.03**	**379.11**	**2,059.14**
Deferred tax liability (Net) (A-B)	**20,524.52**	**114.43**	**20,638.93**	**3,201.09**	**23,840.02**

(b) Reconciliation of Deferred tax liabilities (net)

(Amount in Lakhs)

Particulars	Current year	Previous year
Deferred tax liability at the beginning of the year	20,638.93	20,524.52
Deferred tax (income)/expenses during the year recognized in Statement of Profit and loss	3,194.83	114.43
Deferred tax (income)/expenses during the year recognized in Other Comprehensive income	6.26	-
Deferred tax (income)/expenses during the year recognized in directly in equity	-	-
Deferred tax liability at the end of the year	23,840.02	20,638.93

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forming part of financial statements for the year ended 31st March, 2017

(c) Reconciliation of tax expense and the Profit before tax multiplied by statutory tax rate :

(Amount in Lakhs)

Particulars	Current year	Previous year
Accounting profit before tax	130,481.27	89,938.40
Tax at statutory income tax rate of 34.608% / 23.072% (31 March 2016: 34.608%)	41,120.61	31,125.88
Tax effect of the amounts not deductible for computing taxable income		
Depreciation difference	(484.49)	138.89
Disallowances	668.07	(697.95)
Deductions/Exemption/Non Taxable items	(9,773.21)	(9,373.66)
Adjustment in Capital gain under Income Tax provisions	(3,378.28)	-
Fair valuation Gain on investments	3,294.15	1,339.70
MTM Gain on forex fluctuation	-	(189.66)
Provision for Doubtful Debt	(94.97)	(44.62)
MAT CREDIT Entitlement	(1,029.85)	-
Income tax expense	30,321.98	22,298.58

47. Disclosure required by Regulation 34 read with Schedule V of SEBI (Listing obligations and Disclosure Requirements) Regulations,2015:-

(i) The Company has given inter corporate deposits aggregating to ₹ Nil (31.03.2016 ₹ NIL, 01.04.2015 ₹ 500 Lakhs) to M/s Vardhman Acrylics Ltd. during the year. The maximum amount outstanding during the year was ₹ Nil (31.03.2016 ₹ NIL, 01.04.2015 ₹ 500 Lakhs). The Balance outstanding as on 31.03.17 is ₹ Nil (31.03.2016 ₹ Nil, 01.04.2015 ₹ Nil).

(ii) The Company has given inter corporate deposits aggregating to ₹ 2,225 Lakhs (31.03.2016 ₹ NIL, 01.04.2015 ₹ 2,844 Lakhs) to M/s VMT Spinning Company Limited during the year. The maximum amount outstanding during the year was ₹ 1,375 Lakhs (31.03.2016 ₹ NIL, 01.04.2015 ₹ 1,098 Lakhs). The Balance outstanding as on 31.03.17 is ₹ 700 Lakhs (31.03.2016 ₹ Nil, 01.04.2015 ₹ Nil).

(iii) The Company has given inter corporate deposits aggregating to ₹ Nil (31.03.2016 ₹ 4,700 Lakhs, 01.04.2015 ₹ 65,079 Lakhs) to M/s Vardhman Special Steels Limited. The maximum amount outstanding during the year was ₹ 1,500 Lakhs (31.03.2016 ₹ 1,954.57 Lakhs, 01.04.2015 ₹ 6,535.74 Lakhs). The Balance outstanding as on 31.03.2017 is ₹ 1,500 Lakhs (31.03.2016 ₹ 1,500 Lakhs, 01.04.2015 ₹ 2,554.57 Lakhs).

(iv) The Company has given inter corporate deposits aggregating to ₹ 200 Lakhs (31.03.2016 ₹ 681.00 Lakhs, 01.04.2015 ₹ 1,636 Lakhs) to M/s Vardhman Nisshinbo Garments Company Limited during the year. The maximum amount outstanding during the year was ₹ 1199.12 Lakhs (31.03.2016 ₹ 1,199.12 Lakhs, 01.04.2015 ₹ 1,187.62 Lakhs). The Balance outstanding as on 31.03.17 is ₹ 1199.12 Lakhs(31.03.2016 ₹ 1,199.12 Lakhs, 01.04.2015 ₹ 918.12 Lakhs).

(v) The Company has given inter corporate deposits aggregating to ₹ Nil (31.03.2016 ₹ NIL, 01.04.2015 ₹ 2,621.00 Lakhs) to M/s Vardhman Yarns and Threads Limited during the year. The maximum amount outstanding during the year was ₹ Nil (31.03.2016 ₹ NIL, 01.04.2015 ₹ 861.00 Lakhs). The Balance outstanding as on 31.03.17 is ₹ Nil (31.03.2016 ₹ NIL, 01.04.2015 ₹ NIL).

Notes

forming part of financial statements for the year ended 31st March, 2017

48. Prior period items are as follows :-

(Amount in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Other Expenses	138.67	205.16
Finance Costs	(7.65)	(15.90)
Employee Benefits Expense	3.29	1.75
Cost of Materials Consumed	15.88	116.65
Other Income	(28.61)	(28.27)
Revenue From Operations	23.07	1.16
Net Prior period (Income)/Expense	**144.65**	**280.55**

49. Interest expense is net of interest income from :-

(Amount in Lakhs)

Particulars		For the year ended 31st March, 2017	For the year ended 31st March, 2016
(i)	Related parties		
	- Subsidiaries	6.41	19.45
	- Others	240.86	171.57
(ii)	Current investments	1693.66	1,487.43
(iii)	Long Term Investments	15.23	179.52
(iv)	Deposits and others	1374.08	3,665.47

50. In accordance with the provisions of Section 135 of the Companies Act, 2013 the company has paid a sum of ₹ 540.91 Lakhs (31.03.2016 ₹ 476.60 Lakhs) towards approved Corporate Social Responsibility (CSR) activities. The said amount stands debited to the "Miscellaneous" under the head "other expenses".

51. Employee Benefits :

Gratuity plan: The Company has a gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act or as per the Company's plan, whichever is more beneficial.

The following tables set out the disclosures in respect of the gratuity plan as required under Ind AS 19.

(a) Changes in the present value of the obligations:

(Amount in Lakhs)

Particulars	Current Year	Previous Year
Present value obligation as at beginning of the year	4,235.10	3,591.73
Transferred during the year	14.58	-
Interest cost	332.08	274.35
Current service cost	697.69	662.95
Benefits Paid	(538.16)	(334.85)
Actuarial (gain)/ loss on Obligations	128.25	40.92
Present value obligation as at end of the year	**4869.54**	**4,235.10**

Notes

forming part of financial statements for the year ended 31st March, 2017

(b) Changes in the present value of the obligations:

(Amount in Lakhs)

Particulars	Current Year	Previous Year
Fair value of Plan Assets as at beginning of the year	3,852.07	3,030.23
Actual return on Plan Assets	387.08	260.41
Contributions	383.03	578.90
Benefits Paid	-	-
Withdrawal	-	(17.47)
Fair value of Plan Assets as at end of the year	**4,622.18**	**3,852.07**

(c) Amount recognized in Balance Sheet:

(Amount in Lakhs)

Particulars	Current Year	Previous Year
Present value obligation as at end of the year	4,869.54	4,235.10
Fair value of Plan Assets as at end of the year	4,622.18	3,852.07
Funded Status	(247.36)	(383.03)
Present value of unfunded obligation as at end of the year	-	-
Unfunded Actuarial (gains)/ losses	-	-
Unfunded Net Asset/ (Liability) recognised in Balance Sheet.	**(247.36)**	**(383.03)**

(d) Actuarial Gain/Loss on Plan Assets

(Amount in Lakhs)

Particulars	Current Year	Previous Year
Expected Interest Income	310.16	225.71
Actual Income on Plan Asset	387.08	260.41
Actuarial gain /(loss) for the year on Asset	**76.92**	**34.70**

(e) Expenses Recognized in Profit & Loss:

(Amount in Lakhs)

Particulars	Current Year	Previous Year
Current service cost	697.69	662.95
Interest cost	332.08	274.35
Expected Interest Income	(310.16)	(225.71)
Total Expenses recognised in Profit & Loss Account	**719.61**	**711.59**

(f) OCI Recognized:

(Amount in Lakhs)

Particulars	Current Year	Previous Year
Actuarial gain / (loss) for the year on Projected Benefit Obligation	(128.25)	(40.92)
Actuarial gain /(loss) for the year on Asset	76.92	34.70
Unrecognized actuarial gain/(loss) at the end of the year	**(51.33)**	**(6.22)**

Notes

forming part of financial statements for the year ended 31st March, 2017

(g) Investment details of Fund :

(Amount in Lakhs)

Particulars	Current Year	Previous Year
Mutual Funds	489.86	311.31
Government Securities & Bonds	4,123.90	3,509.87
Bank Balance	8.42	30.89
TOTAL	**4,622.18**	**3,852.07**

(h) Principal actuarial assumption at the Balance Sheet Date (expressed as weighted average):

Particulars	Current Year	Previous Year
Discount Rate (per annum)	7.35%	8.00%
Rate of increase in compensation levels (per annum)	6.00%	6.00%
Expected Average remaining working lives of employees (years)	26.94	26.87
Method Used	Projected Unit Credit	Projected Unit Credit

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employee market.

(i) The quantitative sensitivity analysis on net liability recognized on account of change in significant assumptions:

(Amount in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Discount Rate		
0.50% Increase	(211.07)	(164.19)
0.50% decrease	228.94	186.35
Future Salary increase		
0.50% Increase	230.84	189.04
0.50% decrease	(198.67)	(175.98)

As per Actuarial Certificate, sensitivities due to mortality & withdrawals are not material & hence impact of change has not been calculated.

(j) The following payments are expected contributions to the defined benefit plan in future years:

(Amount in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Within 1 year	590.88	667.14
1-5 years	1125.44	1033.00
Beyond 5 years	3153.22	2534.96
Total expected payments	**4869.54**	**4235.10**

(k) The average duration of the defined benefit plan obligation at the end of the reporting period is 13.65 years (31 March 2016: 14.00 years).

Notes

forming part of financial statements for the year ended 31st March, 2017

52. Financial Risk Management

The principal financial assets of the Company include loans, trade and other receivables, and cash and bank balances that derive directly from its operations. The principal financial liabilities of the company, include loans and borrowings, trade and other payables and the main purpose of these financial liabilities is to finance the day to day operations of the company.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and that advises on financial risks and the appropriate financial risk governance framework for the Company.

This note explains the risks which the company is exposed to and policies and framework adopted by the company to manage these risks:

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: foreign currency risk, interest rate risk, investment risk.

(i) Foreign currency risk

The company operates internationally and business is transacted in several currencies. The export sales of company comprise around 35% of the total sales of the company, Further the company also imports certain assets and material from outside India. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently the company is exposed to foreign currency risk and the results of the company may be affected as the rupee appreciates/ depreciates against foreign currencies. Foreign exchange risk arises from the future probable transactions and recognized assets and liabilities denominated in a currency other than company's functional currency.

The company measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency risk by appropriately hedging the transactions. The Company uses a combination of derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

The following table summarizes the company's exposure foreign currency risk from financial instruments at the end of each reporting period:

Foreign Currency In Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
a) Exposure on account of Financial Assets		
Trade receivables (net of bill discounted) (A)		
-In USD	528.93	414.78
-In Euro	41.93	33.10
Amount hedged through forwards & options # (B)		
-In USD	528.93	414.78
-In Euro	41.93	33.10
Net Exposure to Foreign Currency Assets (C=A-B)		
-In USD	-	-
-In Euro	-	-

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forming part of financial statements for the year ended 31st March, 2017

Foreign Currency In Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
b) Exposure on account of Financial Liabilities		
Trade Payables (D)		
-In USD	36.02	39.99
-In Euro	7.82	15.00
-In CHF	7.78	7.92
-In GBP	-	0.39
-In JPY	615.17	491.33
Amount Hedged through forwards & options # (E)		
-In USD	36.02	39.99
-In Euro	7.82	15.00
-In CHF	-	0.72
-In GBP	-	0.24
-In JPY	452.41	-
Net Exposure to Foreign Currency Liabilities F=(D-E)		
-In USD	-	-
-In Euro	-	-
-In CHF	7.78	7.20
-In GBP	-	0.15
-In JPY	162.76	491.33
Net Exposure to Foreign Currency Assets/(Liability) (C-F)		
-In USD	-	-
-In Euro	-	-
-In CHF	(7.78)	(7.20)
-In GBP	-	(0.15)
-In JPY	(162.76)	(491.33)

The forwards and options have been considered to the extent of financial assets/liabilities only.

The following significant exchange rates applied during the year:

Particulars	2016-17 (Average exchange rate)	2015-16 (Average exchange rate)	2016-17 (Year end rates)	2015-16 (Year end rates)
INR/USD	65.55	64.38	64.86	66.25
INR/EURO	72.20	71.01	69.31	75.09
INR/CHF	66.88	66.47	64.84	68.92
INR/GBP	88.26	93.70	81.40	95.12
INR/JPY	0.58	0.55	0.58	0.58

Notes

forming part of financial statements for the year ended 31st March, 2017

Foreign currency sensitivity

The impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives on account of reasonably possible change in USD and Euro exchange rates (with all other variables held constant) will be as under:

(Amount in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
10% Strengthening/weakening of USD against INR	-	-
10% Strengthening/weakening of Euro against INR	-	-
10% Strengthening/weakening of CHF against INR	50.45	49.62
10% Strengthening/weakening of GBP against INR	-	1.47
10% Strengthening/weakening of JPY against INR	9.44	28.50

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements. The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

At the reporting date the interest rate profile of the Company's interest bearing financial instrument is at its fair value:

(Amount in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016
Variable rate instruments		
Long term borrowings	71,935.28	1,02,223.85
Current maturities of long term debt	42,375.50	55,644.34
Short term borrowings	1,05,505.99	1,01,682.13

Cash flow sensitivity analysis for variable rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. A change of 100 basis points in interest rates for variable rate instruments at the reporting date would have increased/(decreased) profit or loss for the below years by the amounts shown below. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(Amount in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016
Increase/ decrease in 100 basis point	2,198.17	2,595.50

Notes

forming part of financial statements for the year ended 31st March, 2017

(iii) Investment Risk

The company is exposed to equity price risk arising from equity investments.

The company manages equity price risk by investing in fixed deposits/Fixed Maturity Plan, debt instruments and Liquid funds. The company does not actively trade equity investments. Equity investments are mainly held for strategic rather than trading purposes. Protection principle is given high priority by limiting company's investments to AA and higher rated companies and top rated money market instruments only.

Liquidity Risk

The financial liabilities of the company, other than derivatives, include loans and borrowings, trade and other payables. The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

The company monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool. The company plans to maintain sufficient cash and marketable securities to meet the obligations as and when fall due.

The below is the detail of contractual maturities of the financial liabilities of the company at the end of each reporting period:

(Amount in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Borrowings		
0-1 years	1,47,881.49	1,57,326.47
2-3 years	56,436.68	68,447.28
3-5 years	15,684.00	34,049.00
More than 5 years	-	-
Trade Payables		
0-1 years	17,740.83	14,590.67
2-3 years	-	-
3-5 years	-	-
More than 5 years	-	-
Other Financial liabilities		
0-1 years	17,700.08	18,182.92
2-3 years	48.78	19.12
3-5 years	-	-
More than 5 years	-	-

Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured. Credit risk on cash and bank balances is limited as the company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. Investments primarily include investment in liquid mutual fund units, bonds, fixed maturity plan etc. issued by institutions having proven track record. The Company's credit risk in case of all other financial instruments is negligible.

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forming part of financial statements for the year ended 31st March, 2017

The company assesses the credit risk based on external credit ratings assigned by credit rating agencies. The company also assesses the creditworthiness of the customers internally to whom goods are sold on credit terms in the normal course of business. The credit limit of each customer is defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to overseas customers are generally covered by letters of credit.

The impairment analysis is performed on client to client basis for the debtors that are past due at the end of each reporting date. The company has not considered an allowance for doubtful debts in case of trade receivables that are past due but there has not been a significant change in the credit quality and the amounts are still considered recoverable.

The following is the detail of revenues generated from top five customers of the company and allowance for lifetime expected credit loss:

(Amount in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
(a) Revenue from top five customers		
- Amount of sales	53,988.02	64,284.26
- % of total sales	9.42	11.51
(b) Allowance for doubtful debt		
- Balance at the beginning of the period		
- Recognized during the year	202.77	18.79
- Amount written off	294.02	183.98
- Balance at the end of the period	**496.79**	**202.77**

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables as disclosed at Note 10.

Write off policy

The financials assets are written off incase there is no reasonable expectation of recovering from the financial asset.

53. Capital Management

The capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants which otherwise would permit the banks to immediately call loans and borrowings. In order to maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

Notes

forming part of financial statements for the year ended 31st March, 2017

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's gearing ratio was as follows:

(Amount in Lakhs)

Particulars	Financial Year ended 31.03.2017	Financial Year ended 31.03.2016
Borrowings	2,19,816.77	2,59,550.32
Less: Cash and cash equivalents	4,047.11	27,676.96
Net debt	2,15,769.66	2,31,873.36
Total equity	3,98,584.74	3,68,992.04
Capital and Net debt	6,14,354.40	6,00,865.40
Gearing ratio	35.12%	38.59%

Further, there have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year ended 31st March 2017.

There were no changes in the objectives, policies or processes for managing capital during the year ended 31 March 2017 and 31 March 2016.

54. During the financial year 2016-17, the company has sold its 40% equity stake in Vardhman Yarns & Threads Limited (VYTL), equivalent to 22,802,541 equity shares, to its Joint Venture partner namely American & Efird Global(A & E) for a consideration of ₹ 413.01 crore. Gain on sale of such investment amounting to ₹ 313.00 crore has been shown under the head 'Other Income' (refer note no. 28). Accordingly now the company holds 11% equity stake in VYTL equivalent to 62,69,699 equity shares at a cost of ₹ 27.49 crore. In view of changed situation, the investment is also re-classified as 'Investment in Associates'.

55. Disclosure on Specified Bank Notes (SBNs)

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

(Amount in Lakhs)

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8th November 2016	37.84	3.57	41.41
(+) Permitted receipts	-	1,04.40	1,04.40
(+) Withdrawal from Banks	-	27.26	27.26
(-) Permitted payments	-	66.63	66.63
(-) Amount deposited in Bank	(37.84)	26.26	64.10
Closing cash in hand as on 30th December 2016	**-**	**42.34**	**42.34**

*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.

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forming part of financial statements for the year ended 31st March, 2017

56. Assets pledged as Security:-

The Carrying amount of assets pledged as security for current and non-current borrowings are :-

(Amount in Lakhs)

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Current Assets			
Financial Assets			
Trade receivables	71,790.98	76,999.63	81,406.86
Non-Financial Assets			
Inventory	1,58,900.38	1,80,911.59	1,63,673.47
Total Current Assets Pledged as Security	**2,30,691.36**	**2,57,911.22**	**2,45,080.33**
Non Current Assets			
Property, Plant & Equipment	2,45,141.10	2,48,903.62	2,49,527.54
Total Non Current Assets Pledged as Security	2,45,141.10	2,48,903.62	2,49,527.54
Total Assets Pledged as Security	**4,75,832.46**	**5,06,814.84**	**4,94,607.87**

57. Figures in bracket indicate deductions.

For S.C. Vasudeva & Co.

Chartered Accountants
Firm Regn. No.: 000235N

For and behalf of the Board of Directors

(Sanjiv Mohan)
Partner
M. No. 086066

Karan Kamal Walia
Company Secretary

Rajeev Thapar
Chief Financial Officer

Sachit Jain
Joint Managing Director
DIN : 00746409

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

Place : Ludhiana
Dated: 10-05-2017

Independent Auditors' Report

To the Members of Vardhman Textiles Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Vardhman Textiles Limited ("the Holding Company") and its subsidiaries, its associates and its joint venture (collectively referred to as "the Company" or "the Group"), which comprise the consolidated balance sheet as at 31 March 2017, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

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

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made 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 consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph of the other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so

Independent Auditors' Report

required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated financial position of the Group, as at 31 March 2017 and its consolidated financial performance including other comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year then ended.

Other Matter

We did not audit the Ind AS financial statements/financial information of two subsidiaries, whose Ind AS financial statements/financial information reflect total assets of ₹ 59,505.09 Lakhs as at 31st March, 2017, total revenue of ₹ 37,921.85 Lakhs, total comprehensive income of ₹ 4,925.25 Lakhs, and net cash flows amounting to ₹ 816.32 Lakhs for the year ended 31st march, 2017 as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the group's share of total comprehensive income of ₹ 3653.17 Lakhs for the year ended 31st March, 2017, as considered in the Consolidated Ind AS Financial Statements, in respect of two associate and one joint venture, whose Ind AS financial statement/financial information have not been audited by us. These Ind AS financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and the disclosures included in respect of these subsidiaries and associates and our report in terms of sub sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.

Our opinion on the Consolidated Ind AS 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 reports of other auditors.

Report on Other Legal and Regulatory Requirements

1. 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 of the aforesaid consolidated Ind AS financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.

   (c) The consolidated balance sheet, the consolidated statement of profit and loss, the consolidated statement of cash flows and consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

   (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

   (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2017 from being appointed as a Director of that company 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 Group 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

Independent Auditors' Report

best of our information and according to the explanations given to us:

i. the consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii. the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India; and

iv. the Company has provided requisite disclosures in its consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company.

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

(Sanjiv Mohan)
Partner
M. No. 086066
Ludhiana
10th May, 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")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of Vardhman Textiles Limited ("the Holding Company") and its subsidiary companies, its associates and joint ventures which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company, its subsidiary companies and its associate, which are companies incorporated in India, 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 issued by the Institute of Chartered Accountants of India ("ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (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

Annexure - A to the Auditors' Report

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 Ind AS 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.

Meaning of Internal Financial Controls over Financial Reporting

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company, its subsidiary companies, its associates and its joint venture, 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 31 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 ICAI.

