Vardhmān

Delivering Excellence. Since 1965.

VARDHMAN TEXTILES LIMITED

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Ref. VTXL:SCY:AUG:2016-17 **Dated: 11-Aug-2016**

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 2015-16

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 2015-16.

Kindly acknowledge the receipt of the same.

Thanking you,

Yours faithfully,
For VARDHMAN TEXTILES LIMITED

(KARAN KAMAL WALIA)
Company Secretary

Self-renewal

VARDHMAN TEXTILES LIMITED

ANNUAL REPORT
2015•16

OPERATIONAL REVIEW

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If there is anything that 51 years of working in India's textile sector has taught us, it is the need to keep reinventing.

Reinventing our products. Reinventing our processes. Reinventing our mindset.

Embedding the concept of self-renewal into our business, translating into business sustainability.

Self-renewal at Vardhman means…
The humility to subject our business model, organisation and strategies to continuous review.

Self-renewal at Vardhman means…
The experience to analyse trends and develop new products

Self-renewal at Vardhman means…
The capacity to continuously improve existing products and processes.

Self

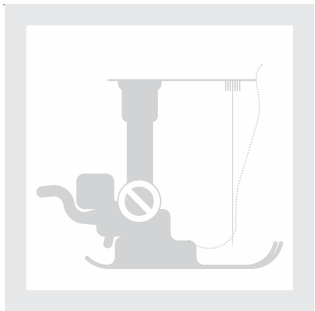
Self-renewal at Vardhman means…
The commitment to work with specialists and delver best-in-class products.

Self-renewal at Vardhman means…
The passion to identify new product applications that widen markets.

renewal

SELF-RENEWAL AT VARDHMAN

Reinventing. Reinvesting. Rejuvenating.



During the last two challenging years for the global textile industry, a number of players deferred investments and aspired for status quo.

Vardhman Textiles strengthened its business instead.

Vardhman replaced conventional technology with contemporary equivalents. As against merely increasing production capacity, the Company strove to enhance output quality. As against volume growth, the Company worked towards increasing value-addition.

Automated our processes to enhance productivity, reliability and quality

Installed systems to enhance productivity and machine longevity

Automated solutions across operations, minimising human intervention

Realigned standard operating protocols (manufacturing and non-manufacturing processes) in line with the best global practices

Institutionalised periodic operational audits in line with SOPs

Invested in the visualisation of key shopfloor operating parameters leading to real-time monitoring and faster corrective action

Institutionalised a systematic asset review to trace and arrest technology obsolescence

Invested in top-of-the-line equipment to provide unique fabric finishes

Revamped our IT network including technological upgradation for speedy execution of business transactions.

Invested in augmenting communication systems across all locations for seamless human collaboration.

SELF-RENEWAL

68%

of Vardhman's spindles are less than 10 years old

SELF-RENEWAL

68%

of Vardhman's looms are less than 10 years old

SELF-RENEWAL

At Vardhman, yarn conversion cost per kg has remained largely stable across three years despite increases in power tariff and wages.

SELF-RENEWAL

At Vardhman, our team size stood at 20,711 as on March 31, 2016; EBIDTA per employee was ₹6.34 lacs in 2015-16.

Productivity. Profitability. Positivity.

Yarn production increased from 190,009 metric tonnes in 2014-15 to 204,142 metric tonnes in 2015-16 – a 7.44% growth.

Greige fabric production increased from 170 million meters in 2014-15 to 175 million meters in 2015-16 – a 2.94% growth.

Processed fabric production increased from 110 million meters in 2014-15 to 112 million meters in 2015-16 – a 1.82% growth.

Process discrepancies declined in last three years; fresh packaging for processed fabrics also improved.

Total EBIDTA margin improved more than 400 bps over the previous year.

Operating EBIDTA margin improved more than 180 bps over the previous year.

Our IT investments are expected to accelerate informed decision-making, achieve enhanced levels of service and strengthen productivity thereby creating a strong foundation for scalable growth.

A SNAPSHOT

Vardhman Textiles Limited is one of India's **largest integrated textile manufacturers.**

Second
largest producer of sewing threads in India.

Leader
in hand knitting yarn in India

Leading
piece dyed fabric manufacturer in India.

Leading
cotton yarn manufacturer and exporter from India.

65
Global marketing footprint (nations)

350
Key customers

22
Manufacturing facilities

20,711
Team size

62.21%
Promoters' holding (March 31, 2016)

A SNAPSHOT

Vardhman Textiles Limited also one of India's **most respected industry houses.**

Engaged in alliances with global textile giants like American & Efird Inc. (USA), Marubeni Corporation and Nisshinbo Industries (Japan)

Respected for ethical business practices

Headquartered in Ludhiana (India)

Manufacturing facilities clustered in Punjab, Himachal Pradesh and Madhya Pradesh

Houses more than a million spindles (including 7,188 rotors) and 1,316 looms

Led by industry doyen Mr. SP Oswal and managed by a 3,106 white collared employees and 17,605 blue-collared employees (average age 29 years).

23.27%

Institutional holding (March 31, 2016)

6,719.78

Enterprise Value, March 31, 2016 (₹ crore)

4,923.47

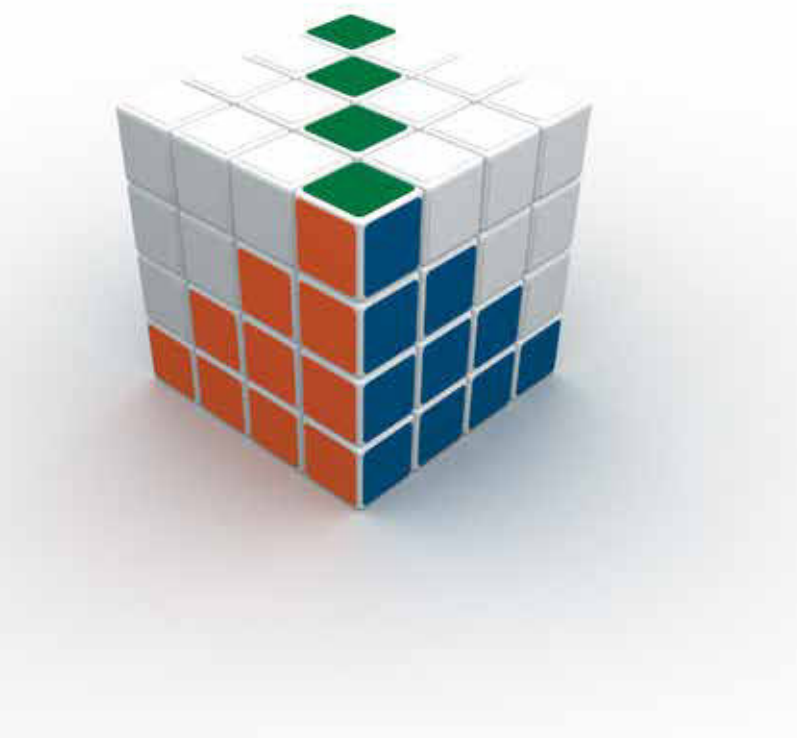
Market capitalisation, March 31, 2016 (₹ crore)

221.82

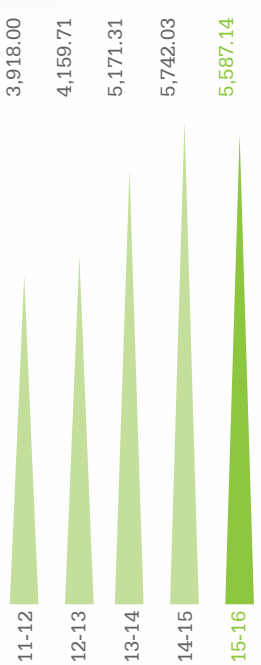
Contribution to the Central Exchequer, (basically income tax paid) 2015-16 (₹ crore)

5.01

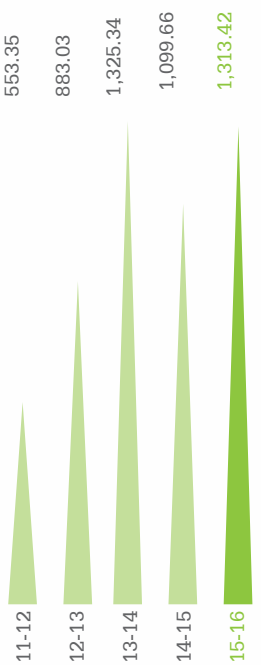
Contribution to social upliftment, 2015-16 (₹ crore)



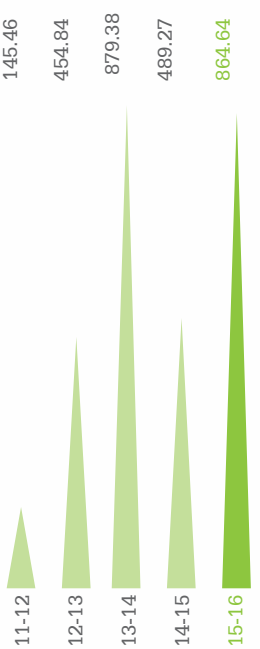
Disciplined business management. Transparent practices. Sustained growth.