Other Matter

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 subsidiary companies, two associate and one joint venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India

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

(Sanjiv Mohan)
Partner
M. No. 086066
Ludhiana
10th May, 2017

Consolidated Balance Sheet

as at 31st March, 2017

(Amount in Lakhs)

Particulars	Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
ASSETS				
1 Non-current assets				
(a) Property, Plant and Equipment	3(a)	257,132.13	260,333.22	260,267.68
(b) Capital work-in-progress		4,902.67	8,601.30	7,932.64
(c) Goodwill	3(c)	1,254.48	1,259.18	1,259.18
(d) Other Intangible Assets	3(b)	674.18	1,108.24	1,393.29
(e) Investment in associates and joint ventures	4(a)	7,516.79	19,896.85	28,182.07
(f) Financial Assets				
- Investments	4(b)	85,875.40	95,338.00	49,874.16
- Loans	5	61.97	81.36	87.76
- Others financial assets	6	204.71	1,269.97	12,426.13
(g) Other non-current Assets	7	7,839.34	9,049.21	8,027.87
Total Non-current assets		**365,461.67**	**396,937.33**	**369,450.78**
2 Current assets				
(a) Inventories	8	175,280.68	192,512.48	175,740.07
(b) Financial Assets				
- Investments	9	93,439.88	16,027.77	27,658.48
- Trade receivables	10	73,349.58	77,759.39	82,017.73
- Cash and cash equivalents	11	4,228.68	21,536.43	6,332.10
- Bank Balance other than above	11A	236.37	6,350.11	11,669.55
- Loans	12	2,971.30	3,033.43	3,702.56
- Other financial assets	13	4,960.52	5,352.15	4,102.10
(c) Current tax assets (net)		2,125.80	1,302.93	493.20
(d) Other current assets	14	29,599.89	30,518.73	31,551.13
Total Current assets		**386,192.70**	**354,393.42**	**343,266.92**
Total Assets		**751,654.37**	**751,330.75**	**712,717.70**
Equity and Liabilities				
Equity				
(a) Equity Share capital	15	5,490.53	6,091.91	6,091.91
(b) Other Equity	16	421,831.90	393,896.90	351,600.43
(c) Non-controlling interests				
- Equity Share capital		2,562.75	2,931.50	2,931.50
- Other Equity		8,655.89	7,373.29	8,145.32
Total Equity		**438,541.07**	**410,293.60**	**368,769.16**
Liabilities				
1 Non-current liabilities				
(a) Financial Liabilities				
- Borrowings	17	74,270.02	103,972.03	133,475.34
- Other financial liabilities	18	48.78	19.12	1,299.49
(b) Provisions	19	969.22	635.54	769.77
(c) Deferred tax liabilities (Net)	20	27,118.77	23,774.26	22,932.38
(d) Other non-current liabilities	21	2,103.04	2,049.78	2,167.27
Total Non-current liabilities		**104,509.83**	**130,450.73**	**160,644.25**
2 Current liabilities				
(a) Financial Liabilities				
- Borrowings	22	106,632.17	103,075.47	60,716.20
- Trade payables	23	24,515.22	18,033.07	19,645.55
- Other financial liabilities	24	61,787.17	75,291.37	90,355.62
(b) Other current liabilities	25	15,203.75	13,640.98	11,897.43
(c) Provisions	26	465.16	545.53	689.49
Total Current liabilities		**208,603.47**	**210,586.42**	**183,304.29**
Total Equity and Liabilities		**751,654.37**	**751,330.75**	**712,717.70**

The accompanying notes are integral part of these financial statements

As per our report of even date
For **S. C. Vasudeva & Co.**,
Chartered Accountants
Firm Regn. No.: 000235N

For and on behalf of the Board of Directors

(Sanjiv Mohan)
Partner
M. No. 086066

Karan Kamal Walia
Company Secretary

Rajeev Thapar
Chief Financial Officer

Sachit Jain
Joint Managing Director
DIN : 00746409

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

Place : Ludhiana
Dated: 10.05.2017

Consolidated Statement of Profit and Loss

for the year ended 31St March 2017

(Amount in Lakhs)

Particulars	Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
I. Revenue from operations	27	606,676.59	589,527.50
II. Other income	28	49,152.00	11,048.59
III. Total income (I+II)		**655,828.59**	**600,576.09**
Expenses :			
Cost of materials consumed	29	301,580.33	279,846.53
Purchases of stock-in-trade	30	539.50	1,859.83
Changes in inventories of finished goods, work-in-progress and stock-in-trade	31	(9,081.82)	1,007.10
Employee benefits expense	32	47,884.72	43,379.47
Finance costs	33	9,294.99	8,886.41
Depreciation and amortization expense	3	34,339.74	37,424.85
Other expenses	34	143,162.91	145,803.61
IV. Total Expenses		**527,720.37**	**518,207.80**
V. Profit before non controlling interests and share of profit of associate and joint venture (III-IV)		**128,108.22**	**82,368.29**
VI. Share of profit of associates/ joint ventures		3,685.53	4,783.49
VII. Profit before tax (V+VI)		131,793.75	87,151.78
VIII. Tax expense:			
(1) Current tax		30,263.40	23,897.60
(2) Deferred tax		3,342.30	842.54
(3) Mat Credit Entitlement		(1,239.63)	4.20
IX. Profit for the year (VII-VIII)		**99,427.68**	**62,407.44**
X. Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
-Remeasurements of the defined benefits plans		(61.29)	14.25
-Gain on Fair Valuation of Equity instruments carried at Fair Value through Other Comprehensive Income		6.35	-
-Share of other comprehensive income from associate/ joint venture		(9.32)	13.61
(ii) Income tax relating to items that will not be reclassified to profit or loss		18.94	(4.70)
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
		(45.32)	**23.16**
Total Comprehensive Income for the year (IX+X)		**99,382.36**	**62,430.60**
Profit attributable to:			
- Owners of the parent		98,141.44	61,459.31
- Non-controlling interest		1,286.24	948.13
		99,427.68	**62,407.44**
Other Comprehensive Income attributable to:			
- Owners of the parent		(41.69)	21.05
- Non-controlling interest		(3.63)	2.11
		(45.32)	**23.16**
Total Comprehensive Income attributable to:			
- Owners of the parent		98,099.75	61,480.36
- Non-controlling interest		1,282.61	950.24
		99,382.36	**62,430.60**
Earnings per equity share	42		
Basic - Par value of ₹ 10 per share		**163.10**	**100.89**
Diluted - Par value of ₹ 10 per share		**163.10**	**100.89**

The accompanying notes are integral part of these financial statements

As per our report of even date
For **S. C. Vasudeva & Co.,**
Chartered Accountants
Firm Regn. No.: 000235N

For and on behalf of the Board of Directors

(Sanjiv Mohan)
Partner
M. No. 086066

Karan Kamal Walia
Company Secretary

Rajeev Thapar
Chief Financial Officer

Sachit Jain
Joint Managing Director
DIN : 00746409

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

Place : Ludhiana
Dated: 10.05.2017

Cash Flow Statement

for the year ended 31st march, 2017

(Amount in Lakhs)

		For the year ended 31st March 2017		For the year ended 31st March 2016	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before Exexceptional items and tax		131,793.75		87,151.78
	Adjustments for :				
	Depreciation and amortisation	34,339.74		37,424.85	
	Income from associates	(3,685.53)		(4,783.49)	
	Interest expense	11,622.01		13,272.73	
	Fair Valuation Gain on Investments	(9,967.74)		(5,683.13)	
	Subsidy Income	(189.33)		(154.20)	
	Prepayments of Leasehold land	8.15		23.48	
	Interest income	(3,121.66)		(5,592.29)	
	Dividend income	(1,462.11)		(1,069.99)	
	(Profit)/Loss on sale of Assets(Net)	(6,415.33)		(745.31)	
	(Profit)/Loss on sale of Investments (Net)	(28,109.57)		(469.27)	
	Provision no longer required written Back(Net)	(360.71)		542.38	
	Amortisation of Processing Charges	92.75		92.86	
	Fixed assets written off	438.35		21.22	
	Bad debts written off	358.75		33.81	
	Allowances for doubtful trade receivables and advances written back	274.44		118.97	
			(6,177.79)		33,032.62
	Changes in Working capital		125,615.96		120,184.40
	Adjustments for :				
	(Increase)/Decrease in Trade and other Receivables	5,845.83		11,011.61	
	(Increase)/Decrease in Inventories	18,374.22		(16,355.52)	
	Increase/(Decrease) in Trade Payables and other Liabilities	10,279.47		1,513.41	
			34,499.52		(3,830.50)
	Cash generated from Operations		160,115.48		116,353.90
	Net income tax paid	(30,865.96)	(30,865.96)	(24,844.50)	(24,844.50)
	Net cash flow from/ (used in) operating activities		**129,249.52**		**91,509.40**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Fixed Assets	(30,994.04)		(38,881.22)	
	Proceeds from sale of Fixed Assets	8,654.85		1,219.62	
	Purchase of Investments	(108,748.38)		(49,876.32)	
	Proceeds from sale of Investments	90,333.75		22,823.41	
	Interest received	4,971.69		4,342.83	
	Dividend received	1,462.11		15,230.49	
	Net Cash used in investing activities		**(34,320.02)**		**(45,141.19)**

Cash Flow Statement

for the year ended 31st march, 2017

(Amount in Lakhs)

		For the year ended 31st March 2017	For the year ended 31st March 2016
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds/ (Repayment) from Long Term Borrowings(Net)	(41,812.67)	(45,542.92)
	Proceeds/ (Repayment) from Short Term Borrowings(Net)	3,884.69	45,935.38
	Proceeds/ (Repayment) from Equity Share Capital	(68,838.80)	-
	Dividend Paid (including taxes)	(93.11)	(23,287.94)
	Interest Paid	(11,491.10)	(13,587.84)
	Net Cash flow from/(used in) Financing Activities	**(118,350.99)**	**(36,483.32)**
	Net Increase in cash and cash equivalents	**(23,421.48)**	**9,884.89**
	Cash and cash equivalents at the beginning of the year	**27,886.54**	**18,001.65**
	Cash and cash equivalents at the end of the year	**4,465.06**	**27,886.54**

The accompanying notes are integral part of these financial statements

As per our report of even date
For **S. C. Vasudeva & Co.**,
Chartered Accountants
Firm Regn. No.: 000235N

For and on behalf of the Board of Directors

(Sanjiv Mohan)
Partner
M. No. 086066

Karan Kamal Walia
Company Secretary

Rajeev Thapar
Chief Financial Officer

Sachit Jain
Joint Managing Director
DIN : 00746409

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

Place : Ludhiana
Dated: 10.05.2017

Consolidated Statement of Changes in Equity

(Amount in Lakhs)

Particulars	As at 31st March 2017		As at 31st March 2016	
	Number	(Amount in Lakhs)	Number	(Amount in Lakhs)
Equity Share Capital				
Balance at the beginning of reporting period	**62,517,879**	**6,251.79**	**62,517,879**	**6,251.79**
Own shares (Refer Note)	(1,598,741)	(159.88)	(1,598,74)	(159.88)
Net issued Share Capital at beginning of reporting period	**60,919,138**	**6,091.91**	**60,919,138**	**6,091.91**
Changes in equity share capital				
Buyback of shares (including of 1,36,539 number of shares held through trust)	(6,013,803)	(601.38)	-	-
Balance at the closing of reporting period	**54,905,335**	**5,490.53**	**60,919,138**	**6,091.91**

Other Equity

(Amount in Lakhs)

Particulars	Reserves & Surplus						Equity instruments through other comprehensive income	Other items of other comprehensive income	Total
	Capital reserve	Capital Redemption Reserve	Statutory Reserve U/s 45 IC of RBI	Securities premium	General Reserve	Retained Earnings			
Balance as at 01 April 2016	**2,152.47**	**-**	**367.70**	**20,990.54**	**195,557.08**	**174,525.38**	**282.68**	**21.05**	**393,896.90**
Profit for the year						98,141.44			98,141.44
Other comprehensive income for the year								(41.69)	(41.69)
Total Comprehensive Income for the year						98,141.44		(41.69)	98,099.76
Transfer to Statutory Reserve & Capital redemption reserve on account of buyback of equity shares						(2,085.52)			(2,085.52)
Transfer from Retained Earnings			195.03						195.03
Transfer from Retained Earnings on account of buyback of equity shares		1,890.50							1,890.50
Premium on buy back of shares (Net of ₹| 1448.21 Lakhs of premium relating to own shares held through trust)				(20,990.54)	(49,174.21)				(70,164.76)
Balance as at 31 March 2017	**2,152.47**	**1,890.50**	**562.73**	**-**	**146,382.87**	**270,581.29**	**282.68**	**(20.64)**	**421,831.90**
Balance as at 01 April 2015	2,152.47	-	296.20	20,990.54	195,557.08	132,321.46	282.68	-	351,600.43
Profit for the year						61,459.31			61,459.31
Other comprehensive income for the year								21.05	21.05
Total Comprehensive Income for the year						**61,459.31**		**21.05**	**61,480.36**
Amount transferred from surplus in statement of profit and loss			71.50						71.50
Amount transferred to statutory reserve from statement of profit and loss						(71.50)			(71.50)
Interim Dividend on equity for financial year 2015-16 (Amount per share ₹ 15)						(9,547.78)			(9,547.78)
Equity Dividend for the financial year 2014-15 (Amount ₹ 10 per share)						(6,365.18)			(6,365.18)
Dividend tax on dividend from associates						(2,244.89)			(2,244.89)
Dividend distribution tax (net of Non-controlling interest)						(1,026.04)			(1,026.04)
Balance as at 31 March 2016	**2,152.47**	**-**	**367.70**	**20,990.54**	**195,557.08**	**174,525.38**	**282.68**	**21.05**	**393,896.90**

Notes

forming part of financial statements for the year ended 31st March, 2017

1. CORPORATE INFORMATION

Vardhman Textiles Limited (the Company) is a public company incorporated under the provisions of the Companies Act, 1956 on 8th October, 1973 and has its registered office at Chandigarh Road, Ludhiana. The name of the company at its incorporation was Mahavir Spinning Mills Ltd. and subsequently changed to Vardhman Textiles Limited on 5th September, 2006. The company is engaged in manufacturing of Cotton yarn, Synthetic yarn and woven fabric. The company is listed on two stock exchanges i.e. at National Stock Exchange and at Bombay Stock Exchange.

2. SIGNIFICANT ACCOUNTING POLICIES :

(a) Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under Companies (Accounting Standard) Rule, 2006 (Indian GAAP). These financial statements for the year ended 31 March 2017 are the first the Company has prepared in accordance with Ind AS. Note no. 35 explains the manner in which the Company has adopted Ind AS.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

The accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(b) Principles of consolidation

In accordance with Ind AS 101, the company has elected to apply Ind AS accounting for business combinations prospectively from 1st April 2015. Accordingly, balances relating to business combinations entered into before that date as per Indian GAAP have been carried forward with minimal adjustment as on 1st April 2015 (refer note 35). The same first time adoption exemption is also used for associates and joint ventures.

Investment in Subsidiaries

Subsidiaries are all entities over which the group has control. The company controls an entity when the company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

The company combines the financial statements of its subsidiaries on line by line basis adding together like items of assets, liabilities, equity, income and expenses.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and

Notes

forming part of financial statements for the year ended 31st March, 2017

operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The investment in associate and joint venture is accounted for using the equity method in the consolidated financial statements.

Under the equity method, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

(c) Use of Estimates and Judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made. Differences between actual results and estimates are recognised in the period in which the results are known/ materialised.

(d) Revenue Recognition

Revenue is recognised at the fair value of the consideration received or receivable. The amount disclosed as revenue is inclusive of excise duty and net of returns, trade discounts, value added tax and amount collected on behalf of third parties.

The company recognizes revenue when the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity.

(i) Sales of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer and the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

(ii) Services

Revenue from the sale of services is recognised on the basis of the stage of completion. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

(iii) Export Incentives

Revenue in respect of the export incentives is recognized on post export basis.

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(iv) Interest

Income from interest is recognized using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

(v) Dividend

Dividend income is recognized when the right to receive the payment is established.

(vi) Insurance and Other Claims

Revenue in respect of claims is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

(e) Employees Benefits

(i) 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.

(ii) Post Employment Benefits

(a) Defined Contribution Plans:

Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service

Superannuation

Certain employees of the Company are participants in a defined contribution plan. The Company has no further obligations to the Plan beyond its annual contributions which are periodically contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India.

(b) Defined Benefit Plans

Gratuity

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The company fully contributes all ascertained liabilities to the Mahavir Employee Gratuity Fund Trust (the Trust). Trustees administrate contributions made to the Trusts and contributions are invested in the schemes as permitted by the laws of India.

The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Remeasurements comprising of actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognised in Other Comprehensive Income which are not reclassified to profit or loss in subsequent periods.

(iii) Long-term employee benefits

The liability of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method.

(f) Property, Plant and Equipment

The Company has applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2015 as the deemed cost under IND AS and hence regarded thereafter as historical cost.

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Freehold land is carried at cost. All other items of Property, plant and equipment are stated at cost, less accumulated depreciation. The Cost of an item of Property, Plant and Equipment comprises:

(a) its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates.

(b) any attributable expenditure directly attributable for bringing an asset to the location and the working condition for its intended use and

(c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

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

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is also classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

(g) Intangible Assets

Intangible assets are stated at cost less accumulated amount of amortization.

Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, etc. The amortization method and useful lives are reviewed periodically at end of each financial year.

(h) Inventories

Inventories are valued at cost or net realizable value, whichever is lower. The cost in respect of the various items of inventory is computed as under:

- In case of raw materials at weighted average cost plus direct expenses. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- In case of stores and spares at weighted average cost plus direct expenses. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- In case of work in progress at raw material cost plus conversion costs depending upon the stage of completion.
- In case of finished goods at raw material cost plus conversion costs, packing cost, excise duty (if applicable) and other overheads incurred to bring the goods to their present location and condition.

(i) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production

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of a qualifying asset are capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(j) Earnings per Share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

(k) Income Taxes

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is also recognized in equity or other comprehensive income respectively.

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets and liabilities are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there

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is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(l) Government Grants

The government grants are recognized only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Government grants related to assets are treated as deferred income and are recognized in the statement of profit and loss on a systematic and rational basis over the useful life of the asset. Government grants related to revenue are recognized on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

(m) Foreign Currency Transactions

(i) Functional and Presentation currency

The functional currency of the company is Indian rupee. These financial statements are presented in Indian rupee.

(ii) Transaction and balances

The foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

The foreign currency monetary items are translated using the closing rate at the end of each reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognised in profit or loss in the period in which they arise.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, as a part of finance cost. All other foreign exchange gains and losses are presented in the statement of profit and loss on net basis.

In respect of foreign branch, which is in the nature of integral foreign operations, all transactions are translated using the exchange rate at the date of the transaction. The translation of monetary assets and liabilities is performed using the exchange rate in effect at the balance sheet date. Fixed assets are translated as at the date of transaction. Depreciation is translated at the rates applied for translation of fixed assets.

(n) Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.

(o) Leases

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease under which the risks and rewards incidental to ownership are not transferred to lessee is classified as operating lease. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the statement of profit and loss over the lease term.

(p) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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forming part of financial statements for the year ended 31st March, 2017

(i) Initial Recognition and measurement

On initial recognition, all the financial assets and liabilities are recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability except financial asset or financial liability measured at fair value through profit or loss. Transaction costs of financial assets and liabilities carried at fair value through the Profit and Loss are immediately recognized in the Statement of Profit and Loss.

(ii) Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss (FVTPL)

A financial asset is measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income.

(iv) Financial liabilities

The financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

b. Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

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c. Share capital and treasury shares

(i) Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

(ii) Treasury Shares

The equity shares of the company held by it through a trust are presented as a deduction from total equity, until they are cancelled or sold.

(iii) Derecognition of financial instruments

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expired.

(iv) Fair value measurement of financial instruments

The fair value of financial instruments is determined using the valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Based on the three level fair value hierarchy, the methods used to determine the fair value of financial assets and liabilities include quoted market price, discounted cash flow analysis and valuation certified by the external valuer.

In case of financial instruments where the carrying amount approximates fair value due to the short maturity of those instruments, carrying amount is considered as fair value.

(q) Impairment of assets

a. Financial assets

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

b. Non-financial assets

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of

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forming part of financial statements for the year ended 31st March, 2017

the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

(r) Cash and cash equivalents

The Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity period of three months or less from the balance sheet date, which are subject to an insignificant risk of changes in value.

(s) Cash flow statement

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) - 7 "Statement of Cash flows" using the indirect method for operating activities.

(t) Provisions

A provision shall be recognised when:

(a) an entity has a present obligation as a result of a past event;

(b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

(c) a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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forming part of financial statements for the year ended 31st March, 2017

3(a). Property, Plant and Equipment

(Amount in Lakhs)

Particulars	Original Cost					Depreciation and Amortization					Net Block	
	Balance as at 1st April, 2015	Additions	Disposals	Other adjustments	Balance as at 31st March, 2016	Balance as at 1st April, 2015	Depreciation expense for the year	Eliminated on disposal of assets	Other adjustments	Balance as at 31st March, 2016	Balance as at 31st March, 2016	Balance as at 31st March, 2015
Tangible Assets:												
Free-hold Land	6,240.02	238.23	5.16	(151.15)	6,624.24	-	-	-	-	-	6,624.24	6,240.02
Buildings	91,727.35	6,082.63	28.95	28.29	97,752.74	22,024.98	2,728.73	11.37	32.52	**24,709.82**	73,042.92	69,702.37
Plant and Equipment	459,847.67	30,372.13	3,166.83	1,884.17	485,168.80	278,196.53	33,487.21	2,783.22	1,226.34	307,674.18	177,494.62	181,651.14
Furniture and Fixtures	2,279.23	192.30	4.55	42.72	2,424.26	1,509.91	176.87	3.12	38.30	1,645.37	778.89	769.32
Vehicles	1,532.08	286.24	177.65	(0.22)	1,640.89	605.72	173.82	133.17	0.02	646.35	994.54	926.36
Office equipment	3,022.40	871.56	16.57	140.91	3,736.48	2,050.19	429.74	15.66	120.25	2,344.02	1,392.46	972.21
Computer equipment	45.18	3.76	-	-	48.94	38.92	4.47	-	-	43.39	5.55	6.26
Total	**564,693.93**	**38,046.85**	**3,399.71**	**1,944.72**	**597,396.35**	**304,426.25**	**37,000.84**	**2,946.54**	**1,417.43**	**337,063.13**	**260,333.22**	**260,267.68**

(Amount in Lakhs)

Particulars	Original Cost					Depreciation and Amortization					Net Block	
	Balance as at 1st April, 2015	Additions	Disposals	Other adjustments	Balance as at 31st March, 2017	Balance as at 1st April, 2016	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Other adjustments Refer note-32	Balance as at 31st March, 2017	Balance as at 31st March, 2017	Balance as at 31st March, 2016
Tangible Assets:												
Free-hold Land	6,624.24	1,949.68	89.33	(217.93)	8,702.51	-	-	-	-	-	8,702.51	6,624.24
Buildings	97,752.74	6,776.14	1,143.08	540.17	102,845.63	24,709.82	3,016.11	643.72	158.96	26,923.25	75,922.38	73,042.92
Plant and Equipment	485,168.80	22,000.93	11,908.31	1,997.70	493,263.72	307,674.18	29,989.49	9,857.55	3,071.92	324,734.20	168,529.52	177,494.62
Furniture and Fixtures	2,424.26	441.75	32.13	634.06	2,199.82	1,645.37	146.41	17.82	423.34	1,350.62	849.20	778.89
Vehicles	1,640.89	300.53	122.45	12.75	1,806.22	646.35	187.84	80.09	1.37	752.73	1,053.49	994.54
Office equipment	3,736.48	885.16	18.69	913.62	5,516.57	2,344.02	536.49	10.95	(591.58)	3,461.14	2,055.43	1,392.46
Computer equipment	48.94	14.56	10.31	-	53.19	43.39	-*	9.79	-	33.60	19.59	5.55
Total	**597,396.35**	**32,368.75**	**13,324.29**	**2,053.14**	**614,387.66**	**337,063.13**	**33,876.34**	**10,619.92**	**3,064.00**	**357,255.54**	**257,132.13**	**260,333.22**

#Includes ₹ 248.20 lac (Previous Year ₹ 248.20 lac) cost of Residential flats at Mandideep, the land cost of which has not been excluded from this cost. The depreciation for the year has been taken on the entire cost of ₹ 248.20 lac (Previous Year ₹ 248.20 lac).

Freehold land includes ₹ Nil (Previous Year ₹ 31.00 lac) for the cost of land at Baddi, (Himachal Pradesh) for which title deeds are yet to be executed in favour of the Company, though the possession thereof has been taken by the company.

- Depreciation for the year includes net depreciation of ₹ Nil (Previous year (-) 57.73 Lakhs) pertaining to earlier years.