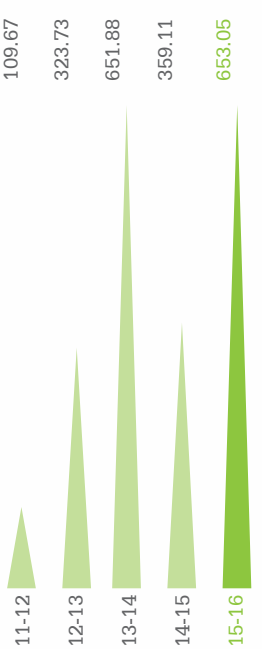
Revenue
(₹ crore)



EBIDTA
(₹ crore)



Profit before tax
(₹ crore)



Net profit
(₹ crore)

2015-16. Satisfying growth. Attractive returns.

1,313
EBIDTA (in ₹ crore)
19.44% growth over the previous year

24.12% growth over the last five years (CAGR)

869
Net cash from operating activities (in ₹ crore)
28.27% degrowth over the previous year

1.7% degrowth over the last five years (CAGR)

20.68
Return on employed capital (%)
168 bps increase over the previous year

922 bps increase over FY 2011-12

5,587
Revenue from operations (in ₹ crore)
2.70% degrowth over the previous year

9.28% growth over the last five years (CAGR)

653
Net profit (in ₹ crore)
81.85% growth over the previous year

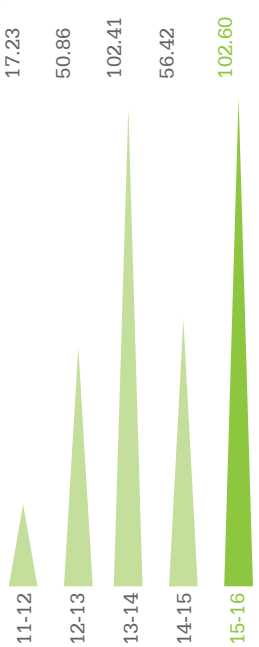
56.28% growth over the last five years (CAGR)

23.51
EBIDTA margin (%)
436 bps increase over the previous year

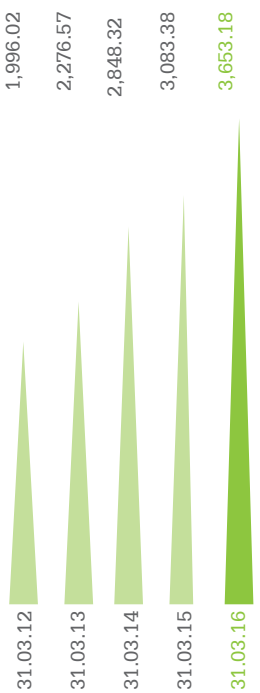
939 bps increase over FY 2011-12

17.88
Return on net worth (%)
623 bps increase over the previous year

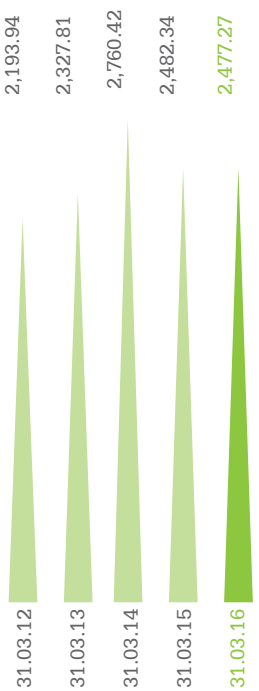
1,238 bps increase over FY 2011-12



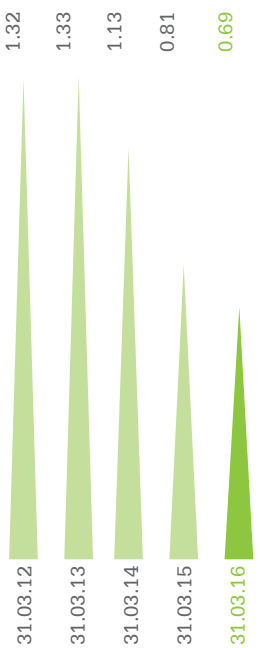
Earnings per share
(₹)



Net worth
(₹ crore)



Fixed tangible assets (Net) (₹ crore)



Debt-equity ratio
(x)

"Our pursuit of learning, excellence and robustly conservative financial structure helped us **strengthen India's case as a global textile hub.**"

Shri Paul Oswal
A fellow shareholder

Dear shareholders,

Vardhman has always selected to go about its business silently and the last few years were no different.

During the last 24 months, the Company enhanced its customer recall through excellence and consolidated its business through an organisation-wide exercise in enhancement of performance parameters in line with global benchmarks.

In going back to the drawing board, Vardhman re-visited all systems and processes for their relevance in today's dynamic environment. We strengthened every process. We relooked all performance benchmarks. We re-examined every service and solution.

We did this not from the narrow perspective of strengthening our performance; we did so with the objective to strengthen India's case as a global textile hub.

In doing so, we grew profitability and liquidity. During the last year, our total EBIDTA increased 19.44% and net profit strengthened 81.85%. I am pleased to state that total EBIDTA and net margin strengthened 436 bps and 544 bps respectively.

Vardhman utilised this performance improvement to repay ₹720.08 crore of debt (in 2015-16) resulting in a cash balance of ₹1,096.41 crore as on March 31, 2016, which includes cash and other marketable securities.

The next step

Our strategic priority was deliberate.

It has been my experience that when companies focus on capacity building, operating efficiencies take a back seat, product quality declines, and the sub-standard becomes the new standard.

When this transpires, as we believe they will across

the medium term, they will provide attractive consolidation opportunities.

By then, we would have utilised our operating efficiency to repay debt and generate a war chest to capitalise on compelling opportunities.

Message to shareholders

When seen from a medium-term perspective, our strategic priority is to emerge with low leverage in a capital-intensive business.

We believe that this will enable us in future to keep our options open, organically and inorganically.

The past couple of years we focussed on tightening the nuts and bolts of our enterprise and in improving efficiencies across the board. This also gave us the breathing space to better consolidate our fabric business which was very important.

The Company is now in the midst of expansions in fabric capacities, part of which, a printing line, has already commenced commercial production in March 2016. This phase of expansion will be rolled out over the next three years, including the current financial year, and will entail a capex of approximately ₹1000 crore towards increasing weaving (looms) capacities, increasing our yarn dyed and printing fabric capacity, besides some line balancing equipment.

We are also contemplating the next leg of expansions which would be in spinning and fabrics.

We have always believed in the long term future of the Indian Textile Industry and we envisage ample opportunities for the same in the new government policy and we are hopeful that it will give the requisite impetus for the growth of the textile sector. At Vardhman, we feel that there will be a larger reward in preparing patiently for opportunities which may come up in the future.

We believe that the older we become, the more youthful should be our spirit!

SELF-RENEWAL

It has been my experience that when companies focus on capacity building, operating efficiencies take a back seat, product quality declines, and the sub-standard becomes the new standard.

"We will invest about ₹1000 crore over the next three years, which will include **expansion in a fabric printing line and yarn dyed fabric capacity.**"

Inaguration of our new fabric printing line at Auro Textile Unit - II.

Q. Were you happy with the Company's performance in 2015-16?

A. Yes. The management was pleased even as headwinds persisted that moderated our topline (2.07% decline over the previous year). Despite this reality that should have potentially hurt our earnings, our total EBIDTA increased 19.44% - from ₹1,099.66 crore in 2014-15 to ₹1,313.42 crore in 2015-16; our operating EBIDTA (which excludes dividend and investment income) increased 8.53% - from ₹1,054.89 crore in 2014-15 to ₹1,144.89 crore in 2015-16. Our business health improved – Total EBIDTA margin improved by more than 400 bps and Return on Capital Employed by more than 150 bps to 20.68% in 2015-16.

Q. What were the reasons for this kind of profitable growth in operating margins?

A. Essentially one: organisation - wide consolidation. We implemented multiple projects to benchmark our systems and process with the best global practices. The initiative yielded heart warming returns: we enhanced output, strengthened productivity, optimised costs, eliminated waste and strengthened the product mix. When we embarked on this journey, most of these improvements were considered unattainable. Now the organisational mood is 'Nothing is impossible'.

Return on Capital Employed grew by more than 150 bps to 20.68% in 2015-16.

Q. Vardhman's financial performance was relatively unaffected by headwinds. How do explain this?

A. We are a large company with multiple product lines and multiple customers. Our quality focus had positive impact: we accessed larger and better customers, which strengthened volumes; we marketed directly to yarn users (as opposed to doing so through market intermediaries), which strengthened realisations and a first-hand understanding of market trends. By the virtue of vertical integration, we could shift from the manufacture of yarn to fabric based on prevailing margins. The result was that despite our presence in a yarn surplus geography, we experienced a shortage of capacity.

Q. Following the decline in polyester prices, how was cotton demand affected?

A. The shift is continuous: the world over, the proportion of synthetic fibres in the consumption mix is increasing and this trend is likely to sustain. Since you can get enhanced qualities in fabric following the blending of synthetic fibres with cotton, the consumption of a number of fibres is increasing. At Vardhman, we are not 'married' to cotton; we are increasing blended yarn capacity; our fabric range comprises a sizable range of cotton tencels, cotton modals, cotton polyester and cotton stretch, among other products. The proportion of blended products in our sales mix has increased – in yarn from 24% to 31% in the last five years; in fabrics from 29.35% to 44.33% over the same period.

Priorities for 2016-17

- Sustain consolidation
- Stabilise our recently commissioned new print fabric line
- Prepare for the next leg of expansion

Q. When is the balance between polyester and cotton likely to tilt in favour of the former?

A. The relationship between Cotlook A index and international polyester staple fiber prices is best explained in the 1:1.3 ratio. If the ratio exceeds this tipping point, polyester and synthetic yarn consumption generally increases. Following the decline in crude oil prices, we are at 1:1.7, indicating a consumption preference for manmade fibres translating into a sizeable increase in the production of blends and non-cotton yarn.

Q. Cotton prices have started moving up. How has that impacted the industry?

A. A sharp increase in Indian cotton cost generally has no impact on yarn realisations. However, we are aware that when this transpires, a number of yarn companies could start shutting production. This transpired in India towards the latter part of 2015-16, which arrested a significant decline in yarn prices. In India, cotton production, as estimated by CAB, was 33.8 million Indian bales in 2015-16 against 38.6 million bales in the previous year. In the beginning of the season, Indian cotton prices were low and hence competitively placed in the international market. This helped India in exporting 6.7 million bales from October - March 2016. In the latter half (April, 2016 onwards), Indian prices increased due to a shortage in supply, accelerating capacity closures over the medium-term that could strengthen yarn realisations in India. However, Vardhman follows a conservative policy for stocking cotton for off-peak season.

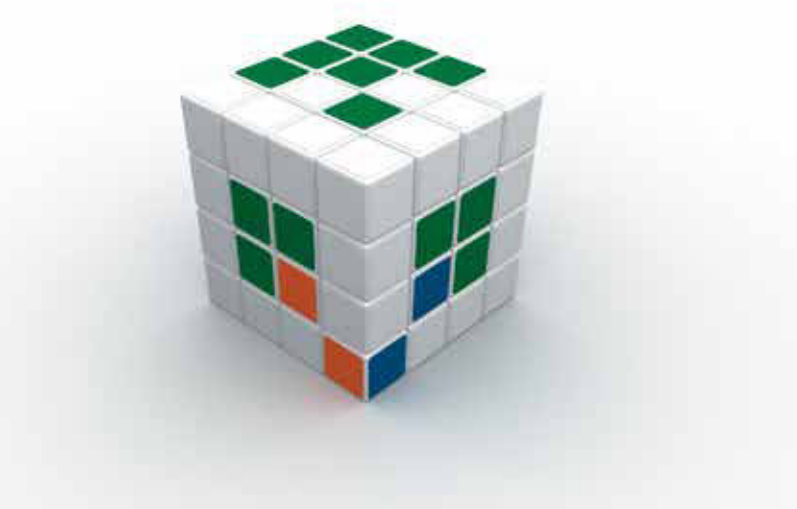
Q. Is the Company waiting to capitalise on this scenario?

A. The Indian textile industry is expected to provide asset consolidation opportunities. The RBI and banks are becoming more stringent in cleaning non-performing assets off their books; banks are assuming control of stressed assets for onward sale that could help recover dues, providing attractive acquisition opportunities.

Q. How does the Company intend to capitalise?

A. We intend to invest about ₹1000 crore across three years in expanding our fabric (printing line and yarn dyed) capacity. The Company enjoys a leadership position in the yarn business (domestic and international), which will be strengthened through de-bottlenecking and equipment addition; our focus is on attaining a dominant position in the high-margin fabrics business through the capacity addition of about 45 million meters, of which 10 million meters will comprise printed fabric line expected to go on stream during the current financial year (full impact 2017-18 onwards). We are also contemplating the next phase of expansions.

Management discussion and analysis



Economic overview

Global perspective

In 2015, global economic activity remained subdued as GDP grew at a modest 3.1% against 3.4% in 2014.

Although, growth in emerging markets and developing economies – while still accounted for over 70% of global growth; it declined for the fifth consecutive year. While a modest recovery continued to transpire in advanced economies. Three key transitions continue to influence the global outlook: the gradual slowdown and rebalancing of economic activity in China – away from investment and manufacturing and towards consumption and services; lower prices for energy and other commodities; a gradual tightening in monetary policy in the US lead to a resilient recovery; several major economies continued to ease their monetary policies.

Overall growth in China is evolving broadly as envisaged, but a faster-than-expected slowdown in imports and exports, reflects weakening investments and manufacturing activities. These developments, together with market concerns about the future performance of the Chinese economy, are spilling over to other economies through trade channels, weaker commodity prices, diminishing confidence and increasing volatilities in financial markets.

Global GDP growth is projected at 3.4% in 2016 and 3.6% in 2017. Growth in advanced economies is projected to rise by 0.2 percentage points in 2016 to 2.1% and hold steady in 2017. Growth in emerging market and developing economies is projected to increase from 4% in 2015 – the lowest since the 2008–09 financial crisis – to 4.3% and 4.7% in 2016 and 2017, respectively. *(Source: IMF)*

The emerging markets control 80% of the global textile output. Hence China's shift towards the service sector along with Brazil and Russia will take a toll on the sector.

Domestic overview

India's economy expanded at a faster pace in 2015-16 despite a slowdown in GDP expansion in the third quarter of the fiscal under review. India's GDP growth stood at 7.6% in 2015-16 against 7.2% in 2014-15 catalysed by a superior performance of the manufacturing sector (9.5% growth in 2015-16 against 5.5% in 2014-15).

The growth in the manufacturing sector was due to a significant fall in input costs following the collapse of global commodity prices. India's economy recovery was also facilitated by other factors: a large gain in terms of trade (about 2.5% of GDP); implementation of positive policies by the Central Government and reduction in external vulnerabilities.

The RBI policies helped contain demand pressures, created a buffer against external shocks and kept a check on the volatility of the rupee and inflation. According to the Economic Survey 2015-16, inflation measured by the Consumer Price Index (CPI), which averaged 6.5% in 2014-15, could decline to 5-5.5% in 2015-16. The slide in global oil prices since late 2014 boosted economic activity in India and underpinned a further improvement in the current account and fiscal positions.

Looking ahead, the Economic Survey 2015-16 has projected GDP growth of 7-7.75% in 2016-17. According to the IMF, India continues to be the bright spot in an otherwise slowing global economy. It forecasts India's GDP growth at 7.5% in FY17 supported by stronger domestic demand.

The textile business

Global industry overview

The textile and apparels sector is an important sector making a sizeable contribution to economic progress. Being a basic product its output has grown consistently over the years. While the developed economies are the key consuming markets for textiles and apparels, the manufacturing bases have shifted from the West to Asian locations due to cost considerations.

In Asia, China is the leading player in the textile space commanding 44% share in the global textile trade. The recent China's move towards a service economy is expected to cause a significant global supply chain alteration, benefiting the South East Asian countries. Credible research suggests that India, Bangladesh and Vietnam will stand to gain the maximum from China's altered economic focus. Also decreasing labour availability and increasing production costs is expected to hamper the growth of the Chinese textile industry.

China's loss. India's gain.

- The rise in China's power and labour costs and its increased focus on domestic market offers a lot of scope for Indian spinners to export their products.
- China's currency has appreciated against the US dollar over the past four years (May 2011-May 2015) as against a significant depreciation in India's currency in the same period. It gives India an added advantage over China in export markets.
- China has stopped importing cotton and cotton yarn since the past 12 months. It had inventory of 90mn bales as against consumption of 50mn bales per annum. The quality of cotton or ability of cotton to produce quality yarn will be higher only for a period of 12 months. After 12 months, the quality of cotton deteriorates and the yarn produced from such cotton is of inferior quality.
- China is cutting down some low value-added processes like manufacturing yarn from cotton, which in turn results in high demand for cotton yarn from China.