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forming part of financial statements for the year ended 31st March, 2017

3(b). Other Intangible Assets

(Amount in Lakhs)

Particulars	Original Cost					Depreciation and Amortization					Net Block	
	Balance as at 1st April, 2016	Additions	Disposals	Other adjustments	Balance as at 31st March, 2017	Balance as at 1st April, 2016	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Other adjustments	Balance as at 31st March, 2017	Balance as at 31st March, 2017	Balance as at 31st March, 2016
Intangible Assets:												
Computer Softwares	1,833.07	65.44	-	103.61	1,794.90	1,041.58	302.50	-	67.51	1,276.56	518.33	791.49
Contribution to CETP	64.00	-	-	-	64.00	46.40	4.40	-	-	50.80	13.20	17.60
Right to use Power lines	1,812.51	-	-	-	1,812.51	1,513.36	156.50	-	-	1,669.86	142.65	299.15
Total	**3,709.58**	**65.44**	**-**	**103.61**	**3,671.42**	**2,601.34**	**463.40**	**-**	**67.51**	**2,997.22**	**674.18**	**1,108.24**

(Amount in Lakhs)

Particulars	Original Cost					Depreciation and Amortization					Net Block	
	Balance as at 1st April, 2015	Additions	Disposals	Other adjustments	Balance as at 31st March, 2016	Balance as at 1st April, 2015	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Other adjustments	Balance as at 31st March, 2016	Balance as at 31st March, 2016	Balance as at 31st March, 2015
Intangible Assets:												
Computer Softwares	1,758.10	74.97	-	-	1,833.07	814.26	227.32	-	-	1,041.58	791.49	943.84
Contribution to CETP	-	64.00	-	-	64.00	-	46.40	-	-	46.40	17.60	-
Right to use Power lines	1,812.51	-	-	-	1,812.51	1,363.06	150.30	-	-	1,513.36	299.15	449.45
Total	**3,570.61**	**138.97**	**-**	**-**	**3,709.58**	**2,177.32**	**424.02**	**-**	**-**	**2,601.34**	**1,108.24**	**1,393.29**

Intangible Assets are not internally generated

Notes

forming part of financial statements for the year ended 31st March, 2017

3 (c) Goodwill

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Carrying Value at the beginning	1,259.18	1,259.18	1,259.18
Additions	-	-	-
Disposal	4.70	-	-
Carrying Value at the end	**1,254.48**	**1,259.18**	**1,259.18**

4 (a) Investment in associates and joint ventures

(Amount in Lakhs)

	Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
a.	**Investment in Equity instruments**			
(i)	**Investment in Associates/ Joint Ventures (Unquoted)**			
	62,70,699 (31 March 2016: 290,72,240 1st April 2015: 290,72,240) Equity shares of ₹ 10/- each fully paid up of Vardhman Yarns & Threads Limited (also refer note 55)	5,044.28	18,013.49	26,511.32
	71,40,000 (31 March 2016: 71,40,000 1st April 2015: 71,40,000) Equity shares of ₹ 10/- each fully paid up of Vardhman Nisshinbo Garments Company Limited (also refer note 55)	(237.67)	(210.19)	(288.40)
	25,000 (31 March 2016: 25,000 1st April 2015:25,000) Equity shares of ₹ 10/- each fully paid-up of Vardhman Spinning and General Mills Limited (also refer note 55)	6.68	6.71	6.85
(ii)	**Investment in Associates/ Joint Ventures (Quoted)**			
	60,51,800 (31 March 2016: 60,51,800 1st April 2015: 60,51,800) Equity shares of ₹ 10/- each fully paid up of Vardhman Special Steels Limited (also refer note 55)	1,703.50	1,086.84	952.30
b.	**Investment in preference instruments (unquoted)**			
(i)	**Investment in joint venture**			
	1,00,00,000 (31 March 2016: 1,00,00,000 1st April 2015: 1,00,00,000) 10% non-cumulative convertible perference shares of ₹ 10/- each fully paid up of Vardhman Nisshinbo Garments Company Limited	1,000.00	1,000.00	1,000.00
		7,516.79	**19,896.85**	**28,182.07**

Notes

forming part of financial statements for the year ended 31st March, 2017

4 (b) Investments (Non Current)

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
OTHER THAN TRADE INVESTMENTS			
a. Financial assets measured at fair value through OCI			
Investment in equity instruments (unquoted)			
41,000 (31 March 2016: 41,000 1st April 2015:41,000) Equity-Shares of ₹ 10/- each fully paid-up of Shivalik Solid Waste Management Limited (Section 8 Company)	5.92	5.35	5.35
1,40,625 (31 March 2016:1,40,625 1st April 2015: 1,40,625) Equity shares of ₹ 10/- each fully paid-up of Nimbua Greenfield (Punjab) Limited	160.79	155.14	155.14
2,225 Equity shares of ₹ 10/- each fully paid-up of Diwakar Investment & Trading Co. pvt ltd. (Shreshtha Holding company has got merged with Diwakar Investment & Trading Co. private limited and the company has got 2,225 equity shares of Diwakar Investment & Trading Co. Pvt Limited in lieu of 4495 equity share of shreshta holding company)	12.28	0.45	0.45
1,647,525 (31 March 2016: 1,647,525, 1st April 2015: 16,47,525) Equity Shares of Bharuch Eco-Aqua Infrastructure Ltd. of ₹ 10/- each fully paid up.	443.02	454.72	454.72
b. Financial assets measured at fair value through Profit and loss			
(i) Investment in Bonds/ Preference shares/ Debentures (quoted)			
820 (31 March 2016: 820, 1 April 2015: Nil) 16.46% Non Convertible Redeemable cumulative Preference Shares of ₹ 7500/- each fully paid of IL & FS Financial Services Ltd.	127.20	123.30	-
6,660 (31 March 2016:6,660 1st April 2015: Nil) 17.38% Non Convertible Redeemable cumulative Preference Shares of ₹ 7500/- each fully paid of IL & FS Financial Services Ltd.	1,123.52	999.00	-
10,000 (31 March 2016:10,000 1st April 2015: Nil) 16.46% Non Convertible Redeemable cumulative Preference Shares of ₹ 7500/- each fully paid of IL & FS Financial Services Ltd.	1,565.59	1,503.50	-
# Nil (31 March 2016:10,00,000 1st April 2015: Nil) 3% cumulative compulsorily convertible Preference Shares of ₹ 100/- each of TATA Motors Finance Ltd.	-	1,000.00	-
2,500 (31 March 2016:2500 1st April 2015: Nil)Principal protected Market Linked redeemable Non Convertible Debentures of ₹ 1,00,000/- each of ECL Finance limited	2,500.00	2,521.74	
1,500 (31 March 2016:Nil 1st April 2015: Nil)Principal protected Market Linked redeemable Non Convertible Debentures of ₹ 1,00,000/- each of IIFL wealth Finance limited	1,606.43	-	-
2,000 (31 March 2016:Nil 1st April 2015: Nil)Principal protected Market Linked redeemable Non Convertible Debentures of ₹ 1,00,000/- each of IIFL wealth Finance limited	2,134.41	-	-
100 (31 March 2016:Nil 1st April 2015: Nil)Principal protected Market Linked redeemable Non Convertible Debentures of ₹ 1,000,000/- each of Aspire home Finance ltd	1,062.69	-	-

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forming part of financial statements for the year ended 31st March, 2017

4 (b) Investments (Non Current) (contd.)

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(ii) Investment in Equity Fund/Liquid Funds/Debt Funds/Monthly Income Plans (Quoted)			
2,00,00,000 (31 March 2016:2,00,00,000 1st April 2015: Nil) units of ₹ 10/- each of Reliance fixed horizon fund- XXIX-SERIES 1- Direct Growth Plan	2,310.60	2,110.46	-
3,00,00,000 (31 March 2016:3,00,00,000 1st April 2015: Nil) units of ₹ 10/- each of Reliance fixed horizon fund- XXIX-SERIES 2- Direct Growth Plan	3,453.57	3,156.27	-
5,00,00,000 (31 March 2016:5,00,00,000 1st April 2015: Nil) units of ₹ 10/- each of Kotak FMP Series 178 Direct Growth	5,746.35	5,250.70	-
5,00,00,000 (31 March 2016:5,00,00,000 1st April 2015: Nil) units of ₹ 10/- each of Birla Sunlife Fixed Term Plan Series X (1128 Days)	5,714.95	5,219.80	-
25,000,000 (31 March 2016:Nil 1st April 2015: Nil) units of ₹ 10/- each of Birla Sunlife Fixed Term Plan Series ok -Growth Direct (1135 Days)	2,507.48	-	-
5,00,00,000 (31 March 2016:5,00,00,000 1st April 2015: Nil) units of ₹ 10/- each of ICICI Prudential FMP Series 77-1129 Days Plan Direct Plan Cumulative	5,658.10	5,213.10	-
5,00,08,075.344 (31 March 2016: 3,10,00,000 1st April 2015: Nil) units of ₹ 10/- each of Reliance Fixed Horizon Fund-XXIX-Series 8 Direct Growth Plan	5,717.82	3,238.88	-
2,20,00,000 (31 March 2016:2,20,00,000 1st April 2015: Nil) units of ₹ 10/- each of UTI Fixed Term Income Fund Series XXIII-II (1100 Days) Direct Growth Plan	2,510.11	2,283.09	-
1,30,00,000 (31 March 2016:1,30,00,000 1st April 2015: Nil) units of ₹ 10/- each of Kotak FMP Series 180-1099 Days	1,472.24	1,345.67	-
1,00,00,000 (31 March 2016:1,00,00,000 1st April 2015: Nil) units of ₹ 10/- each of UTI Fixed Term Income Fund Series XXIII-VII (1098 Days) Direct Growth Plan	1,128.34	1,030.32	-
3,00,00,000 (31 March 2016:3,00,00,000 1st April 2015: Nil) units of ₹ 10/- each of Kotak FMP Series 191 Direct Growth	3,293.52	3,011.70	-
1,00,00,000 (31 March 2016:1,00,00,000 1st April 2015: Nil) units of ₹ 10/- each of ICICI Prudential FMP Series 78-1115 Days Plan X Direct Plan Cumulative	1,095.93	1,001.80	-
2,50,00,000(31 March 2016:2,50,00,000 1st April 2015: Nil) units of ₹ 10/- each of HDFC FMP 1114D Direct Growth	2,749.77	2,506.63	-
2,50,00,000 (31 March 2016:2,50,00,000 1st April 2015: Nil) units of ₹ 10/- each of SBI Debt Fund Series- B -36(1131 Days)- Direct Growth	2,732.38	2,500.00	

Notes

forming part of financial statements for the year ended 31st March, 2017

4 (b) Investments (Non Current) (contd.)

(Amount in Lakhs)

Particulars		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
#	Nil (31 March 2016:1,00,00,000 1st April 2015: 1,00,00,000) Units of ₹ 10/- each of SBI debt Fund Series - (400 Day)Regular -Growth	-	1,181.57	1,094.35
#	Nil (31 March 2016:2,50,00,000 1st April 2015: 2,50,00,000)Units of ₹ 10/- each of SBI debt Fund Series -Direct -(380 Day)Growth	-	2,961.80	2,733.03
#	Nil (31 March 2016:1,50,00,000 1st April 2015: 1,50,00,000) Units of ₹ 10/- each of SBI debt Fund Series - Direct - (400 Day)Growth	-	1,788.30	1,649.49
	2,50,00,000 (31 March 2016:Nil 1st April 2015: Nil) Units of ₹ 10/- each of SBI debt Fund Series - Direct - (1170 Day)Growth	2,517.45	-	-
#	Nil (31 March 2016:2,50,00,000 1st April 2015: 2,50,00,000) Units of ₹ 10/- each of Dsp Blackrock FMP-12.5M	-	2,976.88	2,751.58
#	Nil (31 March 2016:2,50,00,000 1st April 2015: 2,50,00,000) Units of ₹ 10/- each of Reliance Fixed Horiozon Fund XXVI Series 2 Direct Growth Plan	-	2,979.15	2,747.63
#	Nil (31 March 2016:2,50,00,000 1st April 2015: 2,50,00,000) Units of ₹ 10/- each of BSL Fixed Term Plan -Series KR - Growth Direct	-	2,982.50	2,753.10
#	Nil (31 March 2016:2,54,82,906 1st April 2015: 5,00,00,000) Units of ₹ 10/- each of ICICI Prudential FMP Series 73-390 D Plan I Direct Plan Cumulative	-	3,046.18	5,495.00
#	Nil (31 March 2016: 3,00,00,000 1st April 2015: 3,00,00,000) Units of ₹ 10/- each of UTI Fixed Term Income Fund Series XVIII-I Direct Growth Plan	-	3,561.18	3,291.81
	1,50,00,000 (31 March 2016: Nil 1st April 2015: Nil) Units of ₹ 10/- each of UTI Fixed Term Income Fund Series XXIV-XIV (1831 Days)Direct Growth Plan	1,635.06	-	-
	2,50,00,000 (31 March 2016: Nil 1st April 2015: Nil) Units of ₹ 10/- each of UTI Fixed Term Income Fund Series XXV-11 (1097 Days)Direct Growth Plan	2,643.68	-	-
#	Nil (31 March 2016: 2,00,00,000 1st April 2015: 2,00,00,000) Units of ₹ 10/- each of Reliance Fixed Horizon Fund- XXV- Series 33- Direct Plan Growth Plan	-	2,377.80	2,193.84
#	Nil (31 March 2016: 2,50,00,000 1st April 2015: 2,50,00,000) Units of ₹ 10/- each of Kotak FMP Series 149 Direct - Growth	-	2,961.25	2,735.00
	3,50,00,000 (31 March 2016: Nil 1st April 2015: Nil) Units of ₹ 10/- each of Kotak FMP Series 202 Direct - Growth	3,507.49	-	-

Notes

forming part of financial statements for the year ended 31st March, 2017

4 (b) Investments (Non Current) (contd.)

(Amount in Lakhs)

	Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	5,00,00,000 (31 March 2016: 5,00,00,000 1st April 2015: 5,00,00,000) Units of ₹ 10/- each of SBI Debt Fund eries-B (1105 DAYS) Direct Plan Growth Fixed Maturity Plan	5,916.00	5,412.75	5,000.00
	3,00,00,000 (31 March 2016: 3,00,00,000 1st April 2015: 3,00,00,000) Units of ₹ 10/- each of ICICI Prudential FMP Series 76-1108 Days Plan V Direct Plan Cumulative	3,561.21	3,261.03	3,001.05
	25,000,000 (31 March 2016: Nil 1st April 2015: Nil) Units of ₹ 10/- each of ICICI Prudential FMP Series 80-1233 Days Plan Direct Plan Cumulative	2,516.80	-	-
	2,50,00,000 (31 March 2016: Nil 01st April 2015: Nil) Units of ₹ 10/- each of Reliance Fixed Horizon Fund- XXXIII- Series 3- Direct Plan Growth Plan	2,518.95	-	-
	2,50,00,000 (31 March 2016: Nil 01st April 2015: Nil) Units of ₹ 10/- each of Reliance Fixed Horizon Fund- XXXIIV- Series 4- Direct Plan Growth Plan	2,515.83	-	-
#	Nil (31 March 2016: 1,00,00,000 1st April 2015: 1,00,00,000) Units of ₹ 10/- each of Reliance Fixed Horizon Fund -XXV-Series 16-Growth Plan	-	1,200.05	1,109.50
	Nil (31 March 2016: 2,00,00,000 1st April 2015: 2,00,00,000) Units of ₹ 10/- each of Kotak FMP Series 140 Growth	-	2,436.90	2,244.38
#	Nil (31 March 2016: 2,50,00,000 1st April 2015: 2,50,00,000) Units of ₹ 10/- each of Kotak FMP Series 150 Growth	-	3,021.38	2,787.03
#	Nil (31 March 2016: 1,50,00,000 1st April 2015: 1,50,00,000) Units of ₹ 10/- each of UTI Fixed Term Income Fund Series XVIII-I (400 Days) Direct Growth Plan	-	1,780.59	1,645.91
#	Nil (31 March 2016: 1,00,00,000 1st April 2015: 1,00,00,000) Units of ₹ 10/- each of DSP Blackrock FTP - Series 44 -36 Month Direct Growth	-	1,159.79	1,064.02
	Nil (31 March 2016: Nil 1st April 2015: 2,50,00,000) Units of ₹ 10/- each of Relaince Fixed Horizon Fund - XXIV -Growth Plan	-	-	2,930.45
	5,000,000 (31 March 2016: 50,00,000 1st April 2015: Nil) Units of ₹ 10/- each of UTI Fixed Term Income Fund Series XXII-VI Growth Plan	598.11	535.07	-
	80,00,000 (31 March 2016: 80,00,000, 1st April 2015: 80,00,000) Units of ₹ 10/- each of DSP Blackrock 3 Years close ended equity fund	1,111.84	792.16	817.68
	10,000,000 (31 March 2016: 10,000,000, 1 April 2015: 10,000,000) Units of ₹ 10/- each of Birla SunLife FMP series GY	-	1,308.11	1,213.68
	Total	**85,875.40**	**95,338.00**	**49,874.16**

Notes

forming part of financial statements for the year ended 31st March, 2017

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
1. Aggregate amount of quoted investments	85,253.39	94,722.35	49,258.51
2. Aggregate Market Value of quoted investments	85,253.39	94,722.35	49,258.51
3. Aggregate amount of unquoted investments	622.01	615.66	615.66

Investments having maturity period of less than 12 months from 31st March 2017 i.e. the balance sheet date have been reclassified as ' Current Investment' as per the requirement of Schedule III of the Companies Act, 2013

5 Loans (Non Current)

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(unsecured, considered good)			
Financial assets at amortized cost			
- Loans to employees	61.97	81.36	87.76
Total	**61.97**	**81.36**	**87.76**

6 Other Financial Assets (Non Current)

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Financial assets at amortized cost			
Fixed Deposits with banks more than twelve months maturity	194.13	1,154.76	12,008.66
Interest Receivable	10.58	115.21	417.47
Total	**204.71**	**1,269.97**	**12,426.13**

7 Other Non Current Assets

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(unsecured, considered good)			
Capital advances	2,344.50	2,417.36	1,697.16
Balance with government authorities	1,397.92	1,769.26	1,943.41
Security deposits	2,118.11	2,865.72	2,279.21
Lease hold land prepayment	1,908.76	1,933.63	1,957.10
Prepaid (Deferred) Expense for employee benefit	6.12	5.34	6.12
Prepaid expenses	63.92	57.90	47.41
Other Recoverable	-	-	97.46
Total	**7,839.34**	**9,049.21**	**8,027.87**

Notes

forming part of financial statements for the year ended 31st March, 2017

8 Inventories

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(at cost or net realisable value, whichever is lower)			
Raw materials (includes in transit ₹ 9,791.35 Lakhs 31st March 2016 ₹ 3,868.90 Lakhs,	99,176.65	125,228.44	107,795.08
1st April 2015 ₹ 5,596.05 Lakhs)			
Work-in-progress	14,321.85	11,404.43	12,312.21
Finished Goods	47,885.44	41,721.04	42,156.30
Stores and Spares (includes in transit ₹ 1,469.44 Lakhs 31st March 2016 ₹ 1,292.39 Lakhs	13,991.24	14,339.91	14,134.08
1st April 2015 ₹ 1,023.51 Lakhs)			
Trading goods in transit (Fibre)	-	484.37	425.02
Less: Unrealised profit on consolidation	94.50	665.71	1,082.62
Total	**175,280.68**	**192,512.48**	**175,740.07**

9 Investments (Current)

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Financial assets measured at fair value through Profit and loss			
(i) Investment in Bonds/ Preference shares/ Debentures (quoted)			
10,00,000 (31 March 2016: Nil 1st April 2015: Nil) 3% cumulative compulsorily convertible Preference Shares of ₹ 100/- each of TATA Motors Finance Ltd.	1,000.00	-	-
5,00,000 (31 March 2016: 5,00,000 1st April 2015: Nil) Preference Shares of ₹ 100/- each of L& T Redemable Preference Shares	500.05	502.80	
1,500 (31 March 2016:Nil 1st April 2015: Nil)Principal protected Market Linked redeemable Non Convertible Debentures of ₹ 1,00,000/- each of ECL Finance limited	1,500.00	-	-
1,000 (31 March 2016:Nil 1st April 2015: Nil) Principal protected Market Linked redeemable Non Convertible Debentures of ₹ 1,00,000/- each of ECL Finance limited	1,110.72	-	-
996 (31 March 2016:Nil 1st April 2015: Nil)Secured Redeemable Non convertible Principal protected market linked debentures of ₹ 1,00,000/- each of Reliance Capital Ltd	988.53	-	-
1,500 (31 March 2016:Nil 1st April 2015: Nil)Principal protected Market Linked redeemable Non Convertible Debentures of ₹ 1,00,000/- each of IIFL wealth Finance limited	1,590.21	-	-
100 (31 March 2016:Nil 1st April 2015: Nil) Bonds of ₹ 1,000,000/- each of 7.17% National Highway Authority of India 23 DEC 2021*	1,013.74	-	-

Notes

forming part of financial statements for the year ended 31st March, 2017

9 Investments (Current) (contd.)

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
81 (31 March 2016:Nil 1st April 2015: Nil) Bonds of ₹ 1,000,000/- each of 7.18% NABARD 23 Mar 2020*	813.18	-	-
5 (31 March 2016:Nil 1st April 2015: Nil) Bonds of ₹ 1,000,000/- each of 7.47% Power Finance Corporation16 Sep 2021*	52.07	-	-
7 (31 March 2016:Nil 1st April 2015: Nil) Bonds of ₹ 1,000,000/- each of 7.50% Power Finance Corporation 16 Aug 2021*	73.43	-	-
43 (31 March 2016:Nil 1st April 2015: Nil) Bonds of ₹ 1,000,000/- each of 7.60% Axis Bank 20 Oct 2023*	439.93	-	-
50 (31 March 2016:Nil 1st April 2015: Nil) Bonds of ₹ 1,000,000/- each of 7.60% ICICI 07 OCT 2023*	514.90	-	-
71 (31 March 2016:Nil 1st April 2015: Nil) Bonds of ₹ 1,000,000/- each of 7.63% PFC 14 Aug 2026*	743.84	-	-
50 (31 March 2016:Nil 1st April 2015: Nil)Bonds of ₹ 1,000,000/- each of 7.95% HDFC Bank 21 Sep 2026*	526.27	-	-
66 (31 March 2016:Nil 1st April 2015: Nil)Bonds of ₹ 1,000,000/- each of 8.22% DAIMLER FINANCIAL SR-4*	666.51	-	-
5 (31 March 2016:Nil 1st April 2015: Nil)Bonds of ₹ 1,000,000/- each of 8.38% LIC Housing Finance 27 Feb 2019*	52.04	-	-
100 (31 March 2016:Nil 1st April 2015: Nil)Bonds of ₹ 1,000,000/- each of 8.48% LIC Housing Finance 29 JUN 2026*	1,098.62	-	-
60 (31 March 2016:Nil 1st April 2015: Nil) Principal protected Market Linked redeemable Non Convertible Debentures of ₹ 1,000,000/- each of Indiabulls Housing Finance*	603.61	-	-
45840.73 (31 March 2016: Nil 1st April 2015: Nil) Units of ₹ 1,000/- each of Reliance Money Manager Fund - Growth*	1,028.00	-	-
1,000,000 (31 March 2016:Nil 1st April 2015: Nil)Bonds of ₹ 100/- each of Karnataka State Development Loan 17448*	1,025.50	-	-
1,000,000 (31 March 2016:Nil 1st April 2015: Nil)Bonds of ₹ 100/- each of Maharashtra State Development Loan 18601*	1,018.25	-	-
1,000,000 (31 March 2016:Nil 1st April 2015: Nil)Bonds of ₹ 100/- each of 7.77 Kerala State Development Loan 01 Mar 2027*	1,009.51	-	-
5,00,000 (31 March 2016:Nil 1st April 2015: Nil)Bonds of ₹ 100/- each of Tamil Nadu State Development Loan 17957*	511.12	-	-
5,00,000 (31 March 2016:Nil 1st April 2015: Nil)Bonds of ₹ 100/- each of 7.64 Haryana Sdl 29 March 2027*	501.60	-	-
Nil (31 March 2016: Nil 1st April 2015: 25,00,000) 8.65% NABARD Bonds of ₹ 100/- each	-	-	2,500.00
Nil (31 March 2016: Nil 1st April 2015: 21,750) 8% Tax-free Secured Redeemable Non-convertible Bonds of ₹ 1,000/- each of Indian Railway Finance Coproration Ltd (IRFCL)	-	-	217.50
Nil (31 March 2016: Nil 1st April 2015: 3,330) Units of ₹ 1,000 /- each of 8.66 % NTPC Tax Free Bonds	-	-	33.30
Nil (31 March 2016: Nil 1st April 2015: 1,00,000) units of ₹ 1,000 each of 8.51 % HUDCO Tax Free Bonds	-	-	1,000.00

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forming part of financial statements for the year ended 31st March, 2017

9 Investments (Current) (contd.)

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(ii) Investment in Equity Fund/Liquid Funds/Debt Funds/ Monthly Income Plans (Quoted)			
Nil (31 March 2016: Nil 1st April 2015: 7,37,849.45) Units of ₹ 1000/- each of SBI Premier Liquid Fund Regular Plan Daily Dividend	-	-	7,402.47
Nil (31 March 2016: Nil 1st April 2015: 606) Units of ₹ 10/- each of Sbi Ultra fund SHF Ultra STD Fund Dir Daily Div	-	-	0.01
Nil (31 March 2016: Nil 1st April 2015: 1,013.965) Units of ₹ 10/- each of Principal Debt Opportunity Fund Conservative Plan	-	-	10.16
6492.73 (31 March 2016: 5914.18 1st April 2015: 3,910.64) Units of ₹ 1,000/- each of Baroda Pioneer Liquid Fund Plan A DDR*	65.01	59.22	51.00
26,700.657 (31 March 2016:Nil 1st April 2015: Nil) Units of ₹ 1000/- each of Boi Axa Liquid Fund -Direct Plan-Growth	500.30	-	-
517523.56 (31 March 2016: Nil 1st April 2015: Nil) Units of ₹ 100/- each of Birla Sun Life Cash Plus-Direct-Growth*	1,352.34	-	-
0.18 (31 March 2016: Nil 1st April 2015: Nil) Units of ₹ 1,000/- each of HDFC Cash Management Funds-Savings Plan-Direct-Growth*	0.01	-	-
Nil (31 March 2016: Nil, 1 April 2015: 2992) Units of ₹ 1000/- each of SBI SHF Ultra STD fund Regular Daily Dividend	-	-	30.03
1,00,00,000 (31 March 2016:Nil 1st April 2015: Nil) Units of ₹ 10/- each of SBI debt Fund Series - (400 Day) Regular -Growth	1,270.25	-	-
1,50,00,000 (31 March 2016:Nil 1st April 2015: Nil) Units of ₹ 10/- each of SBI debt Fund Series - Direct - (400 Day)Growth	1,931.39	-	-
2,50,00,000(31 March 2016:Nil 1st April 2015: Nil)Units of ₹ 10/- each of SBI debt Fund Series -Direct -(380 Day)Growth	3,203.55	-	-
2,54,82,906 (31 March 2016: Nil 1st April 2015: Nil) Units of ₹ 10/- each of ICICI Prudential FMP Series 73-390 D Plan I Direct Plan Cumulative	3,282.43	-	-
2,50,00,000(31 March 2016:Nil 1st April 2015: Nil) Units of ₹ 10/- each of Dsp Blackrock	3,218.35	-	-
2,50,00,000 (31 March 2016: Nil 1st April 2015: Nil) Units of ₹ 10/- each of Kotak FMP Series 149 Direct - Growth	3,198.75	-	-
4,00,00,000 (31 March 2016: Nil 1st April 2015: Nil) Units of ₹ 10/- each of Kotak FMP Series 200 Direct - Growth	4,024.92	-	-
83,58,827.758 (31 March 2016: Nil 1st April 2015: Nil) Units of ₹ 10/- each of Kotak Bond (short Term) -Direct Plan Growth	2,644.80	-	-
2,50,00,000(31 March 2016:Nil 1st April 2015: Nil) Units of ₹ 10/- each of Reliance Fixed Horiozon Fund XXVI Series 2 Direct Growth Plan	3,220.50	-	-
2,00,00,000 (31 March 2016: Nil 1st April 2015: Nil) Units of ₹ 10/- each of Reliance Fixed Horizon Fund- XXV- Series 33- Direct Plan Growth Plan	2,571.00	-	-