In addition, two major trends are expected to have a visible impact on the global textile industry during 2016-17:

The mounting deflationary pressures of commodities and consumer prices would deteriorate sales for textiles and clothing segment by 1% in 2016 (5% in 2015).

Two major topics – technical textile and sustainable production – remain unattended again in 2016.

The main reason of the reduced sales in the textile and clothing was the unusually low commodity prices (cotton -15%, wool -7%, and manmade fibres +1%) and multiple currency depreciations worldwide, particularly in the emerging markets.

Looking forward, demand will be fueled by population growth (+500 million inhabitants by 2020) and higher incomes contributing to increased household purchasing power. GDP per capita is expected to keep rising, increasing by +4% annually between 2015 and 2020.

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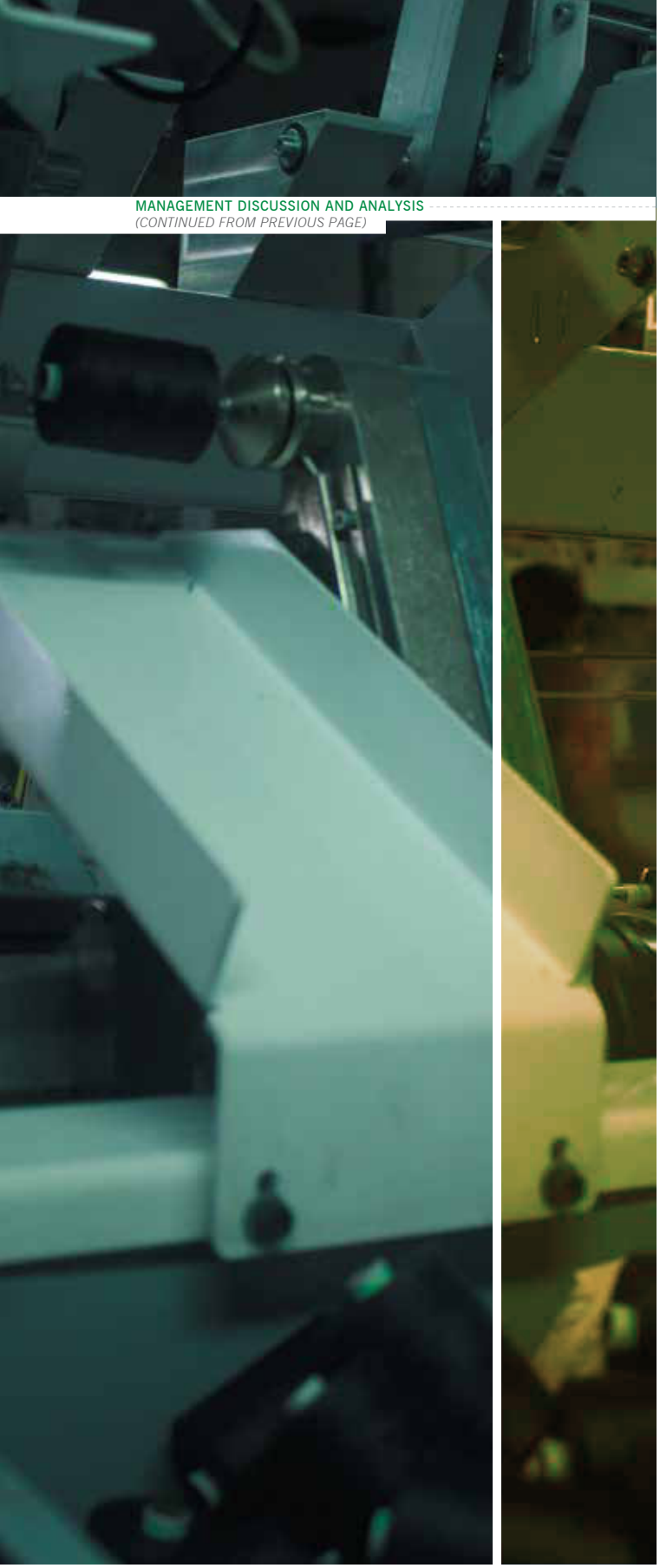

Indian industry overview

The Indian textile industry is one the most important industries for the Indian economy considering its contribution to employment generation, industrial output and foreign exchange earnings. The industry is the second-largest employer after agriculture, providing employment to over 45 million people directly and 60 million people indirectly. India accounts for ~14% of the world's production of textile fibres and yarns and has the highest loom capacity (including handlooms) with 63% of the world's market share. The domestic textile and apparel industry in India is estimated to reach US$141 billion by 2021 from US$67 billion in 2014. Increased penetration of organised retail, favourable demographics, and rising income levels are likely to drive demand for textiles

India is the world's second largest exporter of textiles and clothing. Textile and apparel exports from India are expected to increase to US$82 billion by 2021 from US$40 billion in 2014. Readymade garments remain the largest contributor to total textile and apparel exports from India. In FY15 the segment had a share of 40% of all textile and apparel exports. Cotton and man-made textiles were the other major contributors with shares of 31% and 16%, respectively.

Considering the importance of the textile sector, the Central Government has implemented important policies that are expected to catalyse the growth of the Indian textile sector over the coming years. The TUFS scheme of the Government of India and other subsidy schemes of various state governments have kept the cost of borrowed funds in low single-digit, ensured continuous power at subsidised cost and other benefits like capital subsidy and sales tax/VAT concession. Besides, the Government has allowed 100% FDI under the automatic route facilitation foreign investments.

Prospects and promises

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 with the entry of several international players into the Indian market. In addition, the expected slowdown in the Chinese textile sector is expected to open interesting growth opportunities for the Indian textile players over the medium term.

What factors will drive volumes?

Population growth: India will overtake China as the world's most populous nation by 2022, according to a new UN report. In 2015, India had 1.311 billion people, according to the UN's new estimates, against China's 1.376 billion, a difference of 65 million people.

India's growth youth segment: India is a young nation where 40% of its population is under the age of 35 years and a million people turn 18 every month. This expanding youth segment will drive the demand for fabric and apparel.

Increasing per capita income: The per capita income of the average Indian has increased from ₹71,050 in FY13 to ₹93,231 in FY16. This number is expected to cross ₹1 lakh in FY17.

Increasing e-commerce awareness: On account of increasing awareness among consumers about product quality, change in consumer attitude and shopping habits, India's e-commerce market is expected to grow at a burgeoning rate through 2020. According to recently released TechSci Research report "India E-commerce Market Forecast & Opportunities, 2020", the country's e-commerce market is forecast to grow at a CAGR of over 36% during 2015-2020.

The cotton scenario

Global scenario: World 2015-16 cotton production was projected at 21.81 million tonnes, 16% below over last cotton season (2014-15). India and China accounted for over half of the global crop, with India contributing 27%

Governmental emphasis on the textiles segment

Funding scheme: The Centre announced the Amended Technology Upgradation Fund Scheme (ATUFS) (to replace the Revised Restructured TUFS) aimed at attracting investments of ₹1-lakh crore and creating over 30 lakh jobs. The new scheme targets employment generation and export by encouraging the apparel and garment industry. Under the new scheme, there will be two broad categories; one for apparel, garment and technical textiles, wherein 15% subsidy will be provided over five years on capital investment not exceeding ₹30 crore. The second category, comprising all the other sub-sectors, will get 10% subsidy, subject to a ceiling of ₹20 crore.

'TUF'ER OVER THE YEARS

	1999-2015	2016-22 (amended scheme)
Introduced by The government in 1999	Assistance provided (₹ cr) 21,347	
Objective Make the textile industry globally competitive	Investments generated (₹ cr) 2,71,480	Assistance provided (₹ cr) 11,952
How Deploy new technology, cut capital costs	Jobs created (₹ lac) 48	Investments expected (₹ cr) 1,51,000

Exports scenario

The Central Government extended the 2% export benefit under Merchandise Export from India Scheme (MEIS) for more countries with immediate effect.

	Earlier applicable	Now applicable
FABRICS	Benefit was confined only to countries in Group A, Japan in Group B and Sri Lanka in Group C	Benefit has been extended to all countries in Group A, B and C
MANMADE FIBRES AND SPUN YARNS	Benefit was applicable to countries in Group A and Japan in Group B	Benefit has been extended to all countries in Group A, B and C
MADE-UPS AND GARMENTS	Benefit was available to all countries in Group A, but only Japan in Group B	Benefit has been extended to all countries in Group A and B

and China supplying 24% of the 2015-16 production, as per the ICAC (International Cotton Advisory Committee).