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forming part of financial statements for the year ended 31st March, 2017

9 Investments (Current) (contd.)

(Amount in Lakhs)

	Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	83,48,611.292 (31 March 2016:Nil 01st April 2015: Nil) Units of ₹ 10/- each of Reliance short Term Fund - Direct Growth Plan Growth Option	2,638.22	-	-
	2,50,00,000 (31 March 2016: Nil 1st April 2015: Nil) Units of ₹ 10/- each of BSL Fixed Term Plan - Series KR - Growth Direct	3,221.33	-	-
	12,49,786.287 (31 March 2016:Nil 1st April 2015: Nil) units of ₹ 10/- each of Birla Sun life Treasury Optimizer Plan-Growth-Direct Plan	2,628.84	-	-
	95,359.82 (31 March 2016:Nil 1st April 2015: Nil) units of ₹ 10/- each of Birla Sun life Floating Rate- S short Term -Growth-Direct Plan	206.79	-	-
	24336821.61 (31 March 2016: Nil 01st April 2015:Nil) Units of ₹ 10/- each of Idfc Corporate Bond Fund -Direct Plan -Growth Option	2,729.59	-	-
	3,00,00,000 (31 March 2016: Nil 1st April 2015: Nil) Units of ₹ 10/- each of UTI Fixed Term Income Fund Series XVIII-I Direct Growth Plan	3,854.22	-	-
	Nil (31 March 2016: Nil 1st April 2015: 200) Units of ₹ 1,000,000 / each of IIFL Duration Product I-042	-	-	2,000.00
	1000 (31 March 2016 : Nil, 01 April 2015 : Nil) Units of ₹ 100,000 / each of IIFL Wealth Finance Ltd	1,048.84	-	-
	250 (31 March 2016 : Nil, 01 April 2015 : Nil) Units of ₹ 1,000,000 / each of JM Financial products ltd	2,500.00	-	-
#	10,000,000 (31 March 2016: Nil 1st April 2015: Nil) Units of ₹ 10/- each of Reliance Fixed Horizon Fund -XXV-Series 16-Growth Plan	1,295.76	-	-
#	25,000,000 (31 March 2016: Nil 1st April 2015: Nil) Units of ₹ 10/- each of Kotak FMP Series 150 Growth	3,275.68	-	
#	15,000,000 (31 March 2016: Nil 1st April 2015: Nil) Units of ₹ 10/- each of UTI Fixed Term Income Fund Series XVIII-I (400 Days) Direct Growth Plan	1,927.11	-	
#	10,000,000 (31 March 2016: Nil 1st April 2015: Nil) Units of ₹ 10/- each of DSP Blackrock FTP - Series 44 -36 Month Direct Growth	1,263.66	-	
	60,779 (31 March 2016: 60,779 1st April 2015: 60779) Units of ₹ 1,000 /- each of Principal Bank CD Fund-Direct Plan Growth.	1,284.15	1,195.58	1,097.55
	21,320,689 (31 March 2016: 21,320,689 1st April 2015: 21,320,689) Units of ₹ 10/- each of edelweiss banking (earlier known as JP Morgan Indian banking) and PSU debt fund -Direct plan-Growth option	2,913.15	2,821.23	2,618.32
	9,690,611 (31 March 2016: 96,90,611 1st April 2015: Nil) Units of ₹ 10/ each of Edelweiss Bond (earlier knows as JP Morgan Indian active bond fund -Direct plan) Growth option	1,753.84	1,609.27	

Notes

forming part of financial statements for the year ended 31st March, 2017

9 Investments (Current) (contd.)

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Nil (31 March 2016: 2,50,00,000 1st April 2015: Nil) Units of ₹ 10/- each of Relaince Fixed Horizon Fund - XXIV -Growth Plan	-	3,173.78	
22,430,779 (31 March 2016: 22,430,779 1st April 2015: 22,430,779) Units of ₹ 10/ each of Edelweiss Banking(earlier known as JP Morgan Indian banking) and PSU debt fund -Regular plan-Growth option	3,032.78	2,701.86	2,500.00
3,335,393 (31 March 2016: 57,77,241 1st April 2015: 57,77,241) Units of ₹ 10/ each of IDFC Dynamic bond fund - Growth -Direct plan	698.81	1,060.78	1,000.00
Nil (31 March 2016: 31,419 1st April 2015: Nil) Units of ₹ 1000 /- each of Principal Cash Management Fund Direct Growth Plan	-	463.35	
Nil (31 March 2016: 62,643 1st April 2015: Nil) Units of ₹ 1,000 /- each of SBI Premier Liquid Fund - Regular Plan Growth	-	1,488.45	
781 (31 March 2016 : Nil, 01 April 2015 : Nil) Units of ₹ 1,000 /- each of Principal Low Duration Fund - Direct Plan Growth	20.75	-	
11,350,000 (31 March 2016: Nil 1st April 2015: Nil) Units of ₹ 10/- each of 6% Zee Entertainment Enterprises Limited Preference shares	1,072.58	-	
45,510 (31 March 2016 : Nil, 01 April 2015 : Nil) Units of ₹ 1,000 /- each of SBI Premier Liquid Fund- Dir Plan Growth	1,161.57	-	
1307121.76 (31 March 2016: 3740235.32, I April 2015: 3740235.32) Units of ₹ 10/- each of Birla Active Debt MM FoF-Growth	294.34	751.93	715.26
Nil (31 March 2016: 7568.074, 1 April 2015: Nil) Units of ₹ 1000/- each of SBI Premier Liquid Fund Reg Plan Growth	-	179.82	
394.109 (31 March 2016: 1,559, 1April 2015: Nil) Units of ₹ 1000/- each of SBI Premier Liquid Fund Direct Plan Growth	10.06	0.04	
Nil (31 March 2016: 1009.51, 1 April 2015: Nil) Units of ₹ 1000/- each of SBI SHF Ultra Short Term Debt fund Reg Daily Dividend	-	19.66	
1,000 (31 March 2016: Nil, 1 April 2015: Nil) Units of ₹ 1000/- each of ECL Finance Limited	1,000.00	-	-
18,27,539.60 (31 March 2016: Nil, 1 April 2015: Nil) Units of ₹ 10/- each of HDFC Arbitrage fund	196.37	-	-
25392.91 (31 March 2016: Nil, 1 April 2015: Nil) Units of ₹ 1000/- each of Kotak Floater Short term fund direct plan growth	677.83	-	-
42,00,000 (31 March 2016: Nil, 1 April 2015: Nil) Units of ₹ 10/- each of UTI Fixed term income fund direct plan growth	452.21	-	-
Nil (31 March 2016: Nil 1st April 2015: 1,50,039) Units of ₹ 1,000.39 /- each of Principal Cash Management Fund - Direct Plan Dividend option Daily-Reinvestment.	-	-	1,500.98

Notes

forming part of financial statements for the year ended 31st March, 2017

9 Investments (Current) (contd.)

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Nil (31 March 2016: Nil 1st April 2015: 15,425) Units of ₹ 1,005 /- each of SBI Ultra Short term debt fund - Direct Daily dividend	-	-	155.02
Nil (31 March 2016: Nil 1st April 2015: 1,67,619) Units of ₹ 1,003.09 /- each of SBI Ultra Short term debt fund - Regular daily dividend	-	-	1,684.42
Nil (31 March 2016: Nil 1st April 2015: 18,945) Units of ₹ 1,003.25 /- each of SBI Premier Liquid Fund - Direct Plan - Daily dividend	-	-	190.06
Nil (31 March 2016: Nil 1st April 2015: 1,40,818) Units of ₹ 1,001.66 /- each of Principal Debt Opportunities Fund Conservative Plan - Direct Plan Dividend Daily	-	-	1,411.35
Nil (31 March 2016: Nil 1st April 2015: 50,412) Units of ₹ 1,011.62 /- each of Kotak Floater short term -Direct plan - Daily dividend	-	-	509.98
Nil (31 March 2016:Nil, 1 April 2015: 5339.486) Units of ₹ 1000/- each of SBI Premier liquid Fund-Direct Plan Daily Dividend	-	-	53.57
Nil Units (31 March 2016: Nil, 1 April 2015: 3740235.32) of SBI Premiur Liquid Fund- Regular Plan- Daily Dividend	-	-	520.35
Nil (31 March 2016: Nil, 1 April 2015: 45567.21) Units of SBI Premiur Liquid Fund- Daily Plan- Daily Dividend	-	-	457.15
(iii) Investment in equity instruments (Quoted)			
1,50,800(31 March 2016 :Nil 1st April 2015 : Nil) Equity Shares of ₹ 10 /-each fully paid up of Hindustan Petroleum Corporation Ltd.	792.68	-	-
8,06,000 (31 March 2016 :Nil 1st April 2015 : Nil) Equity shares of ₹ 10 /- each fully paid up of Rural Electrification Corporation Limited	1,458.86	-	-
13,04,645 (31 March 2016 :Nil 1st April 2015 : Nil) Equity shares of ₹ 1 /- each fully paid up of Welspun India Limited	1,142.22	-	-
26,000 (31 March 2016 :Nil 1st April 2015 : Nil) Equity shares of ₹ 10 /-each fully paid up of Trident Limited	22.44	-	-
TOTAL	**93,439.88**	**16,027.77**	**27,658.48**
1. Aggregate amount of quoted investments	93,439.88	16,027.77	26,680.97
2. Aggregate Market Value of quoted investments	93,439.88	16,027.77	26,680.97
3. Aggregate amount of unquoted investments	-	-	-

* These Investments are made through Portfolio management services

Investments having maturity period of less than 12 months from 31st March 2017 i.e. the balance sheet date have been reclassified as ' Current Investment' as per the requirement of Schedule III of the Companies Act, 2013

Notes

forming part of financial statements for the year ended 31st March, 2017

10 Trade receivables

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Receivable from related parties			
- Unsecured, considered good	212.69	435.75	-
Receivable from others			
- Unsecured, considered good	73,136.89	77,323.64	82,017.73
- Doubtful	501.62	207.60	23.63
Less: Allowances for doubtful trade receivables	501.62	207.60	23.63
Total	**73,349.58**	**77,759.39**	**82,017.73**

11 Cash and cash equivalents

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
a) Balances with banks			
- In current accounts	3,201.26	3,415.20	4,448.69
- In deposit accounts with maturity upto three months	980.00	18,005.50	1,576.99
- Cash Credit account	-	1.08	202.64
b) Cheques on hand	18.53	90.44	52.17
c) Cash on hand	28.89	24.21	51.61
	4,228.68	**21,536.43**	**6,332.10**

11A Bank Balances other than Cash and cash equivalents

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
a) Other bank balances			
- Earmarked balances with banks*	202.86	337.95	141.87
- Deposits with more than twelve months maturity	194.13	1,154.76	12,008.66
- Deposits with more than three months but less than twelve months maturity	33.51	6,012.16	11,527.68
	430.50	**7,508.87**	**23,678.21**
Less: Amounts disclosed as other financial non current assets (refer note 6)	194.13	1,154.76	12,008.66
Total	**236.37**	**6,350.11**	**11,669.55**

* Earmarked balances with banks includes ₹ 190 lakhs (31 March 2016: 294.77 Lakhs 1st April 2015: 140.31 Lakhs) pertaining to dividend accounts with banks and ₹ 1.20 Lakhs (31 March 2016:1.20 Lakhs1st April 2015:1.56 Lakhs) pledged with government authorities and others.

Notes

forming part of financial statements for the year ended 31st March, 2017

12 Loans (Current)

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Financial assets at amortized cost			
Loans to related parties			
Others	2,699.12	2,788.99	3,472.69
Loan to employees	272.18	244.44	229.87
Total	**2,971.30**	**3,033.43**	**3,702.56**

13 Other financial assets (Current)

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Financial assets at amortized cost			
Recoverable from related parties	2.95	89.87	-
Interest receivables	850.17	2,700.20	1,198.11
Claims receivables	74.34	669.19	732.94
Other Recoverable	1,650.72	1,112.39	1,757.04
Margin money With Equity PMS Advisers	865.71	780.50	414.01
Financial assets at Fair value through Profit and loss			
Derivative Financial Instruments	1,516.63	-	-
TOTAL	**4,960.52**	**5,352.15**	**4,102.10**

14 Other Current Assets

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(unsecured considered good, unless otherwise stated)			
Amount recoverable from Mahavir Share Trust in respect of shares held in Trust (refer note 39)	359.58	360.09	359.70
Advances to suppliers	10,604.68	6,154.71	7,768.80
Lease hold land prepayments	8.15	23.48	23.48
Balance with government authorities	6,740.91	9,993.93	13,351.13
Prepaid (Deferred) Expense for employee benefit	11.67	12.22	11.90
MAT Credit Recoverable	1,549.88	310.25	314.45
Prepaid expenses	496.70	755.40	534.03
Other recoverables :		-	-
- Considered good	9,828.32	12,908.65	9,187.64
- doubtful	2.55	22.13	87.20
Less: Allowances for doubtful advances	(2.55)	(22.13)	(87.20)
Total	**29,599.89**	**30,518.73**	**31,551.13**

Notes

forming part of financial statements for the year ended 31st March, 2017

15 Equity Share Capital

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 01st April, 2015	
	Number	(Amount in Lakhs)	Number	(Amount in Lakhs)	Number	(Amount in Lakhs)
Authorised						
Equity shares of ₹ 10/- each (par value)	90,000,000	9,000.00	90,000,000	9,000.00	90,000,000	9,000.00
Redeemable cumulative preference shares of ₹ 10/- each (par value)	10,000,000	1,000.00	10,000,000	1,000.00	10,000,000	1,000.00
Total	**100,000,000**	**10,000.00**	**100,000,000**	**10,000.00**	**100,000,000**	**10,000.00**
Issued, subscribed and fully paid-up						
Equity shares of ₹ 10/- each	54,905,335	5,490.53	60,919,138	6,091.91	60,919,138	6,091.91
Total	**54,905,335**	**5,490.53**	**60,919,138**	**6,091.91**	**60,919,138**	**6,091.91**

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period :

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number	(Amount in Lakhs)	Number	(Amount in Lakhs)
Equity shares				
At the beginning of the reporting period	**62,517,879**	**6,251.79**	**62,517,879**	**6,251.79**
Own shares held through trust (refer Note 39)	(1,598,741)	(159.88)	(1,598,741)	(159.88)
Net issued Share Capital at beginning of reporting period	**60,919,138**	**6,091.91**	**60,919,138**	**6,091.91**
Add: Issued during the reporting period	-	-	-	-
Less: Buyback during the reporting period (net of 1,36,539 number of shares held through trust)	(6,013,803.00)	(601.38)	-	-
Outstanding at the end of the reporting period	**54,905,335**	**5,490.53**	**60,919,138**	**6,091.91**

(b) Rights, preferences and restrictions attached to equity shares

The company has one class of equity shares having a par value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.

During the year ended March 31, 2017 the amount of dividend recognised as distributions to equity shareholders is Nil (Previous Year: ₹ 15 per share).

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 shareholders

(c) Rights, preferences and restrictions attached to preference shares

The rate of dividend on preference shares will be decided by the Board of Directors as and when issued. Preference shares as and when issued shall have the cumulative right to receive dividend as and when declared and shall have preferential right of repayment of amount of capital.

(d) 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 /ultimate holding company of the Company.

Notes

forming part of financial statements for the year ended 31st March, 2017

(e) The Board of Directors of the Company at its meeting held on 24th September, 2016 approved the buyback of upto 62,60,869 fully paid up equity shares of ₹ 10 each, at a price not exceeding ₹ 1,175 payable in cash,through the Tender Offer route, upto an aggregate amount not exceeding ₹ 720 crore from the open market through Stock Exchange(s). During the year, the Company had bought back and extinguished 62,60,869 Equity Shares (inclusive of 1,10,527 shares held by Subsidiary) of ₹ 10 each at a price of ₹ 1150.00 Consequently, ₹ 626.08 Lakhs were transferred to Capital Redemption Reserve as per requirements of section 69 of Companies Act, 2013.

(f) Aggregate number and class of shares alloted 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.

	Aggregate number of shares as at 31st March 2017	Aggregate number of shares as at 31st March 2016
Equity Shares alloted as fully paid up by way of bonus shares	-	-
Equity shares alloted as fully paid up pursuant to contract without payment being received in cash	-	-
Equity Shares bought back by the Company (net of 1,36,539 number of shares held through trust)	6,013,803	-

(g) Detail of shareholders holding more than 5% shares in the Company

Class of shares and Name of shareholder	As at 31st March 2017		As at 31st March 2016		As at 01st April 2015	
	Number	% shareholding	Number	% shareholding	Number	% shareholding
Equity shares of ₹ 10 each fully paid						
Devakar Investment and Trading Co. Private Limited	6,192,786	10.79	5,648,566	8.87	5,540,887	8.70
Adishwar Enterprises LLP (Formerly Adinath Investment and Trading Company)	11,413,130	19.89	12,978,058	20.39	12,947,815	20.34
Vardhman Holdings Limited	14,067,671	24.51	15,483,895	24.33	15,402,598	24.20
IDFC Premier Equity Fund	N.A.	N.A.	N.A.	N.A.	3,952,000	6.21

(h) Terms of securities convertible into equity/preference shares N.A.

Notes

forming part of financial statements for the year ended 31st March, 2017

16 Other Equity

(Amount in Lakhs)

Particulars	Reserves & Surplus						Equity instruments through other comprehensive income	Other items of other comprehensive income	Total
	Capital reserve	Capital Redemption Reserve	Statutory Reserve U/s 45 IC of RBI	Securities premium	General Reserve	Retained Earnings			
Balance as at 01 April 2016	**2,152.47**	**-**	**367.70**	**20,990.54**	**195,557.08**	**174,525.38**	**282.68**	**21.05**	**393,896.90**
Profit for the year						98,141.44			98,141.44
Other comprehensive income for the year								(41.69)	(41.69)
Total Comprehensive Income for the year						**98,141.44**		**(41.69)**	**98,099.75**
Transfer to Statutory Reserve & Capital redemption reserve on account of buyback of equity shares						**(2,085.52)**			**(2,085.52)**
Transfer from Retained Earnings			195.03						195.03
Transfer from Retained Earnings on account of buyback of equity shares		1,890.50							1,890.50
Premium on buy back of shares (Net of ₹ 1448.21 Lakhs of premium relating to own shares held through trust)				(20,990.54)	(49,174.21)				(70,164.76)
Balance as at 31 March 2017	**2,152.47**	**1,890.50**	**562.73**	**-**	**146,382.87**	**270,581.29**	**282.68**	**(20.64)**	**421,831.90**
Balance as at 01 April 2015	2,152.47	-	296.20	20,990.54	195,557.08	132,321.46	282.68	-	**351,600.43**
Profit for the year						61,459.31			61,459.31
Other comprehensive income for the year								21.05	21.05
Total Comprehensive Income for the year						**61,459.32**		**21.05**	**61,480.36**
Amount transferred from surplus in statement of profit and loss			71.50						71.50
Amount transferred to statutory reserve from statement of profit and loss						**(71.50)**			**(71.50)**
Interim Dividend on equity for financial year 2015-16 (Amount per share ₹ 15)						(9,547.78)			(9,547.78)
Equity Dividend for the financial year 2014-15 (Amount ₹ 10 per share)						(6,365.18)			(6,365.18)
Dividend tax on dividend from associates						(2,244.89)			(2,244.89)
Dividend distribution tax (net of Non-controlling interest)						**(1,026.04)**			**(1,026.04)**
Balance as at 31 March 2016	**2,152.47**	**-**	**367.70**	**20,990.54**	**195,557.08**	**174,525.38**	**282.68**	**21.05**	**393,896.90**

Notes

forming part of financial statements for the year ended 31st March, 2017

17 Borrowings (Non Current)

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured			
Term loans			
From banks (Net of unamortized processing charges 31 March 2017 ₹ 185.40 Lakhs 31 March 2016 ₹ 278.15 Lakhs and 01 April 2015 ₹ 258.08 Lakhs)	117,203.52	159,951.37	206,772.18
Less: Current maturities (refer note-24)	42,933.50	55,979.34	73,296.83
Total	**74,270.02**	**103,972.03**	**133,475.34**

a). Details of security for term loans

Term loans from banks are secured by mortgage created or to be created on all the immovable assets of the company, both present and future and hypothecation of all movable assets including movable machinery, machinery parts, tools and accessories and other movable both present and future (except book debts), subject to charges created or to be created in favour of the bankers for securing the working capital limits.

b) Terms of repayment of term loans*

₹ in Lakhs		Repayment Period		Installments Outstanding		Periodicity of Repayment	
Balance as at 31st March 2017	Balance as at 31st March 2016	Current Year	Previous Year (No.)	Current Year	Previous Year (No.)	Current Year	Previous Year (No.)
7,175.00	12,275.00	5	5	4	8	Quarterly	Quarterly
16,310.00	23,830.00	5	5	5	9	Quarterly	Quarterly
5,172.00	7,608.00	5	5	6	10	Quarterly	Quarterly
11,014.00	17,514.00	5	5	7	11	Quarterly	Quarterly
10,900.00	14,000.00	5	5	9	13	Quarterly	Quarterly
4,200.00	4,400.00	5	5	16	20	Quarterly	Quarterly
4,600.00	100.00	5	5	20	20	Quarterly	Quarterly
3,530.00	4,130.00	5	5	12	16	Quarterly	Quarterly
2,892.92	9,083.19	8	8	1	1	Quarterly	Quarterly
-	4,118.17	8	8	-	2	Quarterly	Quarterly
-	4,440.00	8	8	-	3	Quarterly	Quarterly
-	2,112.00	8	8	-	4	Quarterly	Quarterly
2,375.00	10,300.00	8	8	1	5	Quarterly	Quarterly
1,320.00	1,480.00	8	8	9	13	Quarterly	Quarterly
9,700.00	10,900.16	8	8	10	14	Quarterly	Quarterly
4,000.00	4,350.00	8	8	13	17	Quarterly	Quarterly
20,700.00	21,500.00	8	8	12	16	Quarterly	Quarterly
13,500.00	8,089.00	5	5	20	20	Quarterly	-
1,17,388.92	**1,60,229.52**						

* Figures of term loan stated above in paragraph (b) includes current maturities of long term debt shown separately in note 24

Notes

forming part of financial statements for the year ended 31st March, 2017

18 Other financial liabilities (Non Current)

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Financial liabilities at amortized cost			
Retention money	48.78	19.12	30.69
Financial liabilities at Fair value through Profit and loss			
Derivative Financial Instruments	-	-	1,268.80
Total	**48.78**	**19.12**	**1,299.49**

19 Provisions (Non Current)

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Provision for employee benefits :			
- Leave encashment	955.67	634.80	551.72
- Gratuity (refer note 51)	13.55	0.74	218.05
Total	**969.22**	**635.54**	**769.77**

20 Deferred tax liabilities (net)

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Deferred tax liability (Net) (refer note 46(a))	27,118.77	23,774.26	22,932.38

21 Other non-current liabilities

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Deferred Income for Capital subsidy	1,985.69	1,866.65	2,020.85
Due to employees	4.93	34.71	25.76
Other	112.42	148.42	120.67
Total	**2,103.04**	**2,049.78**	**2,167.27**

22 Borrowings (Current)

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Working capital loans			
- From banks (secured)	102,759.89	96,537.09	59,358.38
- From banks (unsecured)	3,872.29	6,538.38	1,357.82
Total	**106,632.17**	**103,075.47**	**60,716.20**

Details of security for working capital borrowings

Working capital borrowings from banks are secured by way of hypothecation of entire present and future tangible current assets of the company as well as a second charge on the entire present and future fixed assets of the company.