World cotton production has declined for fourth consecutive season in 2015-16 and stood at a twelve year low. This decrease resulted from both a reduction in cotton areas and average yields. Total harvested area was estimated at 31.2 million hectares (the lowest since 2009-10), as low cotton prices in 2014-15 discouraged farmers from cotton planting.

The global yield is projected at 705 kilograms per hectare in 2015-16, compared with 766 kilograms per hectare last season and 2013-14's record of 804 kilograms per hectare.

Global cotton consumption in 2015-16 was estimated at 23.65 million tonnes, 3% (0.68 million tonnes) below the preceding season but similar to the four-year average. With crop shortfalls being recorded around the globe during the season, world cotton mill use will exceeded production for the first time since 2009-10.

China – the leading cotton spinner – used 7.08 million tonnes of raw cotton in 2015-16 due to its slowing economy; it is continuously declining since 2009-10. Higher wages and domestic cotton prices, particularly in comparison with polyester prices, have made cotton spinning less attractive.

World cotton trade is projected at 7.37 million tonnes for 2015-16, about 4% below the previous season and 25% lower than 2012-13's record of 9.79 million tonnes. Lower imports by China have largely reduced the amount of raw cotton that has been traded over the last several seasons, although increases by a number of other countries have partially offset China's reduction. In 2015-16, China is forecast to import only 1.08 million tons of raw cotton, compared with 5.342 million ton, imported in 2011-12. Vietnam and Bangladesh, on the other hand, is expected to become the leading cotton importer this season (with imports near 1.10 and 1.08 million tons respectively) as the both country's textile industry continues its expansion.

Indian scenario: India accounts for a third of the world's cotton area. In the country, nearly two thirds of the cotton is produced in the central states of Maharashtra, Gujarat, Andhra Pradesh and Telangana.

Cotton is a major product of the Indian textile industry and over 65% of total mill fibre consumption in country is Cotton. Among all the fabrics and yarns produced, cotton is the main fabric. Its share in the spun yarn segment stayed at 73% in FY15.

After reaching a record area of 12.8 million hectares in 2014-15, area under cotton cultivation in India is forecast down 7% to 11.9 million hectares.

Cotton season 2015-16: India's cotton area contracted by 7% in 2015-16 while yield declined by 6% over 2014-15. As a result, production in India (for year 2015-16) fell by 13% to 5.61 million tonnes (330 lakh bales). Imports for the current season are expected to be 0.255 million tonnes (15 lac bales) compared to 0.245 million tons (14.39 lac bales) in 2014-15. Including the opening stock of 0.88 million tons (52 lac bales), the total supply of cotton in 2015-16 is estimated at 6.75 million tonnes (397 lac bales), nearly 7% less as compared to 7.27 million tonnes (427.39 lac bales) in 2014-15.

On the demand side, consumption is expected to be 5.27 million tonnes (310 lac bales) in 2015-16 compared to 5.4 million tonnes (317.67 lac bales) in 2014-15. Cotton exports are projected to grow from 0.98 million tonnes (57.72 lac bales) in 2014/15 to 1.11 million tonnes (65 lac bales) in 2015-16. This will result in total demand moving up to 6.46 million tonnes (375 lac bales) in 2015-16 which will be similar to 2014-15. Closing stock in 2015-16 season is expected to be 0.459 million tonnes (27 lac bales).

Business performance

Vardhman Textiles Limited is the flagship company of an integrated textile manufacturing group with an extensive presence across the value chain – from the manufacture of fibres and yarns to sewing threads and fabrics.

The Group, a few years ago, entered the garment manufacturing business through a collaboration with Nisshinbo Textile, Inc. (Japan).

Vardhman Group has 22 manufacturing facilities across India, employing more than 25,000 people. The Company enjoys global alliances with leading textile companies such as American & Efird Global LLC (USA), Marubeni Corporation (Japan) and Nisshinbo Textile, Inc. (Japan).

Spinning section: Vardhman (along with its subsidiaries) is one of the largest yarn manufacturers in India, manufacturing and dyeing fibres from 12 different manufacturing facilities located across Punjab, Himachal Pradesh and Madhya Pradesh.

Vardhman is the leading manufacturer and exporter of cotton yarn as well as a leading manufacturer of piece-dyed fabric. The Company is also the second largest producer of sewing threads and market leader in the area of hand-knitted yarns.

The Company's yarn product basket is divided into three categories – commodity, compact and specialised yarns – and delivers the widest range of specialised greige and dyed yarns (cotton, polyester, acrylic and other blends). The Company's yarn business is its largest revenue generator – accounting for nearly 60% of its topline.

The Company's yarn consumption is divided equally between domestic, international and captive fabric consumption. The Company is one of the largest cotton yarn exporters to quality-conscious markets (EU, US and the Far East). Approximately 70% of the yarn revenues are relationship-based, providing long-term revenue visibility.

Fabrics: This value-added component of Vardhman's business makes a significant contribution to profitability. The Company's 1,316 looms and 114 million metres of fabric processing infrastructure (including printing line) are spread across five facilities in two locations.

The Company's product basket comprises of fabrics for tops (shirts) and bottoms (trousers), specialised fabrics like yarn-dyed, special white and also finished fabrics with effects like liquid ammonia, teflon/nanocare (an oil and water-repellent). It is the leading manufacturer of lycra-based products in India.

The Company's customers include prominent apparel makers (Esprit, GAP, Banana Republic, Old Navy, H&M and Benetton, among others). Exports comprised about 32.52% of the Company's fabric sales in 2015-16.

2015-16 in retrospect

Yarns vertical

Yarn production stood at 2,04,142 MT against 190,009 MT in 2014-15; sales volumes (including internal transfers) stood at 206,904 MT against 196,882 MT in 2014-15

Added 149 new customers (domestic and international) and 125 new products were introduced during the year

Invested ₹183.86 crore in line-balancing, de-bottlenecking initiatives and modernisation activities in yarn business in 2015-16.

Fabrics vertical

Grey Fabric production increased from 170 million meters in 2014-15 to 175 million meters in 2015-16 – a 2.94% growth

Processed fabric production increased from 110 million meters in 2014-15 to 112 million meters in 2015-16 – a 1.82% growth

Launched 125 new product variants in the domestic market which received healthy customer response; added 9 customers; value-added products contributed about 47% to the fabrics sales in 2015-16

Invested ₹174.40 crore in line-balancing and de-bottlenecking initiatives in fabric business

Analysis of financial statements

(Based on standalone financial statements)

Despite a downturn in the yarn markets in India and across the globe, Vardhman registered a healthy growth in business profits and profitability – an outcome of the successful implementation of the consolidation initiatives across the organisation.

Statement of Profit and Loss

Revenue from operations (gross): Revenue from operations (gross) declined by 2.70% from ₹5,742.03 crore in 2014-15 to ₹5,587.14 crore in 2015-16. This decline was primarily due to subdued yarn prices. Further, exports also decreased owing to the prevailing volatility in the global economic and business environment. Further, there was only a marginal increase in sales volumes considering minimal increase in operating capacities. A growth in value-added products partly cushioned the decline in revenue from operations.

Operating costs: Operating costs declined by 6.24% from ₹4,800.44 crore in 2014-15 to ₹4,501.04 crore in 2015-16. This decline was largely owing to a decline in the cost of materials consumed consequent to a superior cotton sourcing strategy.

Employee expenses increased from ₹350.83 crore in 2014-15 to ₹410.38 crore in 2015-16. This increase was primarily due to the annual increment to the team.

Other expenses remained at the previous year level despite an increase in the operational scale. This was primarily due to the organisation-wide consolidation initiatives implemented during the period under review.

Finance cost: It reduced from ₹121.54 crore in 2014-15 to ₹86.85 crore in 2015-16 – a decline of 28.54%. This was primarily due to a repayment of term loans and initiatives taken to reduce the average interest cost for the Company. The interest cover – a measure of the Company's ability to meet its interest liability, strengthened from 5.03x in 2014-15 to 10.96x in 2015-16.

Margins: Focus on value-addition, superior cotton procurement together with cost optimisation initiatives implemented across the organisation facilitated in an increase in the Company's profits and profitability.

23.51%

EBIDTA margin in 2015-16 against 19.15% in 2014-15. The EBIDTA margin excluding dividend from subsidiaries also strengthened from 18.93% in 2014-15 to 20.76% in 2015-16

81.85%

Increase in the earnings per share - from ₹56.42 in 2014-15 to ₹102.60 in 2015-16.

The EBIDTA increased from ₹1,099.66 crore in 2014-15 to ₹1,313.42 crore in 2015-16 while the net profit grew from ₹359.11 crore in 2014-15 to ₹653.05 crore in 2015-16. The EBIDTA margin improved by 436 bps from 19.15% in 2014-15 to 23.51% in 2015-16. The EBIDTA margin excluding dividend from subsidiaries also strengthened from 18.93% in 2014-15 to 20.76% in 2015-16, an increase of 183 bps. The net margin upped from 6.25% in 2014-15 to 11.69% from 2015-16.