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forming part of financial statements for the year ended 31st March, 2017

23 Trade payables

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Total outstanding dues of micro enterprises and small enterprises (refer note 43)	49.93	65.96	34.27
Due to related parties	475.89	18.55	111.14
Due to others	23,989.40	17,948.56	19,500.14
Total	**24,515.22**	**18,033.07**	**19,645.55**

24 Other financial liabilites (Current)

(Amount in Lakhs)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Financial liabilities at amortized cost			
Current maturities of long-term debt	42,933.50	55,979.34	73,296.83
Interest accrued but not due on borrowings	164.41	35.09	337.19
Other payables		-	-
- Retention money	922.41	905.04	745.76
- Security deposits	173.88	204.93	134.16
- Expense payable	9,735.93	9,336.87	9,241.44
- Payables for purchase of fixed assets	749.27	2,132.32	1,438.87
- Due to employees	7,107.77	6,462.46	4,268.39
Financial liabilities at Fair value through Profit and loss		-	-
Derivative Financial Instruments	-	235.32	892.98
Total	**61,787.17**	**75,291.37**	**90,355.62**

25 Other current liabilities

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Statutory remittances**	5,041.20	4,350.12	3,156.32
Deferred Income for Capital subsidy	184.51	154.20	154.20
Unpaid dividends #	201.69	338.54	140.34
Advances from customers	7,757.94	7,400.37	6,260.05
Other Liabilities	2,018.41	1,397.75	2,186.52
Total	**15,203.75**	**13,640.98**	**11,897.43**

** Statutory remittances includes contribution to provident fund and ESIC, tax deducted at source, excise duty, vat, service tax etc.

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

Notes

forming part of financial statements for the year ended 31st March, 2017

26 Provisions (Current)

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Provision for employee benefits :			
Leave encashment	198.79	152.20	114.79
Gratuity (refer note 51)	266.37	393.33	574.70
Total	**465.16**	**545.53**	**689.49**

27 Revenue from operations

(Amount in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Sale of products (Net of turnover discount and including excise duty)	590,331.27	574,349.94
Sale of services	358.67	300.57
Other operating revenues :		
- Export benefits	11,536.49	10,977.17
- Others	1,788.70	1,140.00
Gain on foreign currency transactions and translations (Net)	2,661.46	2,759.82
Revenue from operations	**606,676.59**	**589,527.50**

28 Other income

(Amount in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Dividend income from investments carried at fair value through Profit and Loss	1,636.43	1,069.99
Net gain on sale of investments carried at fair value through Profit and Loss	2,885.80	1,005.66
Gain on Sale of investment in Joint Venture (refer note 56)	25,223.77	-
Claims received (net of expenses)	169.44	153.01
Provisions no longer required written back	360.71	212.22
Capital Subsidy	189.33	154.20
Interest Income on employee loans	11.82	11.51
Gain on Fair valuation of Investments carried at fair value through Profit & Loss	9,967.74	5,683.13
Net gain on disposal of property, plant and equipment	6,415.33	745.31
Miscellaneous	2,291.63	2,013.56
Total	**49,152.00**	**11,048.59**

29 Cost of materials consumed *

(Amount in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Cotton	232,415.74	217,584.48
Manmade fibre	49,500.90	43,464.20
Yarn	2,335.57	1,083.89
Fabric	1,356.15	463.32
Acrylonitrile	14,272.13	15,383.82
Others	1,699.84	1,866.82
Total	**301,580.33**	**279,846.53**

* Includes Cost of Goods sold

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30 Purchases of Stock-in-trade:

(Amount in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Fabric	3.04	101.10
Yarn	29.01	1,755.91
Others	507.45	2.82
Total	**539.50**	**1,859.83**

31 Changes in inventories of finished goods, work-in-progress and stock-in-trade

(Amount in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Inventories at the beginning of the year		
Work-in-progress	11,404.43	12,248.29
Finished goods	41,721.04	41,884.28
	53,125.47	**54,132.57**
Inventories at the end of the year		
Work-in-progress	14,321.85	11,404.43
Finished goods	47,885.44	41,721.04
	62,207.29	**53,125.47**
Total	**(9,081.82)**	**1,007.10**

32 Employee benefits expense

(Amount in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Salaries and wages	42,967.89	38,761.36
Contribution to provident and other funds	4,263.07	3,963.40
Staff welfare expenses	653.76	654.71
Total	**47,884.72**	**43,379.47**

33 Finance costs

(Amount in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest expense (net) (Refer Note 49)	7,960.09	7,674.39
Other borrowing costs	1,334.90	1,212.02
Total	**9,294.99**	**8,886.41**

Notes

forming part of financial statements for the year ended 31st March, 2017

34 Other expenses

(Amount in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Power and fuel	59,612.79	64,376.50
Consumption of stores and spare parts	3,925.06	3,693.93
Packing materials and charges	8,186.81	8,229.32
Dyes and Chemical consumed	18,783.03	19,656.86
Rent	229.01	223.97
Repairs and maintenance to buildings	3,639.20	2,520.57
Repairs and maintenance to machinery	16,788.98	15,215.82
Insurance	691.84	716.23
Rates and taxes	476.96	427.19
Auditors remuneration:		
Audit fee	41.08	38.54
Tax audit fee	10.06	9.54
Reimbursement of expenses	13.38	12.53
In other capacity	5.23	13.85
Bad debts written off	358.75	33.81
Excise duty consumed on sale of goods	3,249.62	3,566.23
Allowances for doubtful trade receivables and advances (Net of written back)	274.44	118.97
Forwarding charges and octroi	9,463.13	8,659.80
Commission to selling agents	5,051.20	5,140.50
Assets Written off	438.35	21.22
Prior period items (net) (Refer Note 48)	141.05	280.55
Rebate and discount	1,019.87	1,123.92
Miscellaneous (Refer Note 50)	10,763.07	11,723.76
Total	**143,162.91**	**145,803.61**

35. First time adoption of Ind AS

This financial statement is the first financial statement that has been prepared in accordance with Ind AS together with the comparative period data as at and for the year ended 31st March 2016, as described in the summary of significant accounting policies. The transition to Ind AS has been carried out in accordance with Ind AS 101– 'First time adoption of Indian Accounting Standards' with 1st April 2015 as the transition date.

This note explains the exemptions availed by the company on first time adoption of Ind AS and the principal adjustments made by the Company in restating its Indian GAAP financial statements as at 1st April 2015 and financial statements as at and for the year ended 31st March 2016 in accordance with Ind AS 101.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has, accordingly, applied following exemptions:

a) The Company has elected to consider carrying amount of all items of property, plant and equipments measured as per Indian GAAP as

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forming part of financial statements for the year ended 31st March, 2017

recognized in the financial statements as at the date of transition, as deemed cost at the date of transition. The effect of consequential changes arising on the application of other Ind AS has been adjusted to the deemed cost of Property, Plant & Equipment.

b) The Company has adopted to measure investments in subsidiaries, joint ventures and associates at cost in accordance with Ind AS 27 and therefore has measured such investments in its separate opening Ind AS balance sheet at carrying amount as per Indian GAAP at the date of transition in accordance with Ind AS 101.

c) The Company has availed the exemption of fair value measurement of financial assets or liabilities at initial recognition and accordingly will apply fair value measurement of financial assets or liabilities at initial recognition prospectively to transactions entered into on or after 01st April 2015.

d) All transactions qualifying as business combinations under Ind AS103, occurring before the transition date, the Group has opted not to restate any business combinations before the date of transition

e) Ind AS 110 requires entities to attribute the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests. This requirement needs to be followed even if this results in the non-controlling interests having a deficit balance. Ind AS 101 requires the above requirement to be followed prospectively from the date of transition. Consequently, the group has applied the above requirement prospectively.

f) The estimates at 1st April 2015 and at 31st March, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items under Indian GAAP did not require estimation:

- Fair values of Financial Assets & Financial Liabilities
- Impairment of financial assets based on expected credit loss modal
- Discount rates

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions as at 1st April, 2015 and 31st March, 2016.

1. Leasehold land

Under Indian GAAP, land on lease was not covered under 'Leases' and therefore it was shown as Tangible assets. Under Ind AS, land on lease is considered as operating lease. Therefore, net block of leasehold land (31st March 2016 ₹ 1957.11 Lakhs, 1st April 2015 ₹ 1980.58 Lakhs) has been re-classified under the head "Other non-current assets"(31stMarch2016₹1933.63Lakhs,1stApril2015 ₹ 1957.10 Lakhs) and "Other current assets" (31st March 2016 ₹ 23.48 Lakhs, 1st April 2015 ₹ 23.48 Lakhs) as 'Prepayments of leasehold land'. Further, the amortization of leasehold payment for the year ended 31st March 2016 amounting to ₹ 23.48 Lakhs has been reclassified from 'Depreciation and amortization' to 'Other expenses'. However, the same has no impact on the total equity as at 31st March, 2016.

2. Fair Valuation of Investments

Under Indian GAAP, investments in equity instruments, mutual funds and debt securities were classified as long term investments or current investments based on the intended holding period and realisability. Long term investments were carried at cost less provision for other than temporary diminution in the value of investments. Current investments were carried at lower of cost and fair value. Ind AS requires such investments to be measured at fair value except investments in subsidiaries, associates and joint venture for which exemption has been availed.

Accordingly, the Company has designated such investments as investments measured at FVTPL/ FVTOCI/amortized cost in accordance with Ind AS.

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The difference between the instrument's fair value and carrying amount as per Indian GAAP has been recognized in retained earnings. This has resulted in increase in retained earnings of ₹ 10,331.72 Lakhs and ₹ 4648.59 Lakhs as at 31st March 2016 and 1st April 2015 respectively. Further, the net profit has been increased with ₹ 5683.13 Lakhs for the year ended 31st March 2016.

3. Financial instruments measured at amortized cost

Under Indian GAAP, interest free loan to employees are recorded at their transaction value. Under Ind AS, these loans are to be measured at amortized cost on the basis of effective interest rate method. Due to this, long term loans to employees and short term loans to employees has been decreased and difference between carrying amount and amortized cost has been recognized as 'Deferred employee cost' under the head 'Other non-current assets' (31st March 2016 ₹ 5.34 Lakhs, 1st April 2015 ₹ 6.12 Lakhs) and 'Other current assets' (31st March 2016 ₹ 12.20 Lakhs, 1st April 2015 ₹ 11.90 Lakhs). Further, Employee benefit expense has been increased due to amortisation of the deferred employee benefit of ₹ 11.51 Lakhs which is offset by the notional interest income on loan to employee of ₹ 11.51 Lakhs for the year ended 31st March 2016.

4. Derivative Instruments

The fair value of derivative instruments is recognized under Ind AS which was not recognized under Indian GAAP. Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases. Accordingly, difference on account of fair valuation of these instruments has been adjusted in retained earnings in accordance with Ind AS. This has resulted in increase in retained earnings of ₹ 251.46 Lakhs and ₹ 718.74 Lakhs as at 31st March 2016 and 1st April 2015 respectively and also decrease in net profit of ₹ 467.28 Lakhs for the year ended 31st March 2016.

5. Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method. This has resulted in decrease in long term borrowings on account of unamortized amount of processing charges with a corresponding adjustment in retained earnings of ₹ 278.15 Lakhs and ₹ 258.08 Lakhs as at 31st March 2016 and 1st April 2015 respectively and increase in the net profit for the year ended 31st March 2016 of ₹ 13.02 Lakhs.

6. Capital grant

(i) Under Indian GAAP, certain capital grant received from Government as 'Promoter Contribution' is shown under the head 'Capital reserve'. Under Ind AS, such grant is treated as deferred income and is recognized as income over the useful life of the assets for which such grant is received. This has resulted in decrease in Capital reserve (31st March 2016 ₹ 315.00 Lakhs, 1st April 2015 ₹ 315.00 Lakhs) with a corresponding adjustment in retained earnings (31st March 2016 ₹ 291.00 Lakhs, 1st April 2015 ₹ 279.00 Lakhs) and deferred income for capital subsidy (31st March 2016 ₹ 24.00 Lakhs, 1st April 2015 ₹ 36.00 Lakhs) respectively. Further profit for the year ended 31st March 2016 has been increased with ₹ 12.00 Lakhs on account of income of capital grant pertaining to financial year 2015-16.

(ii) Under Indian GAAP, Government grant related to Property, plant and equipment are reduced from the cost of respective asset. Under Ind AS, Government grant related to Property, plant and equipment are treated as deferred income and are recognized in the statement of profit and loss on a systematic basis over the useful life of the asset. This has resulted in increase in Property, Plant and Equipment (net of accumulated depreciation) (31st March 2016 1924.99 Lakhs, 1st April 2015 ₹ 2050.28 Lakhs)

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with a corresponding adjustment in retained earnings (31st March 2016 ₹ 72.57 Lakhs, 1st April 2015 ₹ 88.75 Lakhs) and deferred income for capital subsidy (31st March 2016 1,996.85 Lakhs, 1st April 2015 ₹ 2139.05 Lakhs). Further profit for the year ended 31st March 2016 has been increased with ₹ 16.90 Lakhs on account of difference between income of capital grant amounting to ₹ 142.20 Lakhs and the depreciation amounting to ₹ 125.29 Lakhs pertaining to financial year 2015-16 related to the grant earlier decapitalized in fixed assets under Indian GAAP.

7. Proposed Dividend

Under Indian GAAP, proposed dividend (including Dividend Distribution Tax) is recognized as a liability in the period to which it relates, irrespective of when it is declared. Under Ind AS, proposed dividend is recognized as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid.

In the case of the Company, the declaration of dividend occurs after period end. Therefore, the liability for the year ended 31st March 2015 recorded as proposed dividend as on 1st April, 2015 along with dividend distribution tax amounting to ₹ 8101.56 Lakhs has been de-recognized with a corresponding adjustment in the retained earnings.

8. Defined benefit obligation

Under Ind AS, remeasurements i.e actuarial gains and losses are to be recognized in 'Other comprehensive income' and are not to be reclassified to profit and loss in a subsequent period. Under the Indian GAAP, these remeasurements were forming part of the profit or loss. Therefore, actuarial gain/loss amounting to ₹ 14.25 Lakhs for the financial year 2015-16 has been recognized in OCI (net of tax ₹ 4.70 Lakhs) which was earlier recognized Employee benefits expense. However, the same has no impact on the total equity as at 31st March, 2016.

9. Sale of goods

a. Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Thus, sale of goods under Ind AS has increased by ₹ 3561.20 Lakhs with a corresponding increase in other expenses.

b. Under Indian GAAP, turnover discount was shown as expense. However under Ind AS revenue is to be shown as net of turnover discount. Accordingly, turnover discount amounting to ₹ 39.53 Lakhs has been reduced from revenue with a corresponding adjustment in other expenses.

10. Treasury Shares

The Company is holding 15,98,741 equity shares of Vardhman Textiles Limited at cost of ₹ 1428.72 Lakhs through a trust, which were received by it in its capacity as a shareholder of Vardhman Holdings Limited, in accordance with the 'Scheme of Arrangement and Demerger'.

The Equity share capital has been reduced with paid up value of ₹ 159.87 Lakhs and Reserve & Surplus has been reduced with ₹ 1268.85 Lakhs as per Ind AS-32.

11. Bill discounted against debtors

Under Indian GAAP, bills discounted against debtors were shown as contingent liability. However, the same falls under the category of 'Financial instruments' under Ind AS. Therefore, the bills discounted amounting to ₹ 8,807.06 Lakhs and ₹ 13,724.98 Lakhs as on 31st March 2016 and 1st April 2015 respectively have been shown under 'Short term borrowings' with a corresponding adjustment in 'Trade receivables'. However, the same has no impact on the total equity as at 31st March, 2016 and 1st April, 2015.

12. Income from associates

The profit of the associates and Joint ventures for the financial year ended 31st March 2016 has changed

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on account of applicability of Ind AS. Accordingly, investment and the share of profit in associates and joint ventures will also change in the consolidated financial statements. This has resulted increase in investment in associates and Joint ventures amounting to ₹ 127.80 Lakhs and 2119.46 Lakhs as on 31st March 2016 and 1st April 2015 respectively. This has also resulted in decrease in profit and OCI for the year ended 31st March 2016 with ₹ 24.91 Lakhs and 5.19 Lakhs respectively

13. Deferred tax

Under Indian GAAP, deferred tax was recognized for the temporary timing differences which focus on differences between taxable profits and accounting profits for the period. Ind AS requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Further, the application of Ind AS has resulted in recognition of deferred tax on certain temporary differences which was not required under Indian GAAP. Accordingly, deferred tax adjustments have been recognised in correlation to the underlying transactions in retained earnings/OCI in accordance with Ind AS. This has resulted in decrease in retained earnings of ₹ 3207.53 Lakhs and ₹ 1450.62 Lakhs as at 31st March 2016 and 1st April 2015 respectively. This has also resulted in decrease in net profit of ₹ 1757.56 Lakhs for the year ended 31st March 2016 with a corresponding adjustment in 'Deferred tax liability'.

14. Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on statement of cash flows.

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35 (a) Reconciliation of Equity as on 31st March 2016 and 1st April 2015

(Amount in Lakhs)

Particulars	Note No.	As at 31st March 2016					As at 1st April 2015				
		As per Indian GAAP	Assets and Liabilities of Joint ventures *	As per Indian GAAP (excluding JV)	Ind AS Adjustments	As per Ind AS	As per Indian GAAP	Assets and Liabilities of Joint ventures *	As per Indian GAAP (excluding JV)	Ind AS Adjustments	As per Ind AS
ASSETS		A	B	C=A+B	D	E=C+D	A	B	C=A+B	D	E=C+D
Non-current assets											
(a) Property, Plant and Equipment	1,6	284,390.08	(24,024.71)	260,365.36	(32.14)	260,333.22	284,024.31	(23,826.34)	260,197.97	69.72	260,267.68
(b) Capital work-in-progress		9,429.77	(828.47)	8,601.30	-	8,601.30	8,323.54	(390.90)	7,932.64	-	7,932.64
(c) Goodwill		1,259.18		1,259.18	-	1,259.18	1,259.18	-	1,259.18	-	1,259.18
(d) Other Intangible Assets		1,687.64	(579.40)	1,108.25		1,108.24	2,249.27	(855.97)	1,393.30	-	1,393.29
(e) Investment in associates and joint ventures	12	941.77	18,827.28	19,769.05	127.80	19,896.85	778.28	25,284.33	26,062.61	2,119.46	28,182.07
(f) Financial Assets											
-Investments	2	88,548.49	(2,717.38)	85,831.11	9,506.89	95,338.00	45,701.06	(217.69)	45,483.37	4,390.80	49,874.16
-Loans	3	91.84	(5.31)	86.53	(5.17)	81.36	100.19	(6.47)	93.72	(5.96)	87.76
-Others financial assets		1,269.97	-	1,269.97	-	1,269.97	12,403.57	22.55	12,426.13	-	12,426.13
(g) Other non-current Assets	1,3	7,811.35	(701.11)	7,110.24	1,938.98	9,049.20	7,117.38	(1,052.72)	6,064.65	1,963.21	8,027.87
Total Non-current assets		**395,430.09**	**(10,029.10)**	**385,400.98**	**11,536.36**	**396,937.33**	**361,956.77**	**(1,043.21)**	**360,913.56**	**8,537.23**	**369,450.77**
Current assets											
(a) Inventories		205,629.32	(13,116.84)	192,512.48	-	192,512.48	191,575.32	(15,835.26)	175,740.07	-	175,740.07
(b) Financial Assets											
-Investments	2	23,703.39	(8,500.45)	15,202.94	824.83	16,027.77	40,382.47	(12,981.79)	27,400.69	257.78	27,658.48
-Trade receivables	11	82,573.34	(13,621.00)	68,952.34	8,807.06	77,759.39	80,951.20	(12,658.45)	68,292.75	13,724.98	82,017.73
-Cash and cash equivalents		24,587.13	(3,050.70)	21,536.43	-	21,536.43	8,606.11	(2,274.01)	6,332.10	-	6,332.10
-Bank Balance other than above		6,350.11	-	6,350.11	-	6,350.11	11,669.55	-	11,669.55	-	11,669.55
-Loans	3	1,873.93	1,171.88	3,045.81	(12.39)	3,033.43	2,809.10	905.54	3,714.64	(12.07)	3,702.56
-Other financial assets		5,531.21	(179.06)	5,352.15	-	5,352.15	4,324.98	(222.87)	4,102.10	-	4,102.10
(c) Current tax assets (net)		1,132.24	170.68	1,302.92	-	1,302.93	581.49	(88.29)	493.20	-	493.20
(d) Other current assets	1,3,10	34,079.86	(2,168.50)	31,911.36	(1,392.63)	30,518.73	34,986.34	(2,042.26)	32,944.08	(1,392.95)	31,551.13
Total Current assets		**385,460.55**	**(39,294.00)**	**346,166.55**	**8,226.87**	**354,393.42**	**375,886.57**	**(45,197.40)**	**330,689.17**	**12,577.74**	**343,266.92**
TOTAL ASSETS		**780,890.64**	**(49,323.11)**	**731,567.53**	**19,763.23**	**751,330.75**	**737,843.34**	**(46,240.61)**	**691,602.73**	**21,114.97**	**712,717.70**
EQUITY AND LIABILITIES											
Equity											
(a) Equity Share capital	10	6,251.79	(0.00)	6,251.79	(159.87)	6,091.91	6,251.79		6,251.79	(159.87)	6,091.91

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(Amount in Lakhs)

Particulars	Note No.	As at 31st March 2016					As at 1st April 2015				
		As per Indian GAAP	Assets and Liabilities of Joint ventures *	As per Indian GAAP (excluding JV)	Ind AS Adjustments	As per Ind AS	As per Indian GAAP	Assets and Liabilities of Joint ventures *	As per Indian GAAP (excluding JV)	Ind AS Adjustments	As per Ind AS
(b) Other Equity	1 to 13	378,395.07	9,744.06	388,139.13	5,757.78	393,896.90	331,276.62	8,006.48	339,283.10	12,317.34	351,600.43
(c) Non-controlling interests											
- Equity Share capital		6,410.81	(3,479.31)	2,931.49	-	2,931.50	6,410.81	(3,479.31)	2,931.49	-	2,931.50
- Other Equity	1 to 13	30,748.53	(24,033.38)	6,715.15	658.14	7,373.29	37,691.14	(30,238.13)	7,453.01	692.31	8,145.32
		421,806.20	**(17,768.64)**	**404,037.56**	**6,256.04**	**410,293.60**	**381,630.35**	**(25,710.96)**	**355,919.39**	**12,849.78**	**368,769.16**
Liabilities											
Non-current liabilities											
(a) Financial Liabilities											
-Borrowings	5	115,542.18	(11,292.00)	104,250.18	(278.15)	103,972.03	141,832.43	(8,091.96)	133,740.48	(265.13)	133,475.34
-Other financial liabilities	4	77.60	-	77.60	(58.48)	19.12	1,310.03	0.31	1,310.34	(10.85)	1,299.49
(b) Provisions		850.92	(215.38)	635.54	-	635.54	944.13	(174.36)	769.77	-	769.77
(c) Deferred tax liabilities (Net)	13	21,324.09	(758.01)	20,566.08	3,208.18	23,774.26	22,324.88	(843.11)	21,481.77	1,450.62	22,932.38
(d) Other non-current liabilities	6	208.40	(25.96)	182.44	1,867.34	2,049.78	154.11	(7.69)	146.42	2,020.85	2,167.27
Total Non-current liabilities		**138,003.19**	**(12,291.35)**	**125,711.84**	**4,738.89**	**130,450.73**	**166,565.59**	**(9,116.81)**	**157,448.78**	**3,195.48**	**160,644.25**
Current liabilities											
(a) Financial Liabilities											
-Borrowings	11	105,358.13	(11,089.73)	94,268.40	8,807.06	103,075.47	47,366.45	(375.24)	46,991.22	13,724.98	60,716.20
-Trade payables		19,921.27	(1,888.20)	18,033.07	0.00	18,033.07	22,089.29	(2,443.73)	19,645.56	-	19,645.55
-Other financial liabilities	4	77,438.65	(1,954.28)	75,484.36	(193.00)	75,291.37	95,468.97	(4,405.46)	91,063.51	(707.89)	90,355.62
(b) Other current liabilities	6	17,814.22	(4,327.45)	13,486.77	154.22	13,640.98	13,421.16	(1,677.95)	11,743.21	154.19	11,897.43
(c) Provisions	7	548.99	(3.45)	545.52	-	545.53	11,301.52	(2,510.46)	8,791.05	(8,101.56)	689.49
(d) Current tax liabilities (net)			-	-	-	-			-	-	-
Total Current liabilities		**221,081.25**	**(19,263.11)**	**201,818.13**	**8,768.29**	**210,586.42**	**189,647.39**	**(11,412.84)**	**178,234.55**	**5,069.72**	**183,304.29**
TOTAL EQUITY AND LIABILITIES		**780,890.64**	**(49,323.11)**	**731,567.53**	**19,763.24**	**751,330.76**	**737,843.34**	**(46,240.61)**	**691,602.73**	**21,114.97**	**712,717.70**

* Under Indian GAAP, investment in two companies i.e. Vardhman Yarns and Threads Ltd. and Vardhman Nisshinbo Garments Company Limited were considered as investments in subidiaries. However under Ind AS, these companies have been considered as Joint ventures. Accordingly all assets and liabilities pertaining to Joint ventures which were consolidated line by line in Indian GAAP are excluded and investment in Joint ventures has been accounted using the equity method.