Balance Sheet

As the business emerged more profitable, the Company became increasingly liquid. It utilised its cash reserves to repay its external liabilities – thereby retaining the integrity of its Balance Sheet.

Capital employed: Increased by 9.74% from ₹5,787.75 crore as on March 31, 2015 to ₹6,351.58 crore as on March 31, 2016 to fund increased business operations. The return on capital employed stood at 20.68% in 2015-16 against 19% in 2014-15. This improvement was registered despite a subdued business environment.

Shareholders' funds: Increased by 18.48% from ₹3,083.38 crore as on March 31, 2015 to ₹3,653.18 crore as on March 31, 2016. This increase was owing to an increase in the reserves and surplus balance as the majority of the profits earned during the year were ploughed into the Company to fund growth aspirations. As a result, the book value per share increased from ₹484.41 in 2014-15 to ₹573.93 in 2015-16.

Debt portfolio: The long-term debt portfolio declined from ₹2,037.34 crore as on March 31, 2015 to ₹1,581.41 crore as on March 31, 2016 – a decline due to the repayment of term loans totaling ₹720.08 crore. Even as long-term loans declined, short-term loans (working capital loans) increased from ₹468.55 crore as on March 31, 2015 to ₹928.75 crore as on March 31, 2016 consequent to building cotton inventory for the current year. The Company's debt-equity ratio declined from 0.81x as on March 31, 2015 to 0.69x as on March 31, 2016. The debt-equity ratio (excluding short-term borrowing for working capital inventory) declined even sharper – from 0.66x as on March 31, 2015 to 0.43x as on March 31, 2016.

Tangible assets: It declined marginally from ₹2,482.34 crore as on March 31, 2015 to ₹2,477.27 crore as on March 31, 2016 - despite an asset addition to the tangible asset block of ₹363.33 crore. The decline was due to the significant increase in the provision for depreciation – it decreased from ₹488.85 crore in 2014-15 to ₹361.92 crore in 2015-16 – in keeping with the altered depreciation rules as per the Company's Act 2013.

Net current assets: The net current assets stood at ₹2,677.61 crore as on March 31, 2016 against ₹2,463.37 crore as on March 31, 2015 as the Company continued to streamline its working capital cycle. The increase in trade receivables and inventory balance over the previous year was partly offset with an increase in trade payables balance. The current ratio stood at 6.73x as on March 31, 2016 against 5.95x as on March 31, 2015; the average working cycle stood at 171 days in 2015-16 against 160 days in 2014-15.

276.76
Cash and bank balance as on March 31, 2016 (₹ crore)

556.44
Scheduled long-term debt repayment in 2016-17 (₹ crore)

Internal control systems and their adequacy

At Vardhman, we maintain a system of well-established policies and procedures for internal control of operations and activities. We continuously strive to integrate the entire organisation from strategic support functions like finance, human resources, and regulatory affairs to core operations like research, manufacturing and supply chain. The internal audit function is further strengthened in consultation with statutory auditors for monitoring statutory and operational issues. The Company's internal audit team periodically tests the adequacy and effectiveness of all internal control systems and suggests improvements. Significant issues are brought to the attention of the audit committee for periodical review. The enterprise-wide risk evaluation and validation process is carried out regularly by the Risk Management Committee and the Board of Directors. To set the tone for the Company to attain effective and efficient internal control and documentation, we have institutionalised a document management system for both core and strategic operations.

Managing business risks

Every business is marked by a variety of risks. Vardhman identifies and assesses risks associated with its business and correspondingly undertakes strategic measures to minimise losses and maximise realisations. The Company leverages its five-decade rich experience to undertake proactive measures that strengthen business viability across projects, geographies and market cycles and allay shareholder apprehensions and bolster growth prospects.

GROWTH RISK

Growth for a textile company is a largely dependent on capacity addition.

Mitigation: Following the capacity expansion completed in FY2007-08, the Company has focused on streamlining its operations to derive the maximum output from its asset bank. The Company has prudently utilised these funds to deleverage its financial statements (debt-equity ratio of 0.69x as on March 31, 2016) and create a war chest of (cash and marketable securities) ₹1,096.41 crore as on March 31, 2016) to be utilised for capitalising on emerging opportunities. The focus on value-addition at the product level and asset-sweating at the operational level is expected to sustain Vardhman's growth momentum over the coming years. The management keeps analysing various organic and inorganic growth opportunities.

COMPETITION RISK

Growing competition could eat into the Company's business and profitability.

Mitigation: The Company's focus on innovation – both in the yarn and fabrics – enables it to offer one of the widest product baskets in both product verticals. Further, the Company's ability to customise products in line with the requirement of its key customers strengthens the bond. Besides the Company's consistently superior product quality and impeccable timelines strengthens customer loyalty to the Vardhman brand. As a result, business with key customers has grown over the years even as the Company has continued to add to its customer base.

COST RISK

Inflationary headwinds could adversely impact the Company's cost management plans.

Mitigation: For the purchase of cotton, the Company has a team of experts on the subject who analyse the cotton markets globally and in India to determine optimum purchase price for cotton. Besides, the Company's continuous focus on equipment modernisation and cost optimisation has resulted in growing EBIDTA and improving profitability margins.

DEBT RISK

The Company needs to repay debts cumulating to ₹984.44 crore over the next 24 months.

Mitigation: The Company repaid debt amounting to ₹720.08 crore in 2015-16 – the largest such repayment made by the Company in its history. Despite the payment, the Company had a cash reserve (parked in cash and marketable securities) amounting to ₹1,096.41 crore as on March 31, 2016. Besides, the growing cash flow from operations would only enhance organisational liquidity facilitating timely debt repayment.

DECISION-MAKING RISK

The significant expansion of business operations could impede accurate and timely decision-making.

Mitigation: The Company is making sizeable investments in strengthening its organisational IT infrastructure. For instance, all shop floor machinery and inventory depots will be connected seamlessly via a top-of-the-line ERP platform. This will facilitate accurate production planning across locations and communicating precise delivery schedules to customers.

Directors' Report

Dear members

The Directors of your Company have pleasure in presenting their 43rd Annual Report on the affairs of the Company together with the Audited Accounts of the Company for the year ended, 31st March, 2016.

1. FINANCIAL RESULTS:

The financial results for the year are as under:- (₹ in crore)

Particulars	2015-2016	2014-2015
Revenue from operations (Net)	5,587.14	5,742.03
Profit before Depreciation, Interest & Tax (PBDIT)	1,313.42	1,099.66
Interest and Financial expenses	86.85	121.54
Profit before Depreciation and Tax (PBDT)	1,226.57	978.12
Depreciation	361.93	488.85
Profit before Tax (PBT)	864.64	489.27
Provision for Tax - Current	221.82	186.00
- Deferred Tax (Net of Adjustment)	(10.23)	(55.84)
Profit for the period after tax (PAT)	653.05	359.11
Add: Corporate Dividend Tax written back	13.31	2.20
Less: Depreciation charged to reserves as per Schedule II of Companies Act, 2013	-	61.10
Add: Deferred tax on depreciation charged	-	11.83
Balance brought back	942.71	1,057.64
Balance available for appropriation	1,609.07	1,369.68
Appropriations:		
Interim Dividend	95.48	-
Proposed Dividend on Equity shares	-	63.65
Corporate Dividend Tax	1.08	13.32
Transfer to General Reserve	-	350.00
Closing Balance of surplus i.e. Balance in statement of Profit & Loss	1,512.51	942.71
Earnings per share (₹)		
- Basic	102.60	56.42
- Diluted	102.60	56.42
Dividend per share (₹)	15.00 (Interim & Final)	10.00

2. FINANCIAL ANALYSIS AND REVIEW OF OPERATIONS:

Production & Sales Review:

During the year under review, your Company has registered Revenue from Operations of ₹5,587.14 crore as compared to ₹5,742.03 crore in the previous year. The export of the Company decreased from ₹2,442.48 crore to ₹2,274.84 showing a decrease of 6.86% over the previous year. The business wise performance is as under:-

a) Yarn:

The production of Yarn increased from 190,009 MT to 204,142 MT during the year 2015-16. The sales of yarn (including internal transfers) increased from 196,882 MT to 206,914 MT during the year 2015-16.

b) Fabric:

During the year, the production of grey fabric increased from 170 million meter to 175 million meter, showing an increase of 2.94% over the previous year. The production of processed fabric increased from 110 million meter to 112 million meter. The sales of grey fabric (including internal transfers) increased from 170 million meter to 175 million meter. The sales of processed fabric increased from 111 million meter to 112 million meter.