Note: The figures of Indian GAAP have been reclassified to confirm to presentation requirements of Division II of Schedule III of Companies Act, 2013 as applicable to a company whose financial statements are required to be drawn up in compliance of the (Indian Accounting Standards) Rules, 2015

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35 (b) Reconciliation of Total Comprehensive Income for the year ended March 31, 2016

(Amount in Lakhs)

	Particulars	Note No.	As per Indian GAAP	Income and Expenses of Joint ventures *	As per Indian GAAP	Ind AS Adjustments	As per Ind AS
			A	B	C=A+B	D	E=C+D
	Revenue from operations (net)	9	666,451.78	(80,445.95)	586,005.83	3,521.67	589,527.50
	Other income	2,3,6	5,874.81	(675.59)	5,199.22	5,849.37	11,048.59
	Share of profit of associates/ joint ventures	12	163.49	4,644.89	4,808.38	-24.89	4,783.49
I.	**Total revenue**		**672,490.08**	**(76,476.65)**	**596,013.43**	**9,346.15**	**605,359.58**
II.	**Expenses :**						
	Cost of materials consumed		301,887.02	(22,040.49)	279,846.53	-	279,846.53
	Purchases of stock-in-trade		1,891.45	(31.62)	1,859.83	-	1,859.83
	Changes in inventories of finished goods, work-in-progress and stock-in-trade		3,183.39	(2,176.29)	1,007.10	-	1,007.10
	Employee benefits expense	3,8	51,665.34	(8,312.15)	43,353.19	26.28	43,379.47
	Finance costs	5	9,774.55	(875.12)	8,899.43	-13.02	8,886.41
	Depreciation and amortization	1,6	40,180.29	(2,857.26)	37,323.03	101.83	37,424.85
	Other expenses	1,4,9	173,520.19	(31,729.00)	141,791.19	4,012.41	145,803.60
	Total Expenses		**582,102.23**	**(68,021.93)**	**514,080.30**	**4,127.50**	**518,207.80**
			-	-		-	
III.	**Profit/(loss) before tax (I-II)**		**90,387.85**	**(8,454.72)**	**81,933.12**	**5,218.64**	**87,151.78**
IV.	**Tax expense:**			-		-	
	(1) Current tax	8	28,237.32	(4,330.82)	23,906.50	-4.70	23,901.80
	(2) Deferred tax	13	(1,000.78)	85.75	(915.03)	1,757.58	842.54
V.	**Profit (Loss) for the period (III-IV)**		**63,151.31**	**(4,209.65)**	**58,941.66**	**3,465.77**	**62,407.44**
VI.	**Other Comprehensive Income**			-		-	
A.	**Items that will not be reclassified to profit or loss**			-		-	
	-Remeasurements of the defined benefits plans	8		-	-	14.25	14.25
	-Gain on Fair Valuation of Equity instruments carried at FVOCI			-	-	-	
	-Share of other comprehensive income from associate/ joint venture	12		18.80	18.80	-5.19	13.61
	Income tax relating to items that will not be reclassified to profit or loss	8		-	-	-4.70	(4.70)
B.	**Items that will be reclassified to profit or loss**			-		-	
	Income tax relating to items that will be reclassified to profit or loss			-		-	
VII.	**Total Comprehensive Income for the period (V+VI)**		**63,151.31**	**(4,190.85)**	**58,960.46**	**3,470.13**	**62,430.60**

* Under Indian GAAP, investment in two companies i.e. Vardhman Yarns and Threads Ltd. and Vardhman Nisshinbo Garments Company Limited were considered as investments in subidiaries. However under Ind AS, these companies have been considered as Joint ventures. Accordingly all incomes and expenses pertaining to Joint ventures which were consolidated line by line in Indian GAAP are excluded and share in total comprehensive income in Joint ventures has been accounted using the equity method.

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36 (a) Financial Instruments by Category

(a) The carrying value and fair value of financial instruments at the end of each reporting period is as follows:

As at 31st March 2017

(Amount in Lakhs)

Particulars	At Cost	At Amortized cost	At fair value through profit or loss		At fair value through OCI		Total carrying value	Total Fair value
			Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:								
Investments (Non Current) (Refer Note 4)				85,253.39	622.01	-	85,875.40	85,875.40
Loans (Non Current) (Refer Note 5)		61.97					61.97	61.97
Other financial non-current assets (Refer Note 6)		204.71					204.71	204.71
Investments (Current) (Refer Note 9)				93,439.88			93,439.88	93,439.88
Trade receivables (Refer Note 10)		73,349.58					73,349.58	73,349.58
Cash and Cash Equivalents (Refer Note 11)		4,228.68					4,228.68	4,228.68
Other Bank Balances (Refer Note 11A)		236.37					236.37	236.37
Loans (Current) (Refer Note 12)		2,971.30					2,971.30	2,971.30
Other financial assets (Current) (Refer Note 13)		3,443.89		1,516.62			4,960.52	4,960.52
Total	**-**	**84,496.50**	**-**	**180,209.90**	**622.01**	**-**	**265,328.41**	**265,328.41**
Liabilities:								
Borrowings (Non Current) (Refer Note 17)	-	74,270.02					74,270.02	74,270.02
Other financial liabilities (Non Current) (Refer Note 18)		48.78					48.78	48.78
Borrowings (Current) (Refer Note 22)		106,632.17					106,632.17	106,632.17
Trade Payables (Refer Note 23)		24,515.22					24,515.22	24,515.22
Other financial liabilities (Current) (Refer Note 24)		61,787.17					61,787.17	61,787.17
Total	**-**	**267,253.37**	**-**	**-**	**-**	**-**	**267,253.37**	**267,253.37**

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As at 31st March 2016

(Amount in Lakhs)

Particulars	At Cost	At Amortized cost	At fair value through profit or loss		At fair value through OCI		Total carrying value	Total Fair value
			Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:								
Investments (Non Current) (Refer Note 4)				94,722.34	615.66		95,338.00	95,338.00
Loans (Non Current) (Refer Note 5)		81.36					81.36	81.36
Other financial non-current assets (Refer Note 6)		1,269.97					1,269.97	1,269.97
Investments (Current) (Refer Note 9)				16,027.77			16,027.77	16,027.77
Trade receivables (Refer Note 10)		77,759.39					77,759.39	77,759.39
Cash and Cash Equivalents (Refer Note 11)		21,536.43					21,536.43	21,536.43
Other Bank Balances (Refer Note 11A)		6,350.11					6,350.11	6,350.11
Loans (Current) (Refer Note 12)		3,033.43					3,033.43	3,033.43
Other financial assets (Current) (Refer Note 13)		5,352.15					5,352.15	5,352.15
Total	**-**	**115,382.84**	**-**	**110,750.12**	**615.66**	**-**	**226,748.61**	**226,748.61**
Liabilities:								
Borrowings (Non Current) (Refer Note 17)		103,972.03					103,972.03	103,972.03
Other financial liabilities (Non Current) (Refer Note 18)		19.12					19.12	19.12
Borrowings (Current) (Refer Note 22)		103,075.47					103,075.47	103,075.47
Trade Payables (Refer Note 23)		18,033.07					18,033.07	18,033.07
Other financial liabilities (Current) (Refer Note 24)		75,056.06		235.31			75,291.37	75,291.37
Total	**-**	**300,155.75**	**-**	**235.31**	**-**	**-**	**300,391.06**	**300,391.06**

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As at 1st April 2015

(Amount in Lakhs)

Particulars	At Cost	At Amortized cost	At fair value through profit or loss		At fair value through OCI		Total carrying value	Total Fair value
			Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:								
Investments (Non Current) (Refer Note 4)				49,258.51	615.66		49,874.16	49,874.16
Loans (Non Current) (Refer Note 5)		87.76					87.76	87.76
Other financial non-current assets (Refer Note 6)		12,426.13					12,426.13	12,426.13
Investments (Current) (Refer Note 9)		-		27,658.48			27,658.48	27,658.48
Trade receivables (Refer Note 10)		82,017.73					82,017.73	82,017.73
Cash and Cash Equivalents (Refer Note 11)		6,332.10					6,332.10	6,332.10
Other Bank Balances (Refer Note 11A)		11,669.55					11,669.55	11,669.55
Loans (Current) (Refer Note 12)		3,702.56					3,702.56	3,702.56
Other financial assets (Current) (Refer Note 13)		4,102.10					4,102.10	4,102.10
Total	**-**	**120,337.92**	**-**	**76,916.98**	**615.66**	**-**	**197,870.56**	**197,870.56**
Liabilities:							-	-
Borrowings (Non Current) (Refer Note 17)		133,475.34					133,475.34	133,475.34
Other financial liabilities (Non Current) (Refer Note 18)		30.69		1,268.80			1,299.49	1,299.49
Borrowings (Current) (Refer Note 22)		60,716.20					60,716.20	60,716.20
Trade Payables (Refer Note 23)		19,645.55					19,645.55	19,645.55
Other financial liabilities (Current) (Refer Note 24)		89,462.64		892.98			90,355.62	90,355.62
Total	**-**	**303,330.41**	**-**	**2,161.78**	**-**	**-**	**305,492.20**	**305,492.20**

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forming part of financial statements for the year ended 31st March, 2017

36 (b) Fair Value Measurement

(i) Fair Value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

(ii) The following table presents fair value hierarchy of assets and liabilities measured at fair value:

As at 31st March 2017

(Amount in Lakhs)

Particulars	Fair Value	Fair Value measurement using		
		Level 1	Level 2	Level 3
Long term Investments				
Fair Value through OCI (Equity instruments designated upon initial recognition)	622.01			622.01
Fair Value through Profit and Loss	85,253.39	85,253.39		
Current Investments				
Fair Value through Profit and Loss	93,439.88	3,416.19	90,023.69	
Other financial current assets				
-Derivative financial instruments	1,516.62		1,516.62	

As at 31st March 2016

(Amount in Lakhs)

Particulars	Fair Value	Fair Value measurement using		
		Level 1	Level 2	Level 3
Long term Investments				
Fair Value through OCI (Equity instruments designated upon initial recognition)	615.66			615.66
Fair Value through Profit and Loss	94,722.34	94,722.34		
Current Investments				
Fair Value through Profit and Loss	16,027.77	-	16,027.77	
Other financial current liabilities				
-Derivative financial instruments	235.31		235.31	

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As at 1st April 2015

(Amount in Lakhs)

Particulars	Fair Value	Fair Value measurement using		
		Level 1	Level 2	Level 3
Long term Investments				
Fair Value through OCI (Equity instruments designated upon initial recognition)	615.66			615.66
Fair Value through Profit and Loss	49,258.51	49,258.51		
Current Investments				
Fair Value through Profit and Loss	27,658.48	-	27,658.48	
Other financial non current liabilities				
-Derivative financial instruments	1,268.80		1,268.80	
Other financial current liabilities				
-Derivative financial instruments	892.98		892.98	

37. Contingent liabilities and Commitments (to the extent not provided for):-

I. Contingent liabilities

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Contingent Liabilities			
Claims not acknowledged as debts	436.37	1,020.77	827.69
Bank Guarantees and Letters of Credit outstanding	11,757.30	6,623.17	10,832.04
Other monies for which the company is contingently liable			

a) The Company has contested the additional demand in respect of Sales Tax, Excise Duty etc., amounting to ₹ 1133.72 Lakhs (31.03.2016 ₹ 1745.07 Lakhs, 01.04.2015 ₹ 1698.58 Lakhs). As against this a sum of ₹ 134.61 Lakhs (31.03.2016 ₹ 165.95 Lakhs, 01.04.2015 ₹ 170.14 Lakhs) has been deposited under protest and stands included under the head "Balance with government authorities in note-14 – Other Current Assets ". The Company has filed an appeal with the Appellate Authorities and is advised that the demand is not in accordance with law. No provision, therefore, has been made in accounts in respect thereof.

b) The Company has contested the additional demand in respect of income tax amounting to ₹ 18296.44 Lakhs (31.03.2016 ₹ 18346.15 Lakhs, 01.04.2015 ₹ 17480.88 Lakhs). Provision of ₹ 15683.93 Lakhs (31.03.2016 ₹ 15709.65 Lakhs, 01.04.2015 ₹ 14821.69 Lakhs) in this respect has not been made as the company has filed various appeals with the appellate authorities and the company is confident to get the desired relief.

c) The company had taken over the textile undertaking of Vardhman Holdings Limited (formerly known as Vardhman Spinning & General Mills Limited) by a scheme of Arrangement and De-merger. An injunction was obtained against the London Branch of the said textile undertaking for preventing disposal of assets upto the value of Pound Sterling 2.99 Lakhs as a result of a court case pending in London for alleged non-fulfilment of an agreement of cotton purchase. The said matter had been decided against the said textile undertaking and accordingly, Pound Sterling 0.48 Lakhs lying in the bank account at London had been paid to the claimant pursuant to the Order of the Court. The said amount was written off in the books of the said undertaking by way of debit to the statement of Profit and Loss. No

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provision has been made for the balance decreed amount by the undertaking in view of the fact that the said undertaking was prevented by force majure in fulfiling its part of contract. The Company as successor to the textile undertaking is contesting this matter in Indian Courts and is confident that there would not be any further liability in this regard.

II. Commitment

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 01st April, 2015
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	8,187.20	7,187.40	12,284.06
Exports obligations under Export Promotion Capital Goods (EPCG) scheme#	17,312.46	51,854.36	52,063.36

#The Company has executed bonds for an aggregate amount of ₹ 101304.77 Lakhs (31.03.2016 ₹ 122888.68 Lakhs, 01.04.2015 ₹ 94274.63 Lakhs) in favour of the President of India under section 59 (2) and 67 of the Customs Act,1962 and Central Excise and salt Act, 1944 for fulfilment of the obligation under the said Acts. However, ₹ 17312.46 Lakhs (31 March 2016: ₹ 51854.36 Lakhs, 1 April 2015: ₹ 52063.36 Lakhs) is outstanding to be discharged against these bonds.

38. Amortisation of Intangible assets

a. Softwares have been amortised @ 25% on straight line basis as the useful life has been estimated to be not more than four years.

b. Right to use power lines have been amortised @ 20% on straight line basis as the useful life thereof has been estimated to be not more than five years.

c. Contribution to CETP has been amortised @ 20% on straight line basis as the useful life thereof has been estimated to be not more than five years.

39. (a) The Company was holding its own 15,98,741 (31.03.2016- 15,98,741) equity shares of ₹ 10 each through a Trust, which were received by it in its capacity as a shareholder of Vardhman Holdings Limited, in accordance with the 'Scheme of Arrangement and Demerger'. Out of above 1,36,539 shares were tendered during the year in terms of buy back announced by the company. During the year the value of remaining shares has been adjusted by debit to equity & retained earnings in accordance with IND AS 32.

(b) The aforesaid Trust is also holding 3,19,748 equity shares (31.03.2016- 3,19,748) of ₹ 10 each of VSSL which were allotted to it in the capacity of a shareholder of the company by virtue of 'Scheme of Arrangement & Demerger' entered into by the company, Vardhman Special Steels Limited and their respective shareholders and creditors.

As the aforesaid shares are held by a Trust on behalf of the company and company not being registered owner of shares, the cost of these shares is not reflected in Investments but same has been valued at cost as reflected in other current asset..

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(c) The detail of the amount recoverable from Mahavir Share Trust as at the close of the year is as under:

(Amount in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 01st April, 2015
Cost of Shares (VTXL)	1,306.32	1,428.30	1,428.30
Cost of Shares (VSSL)	357.10	357.10	357.10
Other recoverable	2.48	2.99	2.60
Total	**1,665.90**	**1,788.41**	**1,788.02**

The amount recoverable on account of equity shares of VTXL held by the trust has been reduced from equity share capital & retained earnings.

40. Segment Information as required by Ind AS- 108 'Operating Segments' on Segment Reporting as compiled on the basis of the consolidated financial statements is disclosed below :

The company has identified two segments as reportable segments viz textiles and fibre

(Amount in Lakhs)

	Textiles		Fibre		Unallocated		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
REVENUE								
External sales	5,86,529.21	5,67,666.20	19,905.30	21,539.19	242.08	322.11	6,06,676.59	5,89,527.50
Inter-segment sales	6.20	-	16,878.10	23,220.01	27,846.10	25,615.02	44,730.40	48,835.03
Other income	8,706.25	6,076.56	2,239.45	2,154.89	66.29	60.42	11,011.99	8,291.87
Total revenue	5,95,241.66	5,73,742.76	39,022.85	46,914.09	28,154.47	25,997.55	6,62,418.98	6,46,654.40
RESULT								
Segment results	93,994.79	81,268.98	5,749.82	6,176.98	9,472.78	5,614.96	1,09,217.39	93,060.92
Unallocated Corporate Expenses (Net)							(31,871.32)	(2,977.26)
Operating profit							1,41,088.71	96,038.18
Interest expense							9,294.98	8,886.40
Income tax - Current							30,263.39	23,897.59
- Mat Credit entitlement							(1,239.63)	4.20
- Deferred							3,342.30	842.54
- Fringe benefit							-	
Profit from ordinary activities							99,427.67	62,407.45
Extraordinary loss / (income)							-	
Net profit							99,427.68	62,407.44
OTHER INFORMATION								
Segment assets	4,96,397.02	5,25,088.16	39,185.99	39,533.08	17,423.25	18,397.11	5,53,006.26	5,83,018.35

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(Amount in Lakhs)

	Textiles		Fibre		Unallocated		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Unallocated Corporate Assets							1,98,527.75	1,68,312.39
Total assets	4,96,397.02	5,25,088.16	39,185.99	36,901.28	17,423.25	19,729.95	7,51,534.01	7,51,330.74
Segment Liabilities	45,918.02	41,583.00	7,498.01	4,012.00	3,212.06	3,141.18	56,628.09	48,736.18
Unallocated Corporate Liabilities							5,528.03	5,499.82
Total liabilities	45,918.02	41,583.00	7,498.01	5,112.61	3,212.06	1,765.34	62,156.12	54,236.00
Capital expenditure	29,838.46	39,928.00	109.07	569.18	3.72	123.47	29,951.25	40,620.65
Depreciation & Amortisation	32,701.96	35,701.45	460.62	441.62	656.59	779.21	33,819.17	36,922.28
Non-cash expenses other than depreciation & amortisation	-	-			-	-	-	

b) Secondary Segment Information:

(Amount in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Segment Revenue – External Turnover		
- within India	3,57,987.39	3,35,716.36
- outside India	2,48,689.20	2,53,811.14
Total Revenue	**6,06,676.59**	**5,89,527.50**

Segment Revenue & Expenses:
Segment revenue comprises sales to external customers and inter segment sales. Segment expenses comprise expenses that are directly attributable to the segment and expenses relating to transactions with other segments of the enterprise.

Segment Assets & Liabilities
Segment assets include all operating assets used by a segment and consist of cash and bank balances, debtors, inventories and fixed assets. Segment liabilities include all operating liabilities and consist of creditors and other liabilities. Segment assets and liabilities do not include current and deferred taxes.

Inter Segment Transfers:
Inter segment transfers are accounted for at prevailing market prices. These transfers are eliminated in consolidation.

41. In accordance with Ind AS-36 on "Impairment of Assets" the Company has assessed as on the balance sheet date, whether there are any indications with regard to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of account

Notes

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42. Earning Per Share

(a) The calculation of Earning Per Share (EPS) as disclosed in the statement of profit and loss has been made in accordance with Indian Accounting Standard (Ind AS)-33 on "Earning Per Share"

(i) A statement on calculation of basic & Diluted EPS is as under:

(Amount in Lakhs)

Particulars	31.03.2017	31.03.2016
Net Profit after tax attributable to equity shareholders	98,141.44	61,459.32
Total (A)	**98,141.44**	**61,459.32**
Weighted average number of equity shares (No in lac)	601.71	609.12
Total (B)	**601.71**	**609.12**
Basic earning per Share (₹) (A)/(B)	**163.10**	**100.89**
Diluted earning per Share (₹) * (A)/(B)	**163.10**	**100.89**
Face value per equity share (₹)	10.00	10.00

* There are no potential equity shares

43. The Company owes dues of ₹ Nil (previous year ₹ 4.47 Lakhs) towards Micro and Small Enterprises, which are outstanding for more than 45 days as at 31st March, 2017. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company

44. Leases :

The Company has leased facilities under cancellable and non-cancellable operating leases arrangements with a lease term ranging from one to five years, which are subject to renewal at mutual consent thereafter. The cancellable arrangements can be terminated by either party after giving due notice. The lease rent expenses recognised during the year amounts to ₹ 177.00 Lakhs (31.03.2016 ₹ 172.06 Lakhs). The future minimum lease payments in respect of the non-cancellable operating leases are:

(Amount in Lakhs)

Particulars	31-Mar-17	31-Mar-16
Within one year	154.46	145.02
After one year but not more than five years	333.00	332.29
More than five years	4,491.99	4,559.03

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45. Related Party Disclosure

(a) Disclosure of Related Parties and relationship between the parties.

1.	Subsidiaries	VMT Spinning Company Limited
		Vardhman Acrylics Limited
		VTL Investments Limited
2.	Joint Venture	Vardhman Yarns and Threads Limited (upto 31.08.2016)
		Vardhman Nisshinbo Garments Company Limited
3	Associates	Vardhman Spinning and General Mills Limited
		Vardhman Special Steels Limited
		Vardhman Yarns and Threads Limited (w.e.f 01.09.2016)
3.	Key Management Personnel (KMP)	Mr. S.P.Oswal, Chairman and Managing Director
		Mr. Sachit Jain, Joint Managing Director
		Mrs. Suchita Jain, Joint Managing Director(w.e.f 24.08.2016)
		Mr. Neeraj Jain, Joint Managing Director
		Mr. Rajeev Thapar (Chief Financial Officer)
		Ms. Karan Kamal Walia (Company Secretary)
4.	Enterprises over which key Management Personnel and relative of such personnel is able to exercise significant influence or control	Vardhman Holdings Limited
		Vardhman Apparels Limited
		Smt. Banarso Devi Oswal Public Charitable Trust
		Sri Aurobindo Socio Economic and Management Research Institute
		#Adhiswar Enterprises LLP (formerly known as Adinath Investment and Trading Company)
		#Devakar Investment and Trading Co. Limited
		# *Srestha Holdings Limited
		#Santon Finance and Investment Co. Limited
		#Flamingo Finance and Investment Co. Limited
		#Ramaniya Finance and Investment Co. Limited
		#*Marshall Investment and Trading Co. (P) Limited
		#*Pardeep Mercentile Co. (P) Limited
		#*Plaza Trading Co. (P) Limited
		#*Anklesh Investment (P) Limited
		#*Syracuse Investment and Trading Co. (P) Limited
		# Mahavir Spinning Mills (P) Ltd.
		#Northern Trading Co.
		#Amber Syndicate
		#Paras Syndicate
		#Adinath Syndicate
		#Eastern Trading Company
5.	Relatives of KMP	Ms. Soumya Jain

Note: *These companies have been merged into Diwakar Investment & Trading Company Limited during the current year.

#No transaction has taken place during the year.