Profitability:

The Company earned profit before depreciation, interest and tax of ₹1,313.42 Crore as against ₹1,099.66 Crore in the previous year. After providing for depreciation of ₹361.93 Crore (Previous Year ₹488.85 Crore), interest of ₹86.85 Crore (Previous Year ₹121.54 Crore), provision for current tax ₹221.82 Crore (Previous Year ₹186.00 Crore), deferred tax (net of adjustments) ₹(10.23) Crore [Previous Year ₹(55.84) Crore], the net profit from operations worked out to ₹653.05 Crore as compared to ₹359.11 Crore in the previous year.

Resources Utilisation:

a) Fixed Assets:

The net fixed assets (including work-in-progress) as at 31st March, 2016 were ₹2,573.18 crore as compared to ₹2,573.05 crore in the previous year.

b) Current Assets:

The current assets as on 31st March, 2016 were ₹3,145.09 Crore as against ₹2,960.84 Crore in the previous year. Inventory level was at ₹1,809.12 Crore as compared to the previous year level of ₹1,636.73 Crore.

Financial Conditions & Liquidity:

The Company enjoys a rating of "AA/stable" from Credit Rating Information Services of India Limited (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 crore)

Particulars	2015-2016	2014-2015
Cash and Cash equivalents:		
Beginning of the year	175.55	52.75
End of the year	276.77	175.55
Net cash provided (used) by:		
Operating Activities	868.60	1,210.89
Investing Activities	(479.66)	(144.18)
Financial Activities	(287.72)	(943.91)

3. DIVIDEND:

During the year, the Board of Directors in its meeting held on 11th March, 2016 had declared an interim dividend of ₹15/- per share on the Fully Paid-up Equity Shares of the Company.

This Interim Dividend is the Final Dividend and no further dividend was declared by the Board of Directors of the Company for Financial year 2015-16.

4. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

In terms of Section 125 of the Companies Act, 2013, unclaimed or unpaid Dividend relating to the financial year 2008-09 is due for remittance by the end of September, 2016 to the Investor Education and Protection Fund established by the Central Government.

5. CONSOLIDATED FINANCIAL STATEMENT:

In accordance with the Companies Act, 2013 and Accounting Standard (AS)- 21 on Consolidated Financial Statements read with AS-23 on Accounting for Investments in Associates and AS-27 on Financial Reporting of Interests in Joint Ventures, the Audited Consolidated Financial Statement is provided in the Annual Report.

6. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

During the year under review, no Company has become or ceased to be Company's subsidiaries, joint ventures or associate companies. Further, the Company does not have any material subsidiary. The Company has following subsidiary and associate companies, the details of their financials for 2015-16 are given below:-

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 decreased to ₹156.58 crore from ₹167.23 crore in the last year. The Company earned a net profit of ₹7.36 crore as against the profit of ₹2.79 crore in the previous year registering an increase of 163.80%. Out of the total present paid-up capital of ₹20.70 crore, your Company holds 89.44%.

VTL Investments Limited (VTL)

This 100% subsidiary of your Company is engaged with the business of investments in the shares etc. The earnings of the Company mainly comes from the dividend/interest earned on its investments and profits made on sale of investments. During the year, the Company has earned a net profit of ₹3.57 crore.

Vardhman Acrylics Limited (VAL)

This subsidiary of the Company is engaged in the business of manufacturing of Acrylic Fibre. Presently, the Company holds 70.75% shares in this subsidiary. During the Financial Year 2015-16, VAL recorded revenue from operations of ₹411.61 crore (including trading of goods of ₹131.42 crore) as against ₹498.08 crore (trading of goods ₹153.08 crore) in the previous financial year. The net profit for the year has decreased to ₹29.83 crore from ₹33.42 crore in the previous year.

Vardhman Yarns & Threads Limited (VYTL)

This subsidiary of the Company, a Joint Venture with American & Efird Global, LLC (A&E), is engaged in the business of Threads Manufacturing and Distribution. The Company has a joint venture partnership of 51:49 with A&E, which is the second largest player in Threads Manufacturing and Distribution across the world. During the year under review, the Revenue from Operations were ₹728.48 crore as against ₹696.67 crore in the previous year registering an increase of 4.57%. The Net Profit for the year was ₹86.55 crore as compared to ₹72.04 crore during last year registering an increase of 20.14%. This has been possible because of increase in production and sales revenue in all the verticals i.e. Consumers, Industrial and Specialty products.

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 world class men's shirts. During the year, the Revenue from Operations of the Company was ₹57.69 crore as compared to ₹47.07 crore in the previous year. The Company earned a Net Profit of ₹2.00 crore as against a Net Profit of ₹0.15 crore in the previous year.

Vardhman Special Steels Limited (VSSL)

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 ₹656.56 crore as compared to ₹661.60 crore in the previous year. The Company earned a Net profit of ₹5.21 crore as against a Net Loss of ₹15.13 crore in the previous year.

Vardhman Spinning & General Mills Limited (VSGM)

VSGM is an Associate Company of the Company. The Company holds 50% shares of VSGM. It is a trading Company dealing in trading of Cotton and Fibre. During the year, the Company has not traded any goods. So, the Revenue from Operations is NIL for the Financial Year

2015-16. The Company incurred a Net Loss of ₹27, 292 as against a Net Loss of ₹38,062 in the previous year.

Disinvestment in VYTL:

The Board of Directors of your Company in its meeting held on 9th May, 2016 have approved the execution of a Share Sale and Purchase Agreement ("SPA"), the Amended and Restated Shareholders Agreement, and other incidental and ancillary agreements (collectively, "Transaction Documents") to be entered into between the Company, VYTL and A&E. In terms of the SPA, the Company inter alia will sell 22,802,541 (Two crore Twenty Eight Lakh Two Thousand Five Hundred and Forty One) equity shares held by the Company in VYTL aggregating to 40% (Forty per cent) of the issued, subscribed and paid-up equity share capital of VYTL to A&E. The consideration will be based on an equity valuation of ₹990 crores of VYTL as of 31st March, 2016 and the adjustment formula linked to the closing date.

Post the said acquisition by A&E, the Company will have a 'put option' and A&E will have a 'call option' on the remaining 11% (Eleven per cent) issued, subscribed and paid-up equity share capital of VYTL held by the Company, and such put option / call option will be exercisable by the Company or A&E, as the case may be, at any time beginning 3 (Three) years following the closing under the SPA.

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

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

8. CORPORATE SOCIAL RESPONSIBILITY:

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 new Companies Act. The Company's vision on CSR is that the Company being a responsible Corporate Citizen would continue to make a serious endeavor for a quality value addition and constructive contribution in building a healthy and better society through its CSR related initiatives and focus on education, environment, health care and other social causes.

The Corporate Social Responsibility Committee of the Company in its meeting held on 11th March, 2016 has amended the Corporate Social Responsibility (CSR) Policy of the Company indicating the activities to be undertaken by the Company, which has been approved by the Board.

The Amended CSR policy may be accessed on the Company's website at the link: https://www.vardhman.com/user_files/investor/CSR%20Policy%20final.pdf

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 Government 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.

During the year, the Company has spent ₹5.01 crores 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 I**.

9. RISK MANAGEMENT:

The Board of Directors in their meeting held on 7th November, 2014 had constituted Risk Management Committee of the Company. Thereafter, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 became effective from 1st December, 2015. These regulations provide for the obligation to constitute Risk Management Committee only on top 100 Listed Companies. Therefore, the Board of Directors in its meeting held on 9th May, 2016 approved dissolution of the Risk Management Committee of the Company w.e.f 9th May, 2016.

However, the Risk Management Policy of the Company 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 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.

10. INTERNAL FINANCIAL CONTROLS:

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

A Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 is annexed to Independent Auditor's Report on Standalone Financial Statements as Annexure B and to Independent Auditors Report on Consolidated Financial Statements as Annexure A.

11. 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.

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.

Your Directors draw attention of the members to Note 41 to the Standalone Financial Statement which sets out related party disclosures.

12. 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 utilised by the recipient are provided in the standalone financial statement (Please refer to Note 14, 15 and 17 to the standalone financial statement).

13. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mrs. Suchita Jain, Director of the Company, retires by rotation at the conclusion of the forthcoming Annual General Meeting, pursuant to the provisions of the Articles of Association of the Company and being eligible, offers herself for re-appointment. The Board recommended her appointment for the consideration of the members of the Company at the ensuing Annual General Meeting.

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 form part of this report as Annexure II.

Familiarisation programmes for Board Members:

Your Company has formulated Familiarisation 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 familiarise 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 programmes.

The Familiarisation 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 2015 was held on 30th March, 2015 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.

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.