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(b) Description of the nature of transactions with the related parties :-

(Amount in Lacs)

Particulars	Associates		Joint Venture		Key Manangement Personnel (KMP)		Relative of Management Personnel (KMP)		Enterprises over which KMP is able to exercise significant influence		Total	Total
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Purchase/processing of goods	1,082.54	518.00	5.96	2.90	-	-	-	-	-	-	1,088.50	520.91
Purchase of DEPB licences	6.55	-	-	-	-	-	-	-	-	-	6.55	-
Sale/processing of goods	670.75	508.43	1,398.36	1,602.38	-	-	-	-	-	-	2,069.11	2,110.81
Sale of DEPB licences		368.53	-	-	-	-	-	-	-	-	-	368.53
Purchase of fixed assets	2,821.63	0.99	-	-	-	-	-	-	-	-	2,821.63	0.99
Sale of fixed assets	6,356.78	45.90	1.59		-	-	-	-	-	-	6,358.37	45.90
Donation paid	-	-	-	-	-	-	-	-	418.66	472.00	418.66	472.00
Rent paid	0.10	-	-	-	-	-	-	-	9.81	9.61	9.91	9.61
Reimbursement of expenses paid	484.70	758.26	15.71	59.67	-	-	-	-	-	-	500.41	817.94
Reimbursement of expenses received	590.89	793.05	3.41	2.20	-	-	-	-	-	-	594.30	795.24
Receipt against corporate service agreement*	420.44	422.87	2.85	2.85	-	-	-	-	-	-	423.29	425.72
Payment against licence agreement	-	-	-	-	-	-	-	-	156.00	154.04	156.00	154.04
Interest paid	-	0.03	-	-	-	-	-	-	-	-	-	0.03
Interest received	117.56	71.50	92.30	97.03	-	-	-	-	-	-	209.86	168.53
Rent received	34.41	22.51	-	-	-	-	-	-	-	-	34.41	22.51
Dividend received	-	10,873.00	-	-	-	-	-	-	-	-	-	10,873.00
Dividend paid	-	-	-	-	-	-	-	-	-	9,277.33	-	9,277.33
KMP Rmuneration	-	-	-	-	3,183.44	2,169.45	-	-	-	-	3,183.44	2,169.45
Salary Paid	-	-	-	-	-	-	6.58	4.16	-	-	6.58	4.16
Loan given (including Opening Balance)	1,500.00	7,254.57	1,399.12	1,599.12	-	-	-	-	-	-	2,899.12	8,853.69
Loan received back	-	5,754.57	200.00	400.00	-	-	-	-	-	-	200.00	6,154.57
Closing balance	1,500.00	1,500.00	1,199.12	1,199.12	-	-	-	-	-	-	2,699.12	2,699.12
Year end balance receivable	3.79	153.89	295.76	523.08	-	-	-	-	-	-	299.55	676.97
Year end balance payable	479.68	18.88	-	-	-	-	-	-	-	-	479.68	18.88

*excluding service tax

Notes

forming part of financial statements for the year ended 31st March, 2017

Contribution paid to trusts under Post-employment benefit plan

(Amount in Lakhs)

Particulars	Current year	Previous year
Mahavir Employee Gratuity Fund Trust	383.03	578.90
Mahavir Superannuation Trust	77.43	64.33

46. Income tax:

(a) Movement in deferred tax assets & liabilities during the year:

	As at 1st April 2015	Movement during 2015-16	As at 31st March 2016	Movement during 2016-17	As at 31st march 2017
Deferred tax Liability					
Depreciation	22,382.32	(469.58)	21,912.74	418.49	22,331.23
Fair valuation Gain on investments	1,523.44	1,929.65	3,453.09	3549.85	7002.94
MTM Gain on forex fluctuation	217.46	(189.66)	27.80	-	27.80
Others	83.81	36.51	120.32	(102.13)	18.19
(A)	24,207.03	1,306.92	25,513.95	3,745.86	29,380.16
Deferred tax Asset					
43B Disallowances	1,239.76	420.43	1,660.19	426.74	2,086.93
Provision for Doubtful Debt	34.88	44.62	79.50	94.97	174.47
(B)	**1,274.64**	**465.05**	**1,739.69**	**521.71**	**2,261.40**
Deferred tax liability (Net) (A-B)	**22,932.38**	**841.87**	**23,774.26**	**3,224.16**	**27,118.77**

(b) Reconciliation of Deferred tax liabilities (net)

(Amount in Lakhs)

Particulars	Current year	Previous year
Balance at the beginning of the year	23,774.26	22,932.39
Deferred tax (income)/expenses during the year recognized in Statement of Profit and loss	3,342.30	842.54
Deferred tax (income)/expenses during the year recognized in Other Comprehensive income	2.21	(0.66)
Deferred tax (income)/expenses during the year recognized in directly in equity	-	-
Balance at the end of the year	**27,118.77**	**23,774.26**

Notes

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(c) Reconciliation of tax expense and the Profit before tax multiplied by statutory tax rate :

(Amount in Lakhs)

Particulars	Current year	Previous year
Accounting profit before tax	1,31,793.75	87,151.78
Tax at statutory income tax rate of 34.608% / 23.072% (31 March 2016: 34.608%)	44,836.45	29,649.04
Tax effect of the amounts not deductible for computing taxable income		
Depreciation difference	(400.12)	185.45
Disallowances	(3,655.33)	962.45
Deductions/Exemption	(6,285.99)	(7,291.77)
MAT Credit Entitlement	(1,239.63)	4.20
Adjustment in capital gain under Income Tax Provision	(3,686.77)	-
Fair valuation Gain on investments	3,547.65	1,929.65
MTM Gain on forex fluctuation	-	(189.66)
43B Disallowances	(426.73)	(420.43)
Provision for Doubtful Debt	(94.97)	(44.62)
Others	(228.49)	(39.97)
Income tax expense	32,366.07	24,744.34

47. Disclosure required by Regulation 34 read with Schedule V of SEBI (Listing obligations and Disclosure Requirements) Regulations,2015:-

(i) The Company has given inter corporate deposits aggregating to ₹ Nil (31.03.2016 ₹ 4,700 Lakhs, 01.04.2015 ₹ 65,079 Lakhs) to M/s Vardhman Special Steels Limited. The maximum amount outstanding during the year was ₹ 1,500 Lakhs (31.03.2016 ₹ 1,954.57 Lakhs, 01.04.2015 ₹ 6,535.74 Lakhs). The Balance outstanding as on 31.03.2017 is ₹ 1,500 Lakhs (31.03.2016 ₹ 1,500 Lakhs, 01.04.2015 ₹ 2,554.57 Lakhs).

(ii) The Company has given inter corporate deposits aggregating to ₹ 200 Lakhs (31.03.2016 ₹ 681.00 Lakhs, 01.04.2015 ₹ 1,636 Lakhs) to M/s Vardhman Nisshinbo Garments Company Limited during the year. The maximum amount outstanding during the year was ₹ 1199.12 Lakhs (31.03.2016 ₹ 1,199.12 Lakhs, 01.04.2015 ₹ 1,187.62 Lakhs). The Balance outstanding as on 31.03.17 is ₹ 1199.12 Lakhs(31.03.2016 ₹ 1,199.12 Lakhs, 01.04.2015 ₹ 918.12 Lakhs).

(iii) The Company has given inter corporate deposits aggregating to ₹ Nil (31.03.2016 ₹ NIL, 01.04.2015 ₹ 2,621.00 Lakhs) to M/s Vardhman Yarns and Threads Limited during the year. The maximum amount outstanding during the year was ₹ Nil (31.03.2016 ₹ NIL, 01.04.2015 ₹ 861.00 Lakhs). The Balance outstanding as on 31.03.17 is ₹ Nil (31.03.2016 ₹ NIL, 01.04.2015 ₹ NIL).

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48. Prior period items are as follows :-

(Amount in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Other Expenses	135.06	205.16
Finance Cost	(7.65)	(15.90)
Employee benefit Expenses	3.29	1.75
Cost of material consumed	15.88	116.65
Other Income	(28.61)	(28.27)
Revenue from operations	23.08	1.17
Net Prior period(Income)/Expense	**141.05**	**280.55**

49. Interest expense is net of interest income from :-

(Amount in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(i) Related parties	211.16	336.01
(ii) Current investments	1757.18	1,489.48
(iii) Long Term Investments	15.23	179.52
(iv) Deposits and others	1589.15	1657.05

50. In accordance with the provisions of Section 135 of the Companies Act, 2013 the company has paid a sum of ₹ 592.34 Lakhs (31.03.2016 ₹ 491.44 Lakhs) towards approved CSR activities. The said amount stands debited to the "Miscellaneous" under the head "other expenses".

51. Employee Benefits :

Gratuity plan: The Company has a gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act or as per the Company's plan, whichever is more beneficial.

The following tables set out the disclosures in respect of the gratuity plan as required under Ind AS 19.

(a) Changes in the present value of the obligations:

(Amount in Lakhs)

Particulars	Current Year	Previous Year
Present value obligation as at beginning of the year	4,464.16	3,809.77
Transferred during the year	14.58	-
Interest cost	350.40	291.17
Current service cost	732.24	692.99
Benefits Paid	(550.97)	(350.22)
Actuarial (gain)/ loss on Obligations	136.42	20.45
Present value obligation as at end of the year	**5,146.83**	**4,464.16**

Notes

forming part of financial statements for the year ended 31st March, 2017

(b) Change in Fair Value of Plan Asset

(Amount in Lakhs)

Particulars	Current Year	Previous Year
Fair value of Plan Assets as at beginning of the year	4,070.09	3,030.23
Actual return on Plan Assets	402.75	260.41
Contributions	394.06	796.94
Benefits Paid	-	(0.02)
Withdrawal	-	(17.47)
Fair value of Plan Assets as at end of the year	**4,866.90**	**4,070.09**

(c) Amount recognized in Balance Sheet:

(Amount in Lakhs)

Particulars	Current Year	Previous Year
Present value obligation as at end of the year	5,146.83	4,464.16
Fair value of Plan Assets as at end of the year	4,866.90	4,070.10
Funded Status	(279.93)	(394.06)
Present value of unfunded obligation as at end of the year	-	-
Unfunded Actuarial (gains)/ losses	-	-
Unfunded Net Asset/ (Liability) recognised in Balance Sheet.	(279.93)	(394.06)

The above liability includes current liability of ₹ 266.37 Lakhs (previous year ₹ 393.32 Lakhs)

(d) Actuarial Gain/Loss on Plan Assets

(Amount in Lakhs)

Particulars	Current Year	Previous Year
Expected Interest Income	327.62	225.71
Actual Income on Plan Asset	402.75	260.41
Actuarial gain /(loss) for the year on Asset	**75.13**	**34.70**

(e) Expenses Recognized in Profit & Loss:

(Amount in Lakhs)

Particulars	Current Year	Previous Year
Current service cost	732.24	692.99
Interest cost	350.40	291.17
Expected Interest Income	(327.62)	(225.71)
Total Expenses recognised in Profit & Loss Account	**755.02**	**758.45**

(f) OCI Recognized:

(Amount in Lakhs)

Particulars	Current Year	Previous Year
Actuarial gain / (loss) for the year on Pension Benefit Obligation	(136.41)	(20.44)
Actuarial gain /(loss) for the year on Asset	75.13	34.70
Unrecognized actuarial gain/(loss) at the end of the year	**(61.29)**	**14.26**

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(g) Investment details of Fund :

(Amount in Lakhs)

Particulars	Current Year	Previous Year
Mutual Funds	529.35	311.31
Government Securities & Bonds	4,328.70	3,509.87
Bank Balance	8.85	248.92
TOTAL	**4,866.90**	**4,070.10**

(h) Principal actuarial assumption at the Balance Sheet Date (expressed as weighted average):

(Amount in Lakhs)

Particulars	Current Year	Previous Year
Discount Rate (per annum)	7.35%	8.00%
Rate of increase in compensation levels (per annum)	6.00%	6.00%
Expected Average remaining working lives of employees (years)	26.94	26.87
Method Used	Projected Unit Credit	Projected Unit Credit

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employee market.

(i) The quantitative sensitivity analysis on net liability recognized on account of change in significant assumptions:

(Amount in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Discount Rate		
0.50% Increase	(221.35)	(172.63)
0.50% decrease	240.01	195.44
Future Salary increase	0.00	0.00
0.50% Increase	242.02	198.26
0.50% decrease	(209.15)	(184.60)

As per Actuarial Certificate, sensitivities due to mortality & withdrawals are not material & hence impact of change has not been calculated.

(j) The following payments are expected contributions to the defined benefit plan in future years:

(Amount in Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Within 1 year	645.84	712.76
1-5 years	1,185.85	1,089.73
Beyond 5 years	3,315.14	2,661.67
Total expected payments	**5,146.83**	**4,464.16**

(k) The average duration of the defined benefit plan obligation at the end of the reporting period is 13.65 years (31 March 2016: 14.00 years).

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52. Financial Risk Management

The principal financial assets of the Company include loans, trade and other receivables, and cash and bank balances that derive directly from its operations. The principal financial liabilities of the company, include loans and borrowings, trade and other payables and the main purpose of these financial liabilities is to finance the day to day operations of the company.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and that advises on financial risks and the appropriate financial risk governance framework for the Company.

This note explains the risks which the company is exposed to and policies and framework adopted by the company to manage these risks:

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: foreign currency risk, interest rate risk, investment risk.

(i) Foreign currency risk

The company operates internationally and business is transacted in several currencies. The export sales of company comprise around 35% of the total sales of the company, Further the company also imports certain assets and material from outside India. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently the company is exposed to foreign currency risk and the results of the company may be affected as the rupee appreciates/ depreciates against foreign currencies. Foreign exchange risk arises from the future probable transactions and recognized assets and liabilities denominated in a currency other than company's functional currency.

The company measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency risk by appropriately hedging the transactions. The Company uses a combination of derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

The following table summarizes the company's exposure foreign currency risk from financial instruments at the end of each reporting period:

Notes

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a) Exposure on account of Financial Assets

Foreign Currency In Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
a) Exposure on account of Financial Assets		
Trade receivables (net of bill discounted) (A)		
-In USD	538.14	421.93
-In Euro	41.93	33.1
Amount hedged through forwards & options # (B)		
-In USD	528.93	414.78
-In Euro	41.93	33.1
Net Exposure to Foreign Currency Assets (C=A-B)		
-In USD	9.21	7.15
-In Euro	-	-
b) b) Exposure on account of Financial Liabilities		
Trade Payables (D)		
-In USD	43.28	44.09
-In Euro	7.88	15.08
-In CHF	7.92	7.96
-In GBP	-	0.39
-In JPY	615.17	494.69
Amount Hedged through forwards & options # (E)		
-In USD	43.28	44.09
-In Euro	7.82	15
-In CHF	-	0.72
-In GBP	-	0.24
-In JPY	452.41	0.00
Net Exposure to Foreign Currency Liabilities F =(C+D-E)		
-In USD	-	-
-In Euro	0.06	0.08
-In CHF	7.92	7.24
-In GBP	-	0.15
-In JPY	162.76	494.69
Net Exposure to Foreign Currency Assets/(Liability) (C-F)		
-In USD	9.21	7.15
-In Euro	(0.06)	(0.08)
-In CHF	(7.92)	(7.24)
-In GBP	-	(0.15)
-In JPY	(162.76)	(494.69)

The forwards and options have been considered to the extent of financial assets/liabilities only.

Notes

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The following significant exchange rates applied during the year:

Particulars	2016-17 (Average exchange rate)	2015-16 (Average exchange rate)	2016-17 (Year end rates)	2015-16 (Year end rates)
INR/USD	65.55	64.38	64.86	66.25
INR/EURO	72.20	71.01	69.31	75.09
INR/CHF	66.88	66.47	64.84	68.92
INR/GBP	88.26	93.70	81.40	95.12
INR/JPY	0.58	0.55	0.58	0.58

Foreign currency sensitivity

The impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives on account of reasonably possible change in USD and Euro exchange rates (with all other variables held constant) will be as under:

(Amount in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
10% Strengthening/weakening of USD against INR	59.86	47.37
10% Strengthening/weakening of Euro against INR	0.42	0.60
10% Strengthening/weakening of CHF against INR	51.36	49.90
10% Strengthening/weakening of GBP against INR	-	1.47
10% Strengthening/weakening of JPY against INR	9.44	28.69

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements. The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

At the reporting date the interest rate profile of the Company's interest bearing financial instrument is at its fair value:

Notes

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(Amount in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016
Variable rate instruments		
Long term borrowings	74,270.02	1,03,972.03
Current maturities of long term debt	42,933.50	55,979.34
Short term borrowings	1,06,632.17	1,03,075.47

Cash flow sensitivity analysis for variable rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. A change of 100 basis points in interest rates for variable rate instruments at the reporting date would have increased/(decreased) profit or loss for the below years by the amounts shown below. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(Amount in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016
Increase/ (decrease) in 100 basis point	2,238.36	2,630.26

(iii) Investment Risk

The company is exposed to equity price risk arising from equity investments.

The company manages equity price risk by investing in fixed deposits/Fixed Maturity Plan, debt instruments and Liquid funds. The company does not actively trade equity investments. Equity investments are mainly held for strategic rather than trading purposes. Protection principle is given high priority by limiting company's investments to AA and higher rated companies and top rated money market instruments only.

Liquidity Risk

The financial liabilities of the company, other than derivatives, include loans and borrowings, trade and other payables. The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

The company monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool. The company plans to maintain sufficient cash and marketable securities to meet the obligations as and when fall due.

Notes

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The below is the detail of contractual maturities of the financial liabilities of the company at the end of each reporting period:

(Amount in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Borrowings		
0-1 years	1,49,565.67	1,59,054.81
1-5 years	73,430.43	1,03,962.36
More than 5 years	1,025.00	282.00
Trade Payables		
0-1 years	24,515.22	18,033.07
1-5 years	-	-
More than 5 years	-	-
Other Financial liabilities		
0-1 years	18,853.67	19,312.02
1-5 years	48.78	19.12
More than 5 years	-	-

Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured. Credit risk on cash and bank balances is limited as the company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. Investments primarily include investment in liquid mutual fund units, bonds, fixed maturity plan etc. issued by institutions having proven track record. The Company's credit risk in case of all other financial instruments is negligible.

The company assesses the credit risk based on external credit ratings assigned by credit rating agencies. The company also assesses the creditworthiness of the customers internally to whom goods are sold on credit terms in the normal course of business. The credit limit of each customer is defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to overseas customers are generally covered by letters of credit.

The impairment analysis is performed on client to client basis for the debtors that are past due at the end of each reporting date. The company has not considered an allowance for doubtful debts in case of trade receivables that are past due but there has not been a significant change in the credit quality and the amounts are still considered recoverable.

The following is the detail of revenues generated from top five customers of the company and allowance for lifetime expected credit loss:

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(Amount in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
(a) Revenue from top five customers		
- Amount of sales	83,411.79	1,00,319.72
-% of total sales	34.33%	40.56%
(b) Allowance for doubtful debt		
-Balance at the beginning of the period	202.76	18.79
-Recognized during the year	294.02	183.97
-Amount written off	-	-
-Balance at the end of the period	**496.78**	**202.76**

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables as disclosed at Note 10.

Write off policy

The financials assets are written off in case there is no reasonable expectation of recovering from the financial asset.

53. Capital Management

The capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants which otherwise would permit the banks to immediately call loans and borrowings. In order to maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's gearing ratio was as follows:

(Amount in Lakhs)

Particulars	Financial Year ended 31.03.2017	Financial Year ended 31.03.2016
Borrowings	2,23,835.69	2,63,026.84
Less: Cash and cash equivalents	4,465.05	27,886.54
Net debt	2,19,370.64	2,35,140.30
Total equity	4,38,541.07	4,10,293.62
Capital and Net debt	6,57,911.71	6,45,433.92
Gearing ratio	33.34%	36.43%

Further, there have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year ended 31st March 2017.

There were no changes in the objectives, policies or processes for managing capital during the year ended 31 March 2017 and 31 March 2016.

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54. Disclosure on Specified Bank Notes (SBNs)

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

(Amount in Lakhs)

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8th November 2016	39.42	3.61	43.03
(+) Permitted receipts	-	1,07.51	1,07.51
(+) Withdrawal from Banks	-	27.26	27.26
(-) Permitted payments	-	68.62	68.62
(-) Amount deposited in Bank	39.42	26.26	65.68
Closing cash in hand as on 30th December 2016	-	43.50	43.50

*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.

55. Interest in Other Entities

1. The Consolidated Financial Statements present the Consolidated Accounts of Vardhman Textiles Limited with its following Subsidiaries, Joint Ventures & Associates.

(Amount in Lakhs)

Name of Company	Country of in-corporation	Activities	Proportion of Ownership of Interest		
			As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
A. Subsidiaries			27,361.61	26,340.43	27,856.19
(i) Vardhman Acrylics Limited	India	Textiles	70.74%	70.75%	70.75%
(ii) VMT Spinning Co. Limited	India	Textiles	89.44%	89.44%	89.44%
(iii) VTL Investments Limited	India	Lending & Investing	100%	100%	100%
B. Joint Ventures					
(i) Vardhman Yarns & Threads Limited #	India	Manufacturing & Sales of Threads	-	51.00%	51.00%
(ii) Vardhman Nisshimbo Garments Company Ltd	India	Manufacturing & Sales of Garments	51.00%	51.00%	51.00%
C. Associates					
(i) Vardhman Yarns & Threads Limited #	India	Manufacturing & Sales of Threads	11.00%	-	-
(ii) Vardhman Spinning & General Mills Limited.	India	Trading of Cotton & Manmade Fibre	50.00%	50.00%	50.00%
(iii) Vardhman Special Steels Limited	India	Manufacturing of Steels	32.61%	32.61%	32.61%

#During the financial year 2016-17, the company has sold its 40% equity stake in Vardhman Yarns & Threads Limited (VYTL), equivalent to 22,802,541 equity shares, to its Joint Venture partner namely American & Efird Global (A & E). Now the company holds 11% equity stake in VYTL equivalent to 62,69,699 equity shares. In view of changed situation, Vardhman Yarns and Threads Limited was Joint Venture of Vardhman Textiles Limited upto 31.08.2016 but it has become the associates of Vardhman Textiles Limited w.e.f. 01.09.2016.

Notes

forming part of financial statements for the year ended 31st March, 2017

2. Summarized financial information and performance of Joint venture and associates

(a) Summarized Financial Information

(Amount in Lakhs)

Particulars	Joint Venture						Associates					
	Vardhman Nisshinbo Garments Company Limited.			Vardhman Yarns & Threads Limited'			Vardhman Spinning & General Mills Limited			Vardhman Special Steels Limited		
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015
I. Assets												
(A) Non Current Assets	2,516.74	2,543.03	2,627.50	31,099.13	27,262.45	26,172.26	-	-	-	27,759.54	26,659.60	27,717.98
(B) Current Assets												
(i) Cash and Cash equivalent	12.18	2.20	0.98	2,995.89	3,048.50	2,513.30	13.59	13.40	13.41	594.64	379.07	864.85
(ii) Others	2,785.58	3,032.39	2,434.33	33,539.27	34,393.88	38,865.10	0.03	0.03	0.03	32,913.24	34,343.97	33,223.70
Total Current Asset	**2,797.76**	**3,034.59**	**2,435.31**	**36,535.16**	**37,442.38**	**41,378.40**	**13.62**	**13.43**	**13.44**	**33,507.88**	**34,723.04**	**34,088.55**
Total Asset (A+B)	**5,314.50**	**5,577.61**	**5,062.81**	**67,634.29**	**64,704.83**	**67,550.66**	**13.62**	**13.43**	**13.44**	**61,267.42**	**61,382.64**	**61,806.53**
II. Liabilities												
(A). Non Current Liabilities												
(i) Financial Liabilities	1,762.09	2,205.78	2,260.05	0.23	0.23	0.23	-	-	-	11,545.50	12,902.09	10,438.36
(ii) Non Financial Liabilities	98.95	84.35	76.01	10,572.50	10,710.23	7,203.64	-	-	-	100.03	76.77	73.43
Total Non Current Liabilities	**1,861.04**	**2,290.13**	**2,336.06**	**10,572.73**	**10,710.46**	**7,203.87**	**-**	**-**	**-**	**11645.53**	**12,978.86**	**10,511.79**
(B). Current Liabilities												
(i) Financial Liabilities	2,314.67	1,834.78	1,395.19	3,779.83	2,020.90	2,443.15	-	-	-	25,590.11	25,724.79	27,688.48
(ii) Non Financial Liabilities	604.80	864.84	897.06	7,390.04	15,991.27	5,250.50	1.65	1.40	1.13	4,223.70	4,761.90	6,094.31
Total Current Liabilities	**2,919.47**	**2,699.62**	**2,292.25**	**11,169.87**	**18,012.17**	**7,693.65**	**1.65**	**1.40**	**1.13**	**29,813.81**	**30,486.69**	**33,782.79**
Total Liabilities (A+B)	**4,780.51**	**4,989.75**	**4,628.31**	**21,742.60**	**28,722.63**	**14,897.52**	**1.65**	**1.40**	**1.13**	**41,459.34**	**43,465.55**	**44,294.58**
Net Assets (I-II)	**533.99**	**587.87**	**434.50**	**45,891.69**	**35,982.20**	**52,653.14**	**11.97**	**12.03**	**12.31**	**19,808.08**	**17,917.09**	**17,511.95**

Notes

forming part of financial statements for the year ended 31st March, 2017

(b) Summarized Performance

Particulars	Joint Venture		Associates					
	Vardhman Nisshimbo Garments Company Ltd.		Vardhman Yarns & Threads Limited		Vardhman Spinning & General Mills Limited		Vardhman Special Steels Limited	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Revenue	5,828.84	5,799.22	77,857.86	72,863.26	-	-	75,312.90	72,551.41
Profit and Loss before Tax	(50.96)	148.96	14,632.86	13,345.29	(0.07)	(0.27)	1,913.42	421.65
Tax Expense	-	-	4,719.37	4,386.08	-	-	(0.26)	-
Profit and Loss after Tax	(50.96)	148.96	9,913.49	8,959.21	(0.07)	(0.27)	1,913.68	421.65
Other Comprehensive Income	(2.92)	4.41	(3.99)	32.46	-	-	(22.67)	(16.53)
Total Comprehensive Income	(53.88)	153.36	9,909.49	8,991.66	(0.07)	(0.27)	1,891.01	405.12
Depriciation and Amortisation	167.23	167.35	2,758.48	2,453.33	-	-	1,806.70	1,703.11
Interest Expense (Net of Interest Income)	287.10	286.82	1,401.18	968.26	-	-	2,827.97	2,301.62

3. Movement of Investment in Joint Venture and Associates using equity method

Particulars	Vardhman Yarns & Threads Limited		Vardhman Nisshimbo Garments Company Ltd.		Vardhman Spinning & General Mills Limited		Vardhman Special Steels Limited	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Investment as at beginning of the Period	18,013.49	26,511.32	(210.18)	(288.40)	6.71	6.85	1,086.83	952.30
Add: Share of profit for the period	3,087.49	4,567.73	(25.99)	75.97	(0.03)	(0.14)	624.05	139.92
Add: Share of OCI for the period	(0.44)	16.75	(1.49)	2.25	-	-	(7.39)	(5.39)
Less: Dividend distributed during the period (including DDT)	-	(13,082.31)	-	-	-	-	-	-
Less: Disposed off Investment	(16,056.26)	-	-	-	-	-	-	-
Investment as at end of the Period	5,044.28	18,013.49	(237.66)	(210.18)	6.68	6.71	1,703.49	1,086.83

56. During the financial year 2016-17, the company has sold its 40% equity stake in Vardhman Yarns & Threads Limited (VYTL), equivalent to 22,802,541 equity shares, to its Joint Venture partner namely American & Efird Global(A & E) for a consideration of ₹ 413.01 crore Gain on sale of such investment amounting to ₹ 252.23 crore has been shown under the head 'Other Income'

Notes

forming part of financial statements for the year ended 31st March, 2017

57. Assets pledged as Security:-

The Carrying amount of assets pledged as security for current and non-current borrowings are :-

(Amount in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Current Assets			
Financial Assets			
Trade receivables	73,349.58	77,759.39	82,017.73
Non-Financial Assets			
Inventory	1,75,280.68	1,92,512.48	1,75,740.07
Total Current Assets Pledged as Security	**2,48,630.26**	**2,70,271.87**	**2,57,757.80**
Non Current Assets			
Property Plant & Equipment	2,57,132.13	2,60,333.22	2,60,267.68
Total Non Current Assets Pledged as Security	2,57,132.13	2,60,333.22	2,60,267.68
Total Assets Pledged as Security	**5,05,762.39**	**5,30,605.09**	**5,18,025.48**

58. For Disclosure mandated by Schedule III of Companies Act 2013, by way of additional information, refer below:

(Amount in Lakhs)

Name of Enterprise	Net Assets i.e total assets minus total liabilities		Share in profit/(loss)		Share in other comprehensive income		Share in Total comprehensive income	
	As % of consoliated net assets	Amount	As % of consoliated profit or loss	Amount	As % of consoliated profit or loss	Amount	As % of consoliated profit or loss	Amount
Parent								
Vardhman Textiles Limited	90.89%	3,98,584.71	100.74%	1,00,159.27	48.02%	(21.76)	100.76%	1,00,137.51
Subsidaries								
Indian								
Vardhman Arcylics Limited	6.74%	29,541.49	4.13%	4,110.52	25.11%	-11.38	4.12%	4,099.14
VMT Spinning Co.Limited	2.38%	10,448.21	0.83%	828.97	6.31%	(2.86)	0.83%	826.11
VTL Investment Limited	1.15%	5,055.43	0.98%	975.12	-	-	0.98%	975.12
Foreign	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Non Controlling Interest in subsidaries	2.56%	11,225.86	1.29%	1286.24	8.01%	(3.63)	1.29%	1,282.61
Associates (Investment as per the equity method)								
Indian								
Vardhman Special Steels Limited	0.41%	1,788.97	0.63%	624.05	16.31%	(7.39)	0.62%	616.66
Vardhman Spinning & General Mills Limited	0.00%	6.67	0.00%	(0.03)	0.00%	-	0.00%	(0.03)

Notes

forming part of financial statements for the year ended 31st March, 2017

(Amount in Lakhs)

Name of Enterprise	Net Assets i.e total assets minus total liabilities		Share in profit/(loss)		Share in other comprehensive income		Share in Total comprehensive income	
	As % of consoliated net assets	Amount	As % of consoliated profit or loss	Amount	As % of consoliated profit or loss	Amount	As % of consoliated profit or loss	Amount
Joint Ventures (investment as per the equity method)								
Indian								
Vardhman Nisshimbo Garments Company Limited	0.17%	762.33	-0.03%	(25.99)	3.29%	(1.49)	-0.03%	(27.48)
Vardhman Yarns & Threads Limited	1.13%	4958.8	3.11%	3087.5	0.97%	(0.44)	3.11%	3087.06

59. Figures in bracket indicate deductions.

For S.C. Vasudeva & Co.

Chartered Accountants
Firm Regn. No.: 000235N

For and behalf of the Board of Directors

(Sanjiv Mohan)
Partner
M. No. 086066

Karan Kamal Walia
Company Secretary

Rajeev Thapar
Chief Financial Officer

Sachit Jain
Joint Managing Director
DIN : 00746409

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

Place : Ludhiana
Dated: 10-05-2017

FORM AOC-1 PURSUANT TO SECTION 129(3) OF COMPANIES ACT, 2013 RELATING TO SUBSIDIARY COMPANIES

Part A

(Amount in Lakhs)

	Particular	VMT Spinning Company Limited	VTL Investments Limited	Vardhman Acrylics Limited	Vardhman Nisshinbo Garments Company Limited
		Current Year	Current Year	Current Year	Current Year
a)	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.	N.A.
b)	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	N.A.	N.A.	N.A.	N.A.
c)	Capital	2,070.02	400.00	8,036.37	1,400.00
d)	Reserves	8,378.19	4,655.43	21,505.12	(866.02)
e)	Total Assets	17,912.15	5,076.30	42,312.93	5,314.48
f)	Total Liabilites	17,912.15	5,076.30	42,312.93	5,314.48
g)	Details of investment (Except in case of investment in the subsidiaries)	-	3,872.60	24,789.83	-
h)	Turnover (net)	19,112.99	932.61	36,842.96	5,828.84
i)	Profit before taxation	1,246.63	979.54	5,714.33	(50.96)
j)	Provision for taxation	417.66	4.42	1,603.81	-
k)	Profit after Taxation	828.97	975.12	4,110.52	(50.96)
l)	Proposed dividend (including tax thereon)	-	-	-	-
j)	Total Comprehensive Incomefor the period	826.11	-	4,099.14	(53.88)
m)	% of shareholding	89.44%	100%	70.74%	51%

STATEMENT PURSUANT TO SECTION 129 (3) OF THE COMPANIES ACT, 2013 RELATED TO ASSOCIATE COMPANIES AND JOINT VENTURES

Part B

	Name of Associates	Vardhman Special Steels Limited
1.	Latest audited Balance Sheet Date	31.03.2017
2.	Shares of Associate/Joint Ventures held by the company on the year end	
	No.	5,825,000
	Amount of Investment in Associates/Joint Venture	₹ 582.50 Lakhs
	Extend of Holding %	31.39%
3.	Description of how there is significant influence	More than 20% shares of Vardhman Special Steels Limited are held by the Company.
4.	Reason why the associate/joint venture is not consolidated	-
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet	6,217.73 lakhs
6.	Profit / Loss for the year	
	i. Considered in Consolidation	593.59 lakhs
	i. Not Considered in Consolidation	N.A.

STATEMENT PURSUANT TO SECTION 129 (3) OF THE COMPANIES ACT, 2013 RELATED TO ASSOCIATE COMPANIES AND JOINT VENTURES

Part B

Name of Associates		Vardhman Spinning & General Mills Limited
1.	Latest audited Balance Sheet Date	31.03.2017
2.	Shares of Associate/Joint Ventures held by the company on the year end	
	No.	25,000
	Amount of Investment in Associates/Joint Venture	₹ 2.50 Lakhs
	Extend of Holding %	50%
3.	Description of how there is significant influence	More than 20% shares of Vardhman Spinning & General Mills Limited are held by the Company.
4.	Reason why the associate/joint venture is not consolidated	0
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet	5.98 Lakhs
6.	Profit / Loss for the year	
	i. Considered in Consolidation	-0.03 Lakhs
	i. Not Considered in Consolidation	N.A.

STATEMENT PURSUANT TO SECTION 129 (3) OF THE COMPANIES ACT, 2013 RELATED TO ASSOCIATE COMPANIES AND JOINT VENTURES

Part B

Name of Associates		Vardhman Yarns and Threads Limited
1.	Latest audited Balance Sheet Date	31.03.2017
2.	Shares of Associate/Joint Ventures held by the company on the year end	
	No.	6,270,699
	Amount of Investment in Associates/Joint Venture	₹ 627.06 Lakhs
	Extend of Holding %	11.00%
3.	Description of how there is significant influence	Joint Venture with American & Efird, Global LLC
4.	Reason why the associate/joint venture is not consolidated	-
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet	5,048.09 Lakhs
6.	Profit / Loss for the year	
	i. Considered in Consolidation	1,090.04 Lakhs
	i. Not Considered in Consolidation	N.A.

Chartered Accountants
Firm Regn. No.: 000235N

For and behalf of the Board of Directors

(Sanjiv Mohan)
Partner
M. No. 086066

Karan Kamal Walia
Company Secretary

Rajeev Thapar
Chief Financial Officer

Sachit Jain
Joint Managing Director
DIN : 00746409

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

Place : Ludhiana
Dated: 10.05.2017

Notice

Notice is hereby given that the **44TH ANNUAL GENERAL MEETING** of Vardhman Textiles Limited will be held on Friday, the 22nd day of September, 2017 at 09:00 a.m. at the Registered Office of the Company situated at Chandigarh Road, Ludhiana, to transact the following businesses:-

ORDINARY BUSINESS:

Item No. 1 – Adoption of financial statements

To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2017, Statement of Profit and Loss for the year ended 31st March, 2017, together with Report of the Auditors and Directors thereon.

Item No. 2 – Declaration of Dividend

To declare a dividend of ₹ 15 per share for the year ended 31st March, 2017.

Item No. 3 – Re-appointment of Mr. D.L. Sharma as a director liable to retire by rotation

To appoint a Director in place of Mr. D.L. Sharma, (DIN No. 00727581), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

Item No. 4 – Appointment of Statutory Auditor

To consider and approve 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, M/s Deloitte Haskins & Sells LLP (Firm Registration No. 117366W/W-100018), Chartered Accountants, be and are hereby appointed as the Statutory Auditors of the Company for a term of 5 consecutive years starting from conclusion of the 44th Annual General Meeting till the conclusion of 49th Annual General Meeting (subject to ratification by the Members at every Annual General Meeting) at such remuneration as may be finalized by the Chairman and Managing Director in consultation with the Auditors and reimbursement of out of pocket expenses incurred by them for the purpose of audit of the Company."

SPECIAL BUSINESS:

Item No. 5 – Ratification of Method of Valuation of Options granted under Vardhman Textiles Limited Employee Stock Option Plan 2016 under SEBI (Share Based Employee Benefits) Regulations, 2014

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

"RESOLVED THAT in furtherance of resolution passed by Members in their Annual General Meeting held on 4th September, 2016 in relation to **Vardhman Textiles Limited Employee Stock Option Plan 2016** and pursuant to section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions of the Companies Act, 2013 including any statutory modification or re-enactment thereof, for the time being in force and subject to SEBI (Share Based Employee Benefits) Regulations, 2014 ('SEBI Guidelines"), the method of valuation of the Options granted under **Vardhman Textiles Limited Employee Stock Option Plan 2016** i.e. Fair Valuation Method be and is hereby ratified at 44th Annual General Meeting of the Company."

Item No. 6 – Ratification of remuneration payable to Cost Auditors for the financial year ending 31st March, 2018:

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 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and Companies Cost Audit Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Ramanath Iyer & Company, Cost Auditors, New Delhi appointed by the

Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2018, be paid the remuneration of ₹ 5,16,880/-.

RESOLVED FURTHER THAT Mr. S.P. Oswal, Chairman & Managing Director and Mr. Rajeev Thapar, Chief Financial Officer, be and are hereby severally authorized to do all acts and take all such steps as may be necessary or expedient to give effect to this resolution."

By Order of the Board

Place: Ludhiana **(Sanjay Gupta)**

Dated: 11th August, 2017 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 ALONGWITH ATTENDANCE SLIP.

   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. The Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.

3. **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)**.

4. 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.

5. The information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the Director seeking re-appointment in the Annual General Meeting is also being annexed hereto separately and forms part of the Notice. The Director has furnished the requisite declaration for his re-appointment.

6. 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.

7. 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.

8. 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.

9. 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 & Transfer Agent, Alankit Assignments Limited, New Delhi (in case of shares held in physical form).

10. 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 has requested for a physical copy of the report. For members who have not registered their email addresses, physical copies of the Annual Report 2016-17 are being sent by permitted mode.

11. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the Registrar and Share Transfer Agent.

12. **Voting through electronic means:**
In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements Regulations), 2015, the Company is pleased to provide members a facility to exercise their right to vote at the 44th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

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 on 21st September, 2017. 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.

(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 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 also to be 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: 170819049 for <VARDHMAN TEXTILES LIMITED> on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xviii) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting" available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store, respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 15th September, 2017 may follow the same instructions as mentioned above for e-Voting.

(xxii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

13. M/s. B.K. Gupta & 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 upon 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.

14. The Results of the resolutions passed at the AGM of the Company will be declared within 48 hours of conclusion of AGM. The results declared along with the Scrutinizer's report shall be simultaneously placed on the Company's website www.vardhman.com and on the website of CDSL and will be communicated to the stock exchanges.

15. 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

(Sanjay Gupta)

Company Secretary

Place: Ludhiana

Dated: 11th August, 2017

Annexure to the Notice:

Statement Pursuant to Section 102 of the Companies Act, 2013:

ITEM NO. 5 OF the SPECIAL BUSINESS:

Pursuant to the provisions of Section 62(1)(b) and other applicable provisions of Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014, the Members in their 43rd Annual General Meeting held on 5th September, 2016 had approved **Vardhman Textiles Limited Employee Stock Option Plan, 2016.** However, method to be used by Company for Valuation of its Options under the Scheme was not disclosed in the explanatory statement to the notice of 43rd Annual General Meeting. In this regard, the National Stock Exchange of India requires that the method of valuation of Options used by the Company for grant of Options i.e. **Fair Valuation Method** shall be ratified by the Members in the next Annual General Meeting.

Accordingly, your approval is solicited for ratification of Method of Valuation of Options by passing Special Resolution as set out at Item No. 5 of the notice.

Memorandum of Interest:

Except Mr. Neeraj Jain, Joint Managing Director, Mr. D.L. Sharma, Director and Mr. Rajeev Thapar, CFO, none of the Directors/ Key Managerial Personnel (KMP) of the Company is interested in the resolution set out at Item No. 5.

ITEM NO. 6 OF THE SPECIAL BUSINESS:

Pursuant to the provisions of the Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the Cost Audit is required to be conducted in respect of the Cost Accounts maintained by the Company. Upon the recommendations of Audit Committee, the Board of Directors in its meeting held on 10th May, 2017 had appointed M/s. Ramanath Iyer & Co., 808, Pearls Business Park, Netaji Subhash Place, New Delhi as Cost Auditors of the Company to conduct Cost Audit for Financial Year ending 31st March, 2018.

Accordingly, the consent of the Members is solicited for passing an Ordinary Resolution as set out at Item No. 6 of the notice for ratification of payment of remuneration of ₹ 5,16,880/- to the Cost Auditors for the Financial Year ending 31st March, 2018. The Board commends the Ordinary Resolution as set out at Item No. 6 of the Notice for approval by the Members.

Memorandum of Interest:

None of the Directors/ Key Managerial Personnel (KMP) of the Company/ their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

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

Name of the Director	Mr. D.L. Sharma
Date of Birth	10.11.1948
Date of Appointment	08.05.1985
Expertise in specific functional area	Business Executive having experience of more than 42 years in Textile and Sewing Thread Business.
Qualification	B.Sc. (Engg.), M.B.A.
Directorships in Other Listed Companies as on 31st March, 2017	1. Vardhman Acrylics Limited
Chairman/Member of Committees of Other Listed Companies as on 31st March, 2017	**Stakeholder's Relationship Committee:**
	Nil
	Audit Committee:
	1. Vardhman Acrylics Limited
Shareholding in the Company	2,919
Relationship with other Director(s)	Not related to any Director

NOTICE

NOTICE

Corporate Information

Board of Directors

Mr. Shri Paul Oswal
Chairman & Managing Director

Mr. Kumar Neel Lohit
Nominee of IDBI

Mr. Prafull Anubhai

Dr. Subash Khanchand Bijlani

Mr. Ashok Kumar Kundra

Mr. Darshan Lal Sharma

Mr. Devendra Bhushan Jain

Mr. Rajender Mohan Malla

Mr. Shravan Talwar

Mrs. Suchita Jain
Joint Managing Director

Mr. Sachit Jain
Joint Managing Director

Mr. Neeraj Jain
Joint Managing Director

Chief Financial Officer

Mr. Rajeev Thapar

Company Secretary

Mr. Sanjay Gupta

Auditors

M/s. S.C. Vasudeva & Co.,
Chartered Accountants, New Delhi

Bankers

Allahabad Bank
ICICI Bank Limited
Punjab National Bank
State Bank of India
Bank of India
Corporation Bank
IDBI Bank Limited
Canara Bank
Standard Chartered Bank
Exim Bank
Oriental Bank of Commerce
HDFC Bank

Registrar & Transfer Agent

Alankit Assignments Limited, New Delhi

Works

- Anant Spinning Mills, Mandideep
- Arihant Spinning Mill, Malerkotla
- Arisht Spinning Mills, Baddi
- Auro Dyeing (Unit-I & II), Baddi
- Auro Spinning Mills, Baddi
- Auro Textiles (Unit- I & II), Baddi
- Auro Weaving Mills, Baddi
- Mahavir Spinning Mills (Textile Division), Baddi
- Vardhman Spinning and General Mills (Unit-I & II), Ludhiana
- Vardhman Spinning Mills, Baddi
- Vardhman Fabrics, Budhni
- Vardhman Yarns, Satlapur
- Vardhman Fabrics (Power Division), Budhni
- Vardhman Yarns (Power Division), Satlapur

Branches

- P-22, 3rd Floor, Flat No. 6, C.I.T. Road, Scheme IV, Kolkata-700 014.
- Chandigarh Road, Ludhiana-141010.
- 314, Solaris II, Opposite L & T Gate No. 6, Saki Vihar Road, Andheri (East), Mumbai-400 072.
- 504, Dalamal House, Nariman Point, Mumbai - 400 021.
- 309-310, Surya Kiran Building, 19, Kasturba Gandhi Marg, New Delhi-110 001.
- 377-B, Muthuswami Industrial Complex, Palladam Road, Tirupur - 638 604.
- 1st Floor, Palm Court, Opposite Management Development Institute, MG Road, Sector -16, Gurugram - 122 001.

Vardhmān

Delivering Excellence. Since 1965.

VARDHMAN TEXTILES LIMITED
Chandigarh Road, Ludhiana - 141 010
CIN: L17111PB1973PLC003345

concept, content and design at aicl [info@aicl.in]

VARDHMAN TEXTILES LIMITED

CIN: L17111PB1973PLC003345
Regd. 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

44TH ANNUAL GENERAL MEETING

2017

I/We hereby record my/ our presence at the 44th Annual General Meeting of Vardhman Textiles Limited held at the Registered Office of the Company situated at Chandigarh Road, Ludhiana-141 010 on Friday, the 22nd day of September, 2017 at 09:00 a.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 the 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 the Annual Report for 2016-17 alongwith Attendance Slip and Proxy Form is sent in the 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. 12 of the Notice of 44th Annual General Meeting annexed in the Annual Report for 2016-17 of the Company, carefully before voting electronically.

VARDHMAN TEXTILES LIMITED

CIN: L17111PB1973PLC003345
Regd. 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, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 44th Annual General Meeting of the Company, to be held on Friday, the 22nd day of September, 2017 at 09:00 a.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:-

RESOLUTIONS:-	
Ordinary Business	
1.	Adoption of Financial Statements for the financial year ended 31st March, 2017.
2.	Declaration of Dividend on equity shares.
3.	Re-appointment of Mr. D.L. Sharma as a Director liable to retire by rotation.
4.	Appointment of Statutory Auditors.
Special Business	
5.	Ratification of method of valuation of Options granted under Vardhman Textiles Limited Employee Stock Option Plan 2016 under SEBI (Share Based Employee Benefits) Regulations, 2014.
6.	Ratification of remuneration payable to Cost Auditors for the financial year ending 31st March, 2018.

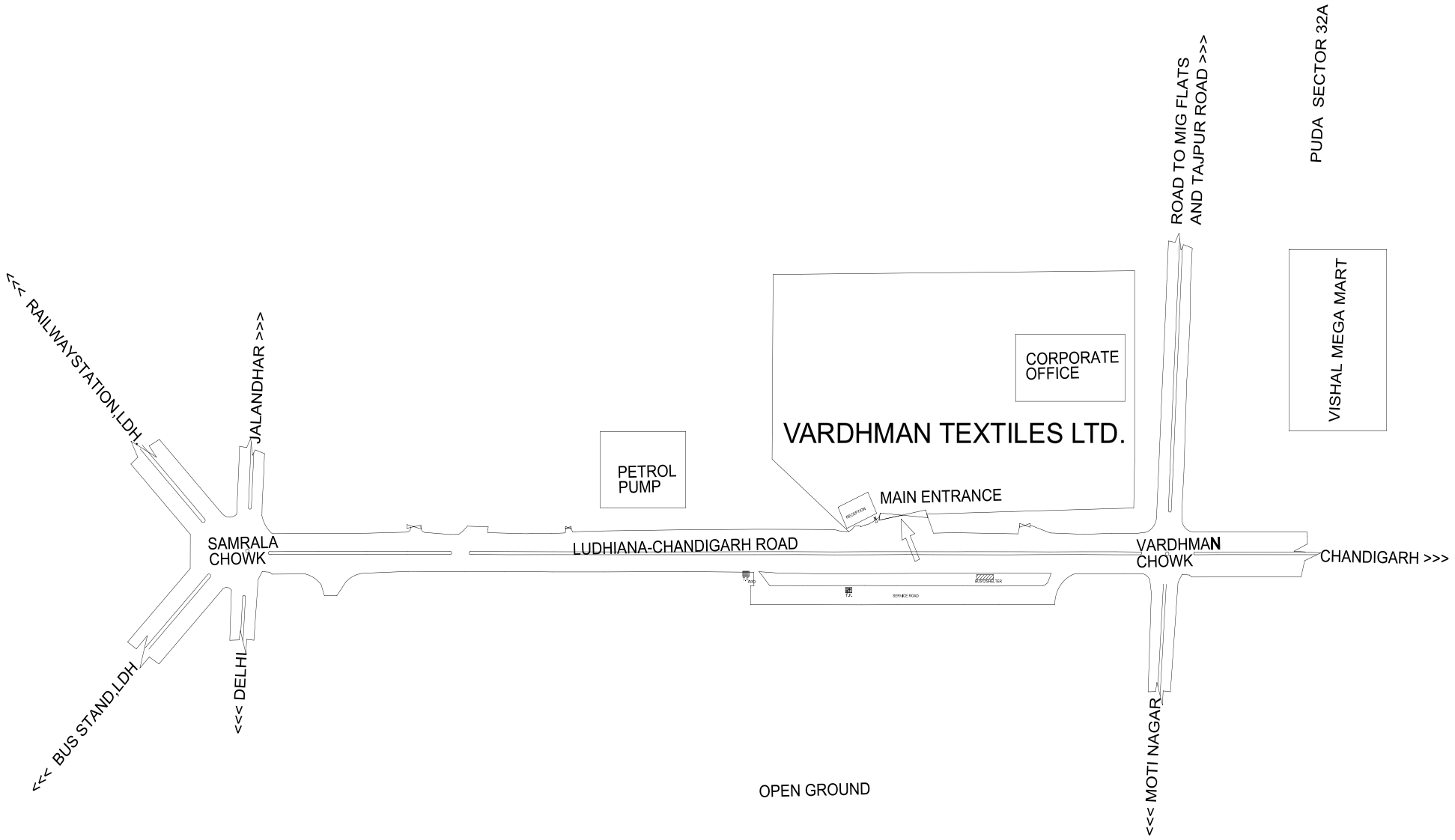
Signed this ..... day of ..... 2017.

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

Affix Revenue Stamp not less than Rs. 0.15

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.

UTILITY FORMS Ph.: Delhi-46757575, Mumbai-66944090, Chennai-32413930, Kolkata-32619605 #67626


<<< RAILWAYSTATION,LDH
JALANDHAR >>>
<<< BUS STAND,LDH
<<< DELHI
SAMRALA CHOWK
PETROL PUMP
VARDHMAN TEXTILES LTD.
CORPORATE OFFICE
MAIN ENTRANCE
RECEPTION
LUDHIANA-CHANDIGARH ROAD
SERVICE ROAD
OPEN GROUND
ROAD TO MIG FLATS AND TAJPUR ROAD >>>
VARDHMAN CHOWK
CHANDIGARH >>>
<<< MOTI NAGAR
PUDA SECTOR 32A
VISHAL MEGA MART