14. AUDITORS AND AUDITORS' REPORT:

Statutory Auditors:

At the Annual General Meeting held on 24th September, 2014, M/s. S.C. Vasudeva & Company, Chartered Accountants, New Delhi were appointed as Statutory Auditors of the Company to hold office till the conclusion of 44th Annual General Meeting of the Company. In terms of provisions of Section 139 (1) of the Companies Act, 2013, the appointment of Statutory Auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. S.C. Vasudeva & Company as Statutory Auditors is placed for ratification by the members.

Further, the Statutory Auditors of the Company have submitted Auditors' Report on the accounts of the Company for the accounting year ended 31st March, 2016. This Auditors' Report is self-explanatory and requires no comments.

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 their meeting held on 8th May, 2015 for the financial year 2015-16.

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, 2016. This Report is self-explanatory and requires no comments. The Secretarial Audit Report forms part of this report as **Annexure III**.

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 2016-17. 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 2016-17 is placed for ratification by the members.

15. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:

Six meetings of the Board were held during the year.

16. AUDIT COMMITTEE DISCLOSURES:

Composition:

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 Ms. Karan Kamal Walia is the Secretary of the Committee. All the recommendations made by the Audit Committee were accepted by the Board.

Vigil Mechanism:

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 victimisation 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 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/user_files/20b9bcdbd2cc01fde3e8e7d392d93573769de1941436265078.pdf.**

17. CORPORATE GOVERNANCE:

The Company has in place a system of Corporate Governance. A separate report on Corporate Governance forming part of the Annual Report of the Company is annexed hereto. A certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Corporate Governance Clauses of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the report on Corporate Governance.

18. 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 optimise 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 IV**.

19. ANNUAL RETURN:

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 for the financial year 2015-16 in Form MGT-9 is annexed hereto and form part of this report as **Annexure V**.

20. HUMAN RESOURCES /INDUSTRIAL RELATIONS:

The Company continues to lay emphasis on building and sustaining an

excellent organisation climate based on human performance. Performance management is the key word for the Company. During the year the Company employed around 20,711 employees.

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

21. PARTCULARS 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) 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 any holding or subsidiary company of 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 VI**.

22. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to 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, 2016 and of the profit of the Company for the year ended on 31st March, 2016;

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 have been laid down to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f. The proper systems has been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

23. 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:

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

b. Issue of equity shares with differential rights as to dividend, voting or otherwise.

c. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.

d. 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.

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.

VARDHMAN TEXTILES LIMITED EMPLOYEE STOCK OPTION PLAN, 2016:

The Board of Directors in their 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 shareholders of the Company in the ensuing Annual General Meeting of the Company. 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.

24. ACKNOWLEDGEMENT:

Your Directors are pleased to place on record their sincere gratitude to the Government, Financial Institutions, Bankers and Business Constituents for their continued and valuable co-operation and support to the Company. 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

Place: Ludhiana
Dated: 9th May, 2016

(S.P. Oswal)
Chairman & Managing Director

ANNEXURE- I

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2015-16

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	₹588.06 crore
4.	Prescribed CSR Expenditure	₹11.76 crores
5.	**Details of CSR spent during the year:**	
	Total amount spent for the financial year	₹5.01 crores
	Amount unspent, if any	₹6.75 crores
	Manner in which the amount spent during the financial year	Annexure - A
6.	In case the Company has failed to spend two percent, reason thereof.	The Company has spent ₹5.01 crores in the Financial year 2015-16 on activities as provided in Annexure A. The Company has been scouting for projects and initiatives which are consistent with its stated CSR policy but such proposals have taken time to fructify. All pending CSR proposals 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 – A

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

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 or programs	Overheads		
1.	Construction of new Block IV and Biology & Computer Lab at Sri Aurobindo Public School, Baddi to cater to the increase in strength of students.	Promoting education	In the vicinity of Baddi units, Himachal Pradesh	₹17,800,000	₹15,800,000	-	₹15,800,000	Amount spent through Smt. Banarso Devi Oswal Public Charitable Trust.

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 or programs	Overheads		
2.	Completion of construction of Phase - I of Sri Aurobindo Public School, Budhni.	Promoting education	In the vicinity of Budhni units, District Sehore, Madhya Pradesh	₹35,600,000	₹31,400,000	-	₹3,14,00,000	Amount spent through Sri Aurobindo Socio Economic And Management Research Institute
3.	Modification/ Re- building of Vardhman Chowk (outside the Mill premises) to make it an accident free zone and to ensure smooth movement of traffic.	Promoting Education (road safety training and education)	Outside the Vardhman Premises, Chandigarh Load, Ludhiana - 141010, Punjab	₹1,000,000	₹476,579	-	₹476,579	Amount spent directly
4.	Grant to "Darpan- An image of Innocence", NGO for building their infrastructure and equipments and also for their recurring deficit. The NGO provides training and education facilities to children suffering from autism and other disabilities.	Promoting education of differently abled	Ludhiana, Punjab	₹100,000	₹100,000	-	₹100,000	Amount spent through 'Darpan - An Image of Innocence'
5.	Grant to Digestive Disease Care Foundation (DDCF), a registered non-profit voluntary organisation set up to eradicate Hepatitis B & C among Below Poverty Line families.	Promoting health care	Village Rajiana in District Moga, Punjab	₹360,000	₹360,000	-	₹360,000	Amount spent through Digestive Disease Care Foundation
6.	Monetary aid to Nishkam Sewa Schools in meeting various infrastructural requirements for education and welfare of the under privileged children.	Promoting Education	EWS Colony near Chandigarh Road, Ludhiana, Punjab	₹2,000,000	₹2,000,000	-	₹2,000,000	Amount spent through Nishkam Sewa Trust
	TOTAL			₹56,860,000	₹50,136,579		₹50,136,579	

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:

Date: 9th May, 2016
Place: Ludhiana

(A.K. Kundra)
Chairman of CSR Committee

ANNEXURE- II

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 Vardhman Textiles Limited ("VTXL") in their 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:-

   i) That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.

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

   iii) That remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate of the working of the Company and its goals.

d. To formulate criteria for evaluation of Directors and the Board.

e. To devise a policy on Board diversity.

3. MEMBERSHIP:

a. The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.

b. Minimum two (2) members shall constitute a quorum for the Committee meeting.

c. Membership of the Committee shall be disclosed in the Annual Report.

d. Term of the Committee shall be continued unless terminated by the Board of Directors.

4. CHAIRMAN:

a. Chairman of the Committee shall be an Independent Director.

b. Chairman of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.

c. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

d. Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

5. FREQUENCY OF MEETINGS:

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

6. COMMITTEE MEMBERS' INTERESTS:

a. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

b. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

7. SECRETARY:

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

8. VOTING:

a. Decisions of the Committee shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

b. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

9. MINUTES OF COMMITTEE MEETING:

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

10. EFFECTIVE DATE & AMENDMENTS:

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

ANNEXURE- III

Secretarial Audit Report in Form MR-3:

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration 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 to 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, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised 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 31st March, 2016 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 Company for the financial year ended on 31st March, 2016 according to the provisions of:

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

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

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings -Not Applicable during the audit period;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

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

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

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

d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- Not Applicable during the audit period;

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

f. 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;

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

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- Not Applicable during the audit period;

(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.

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

a. Secretarial Standards issued by The Institute of Company Secretaries of India (Not notified during the audit period hence not applicable on Company still the management has voluntarily decide to adhere to Secretarial Standards and comply with the same).

b. The uniform Listing Agreements entered into by the Company with Bombay Stock Exchange & 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 not passed any Special Resolution which is having major bearing in the Company's affair in pursuance of above referred laws, rules, regulation, guidelines, standards, etc.

For B.K. Gupta & Associates
Company Secretaries

Sd/-
(Bhupesh Gupta)
Partner
FCS No.:4590
C P No.: 5708

Place: Ludhiana
Date: 09.05.2016

ANNEXURE- IV

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.

Conservation measure taken, proposed measures being implemented for reduction of consumption of energy and consequent impact thereof on the cost of production of goods in Vardhman Textiles Limited for the year 2015-16:

S.No.	Description	Energy Saving in Lac Units	Saving Amount (in ₹ Lacs)
1	Optimisation of compressed air consumption	28	169
2	Installation of VFDs for H Plant fans		
3	Optimisation of suction of Pneumafil fan		
4	Installation of new distribution transformer at optimal locations		
5	Replacement of rewound motors with energy efficient motors		
6	Installation of APFC panels		
7	Installation of LED lights on street and boundry wall		

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.

4. Expenditure on R & D: (₹ in lac)

	(2015-16)	(2014-15)
Capital	1,398.81	63.42
Recurring	78.85	57.45
Total	1,477.66	120.87
Total R & D expenditure as a Percentage of Turnover	0.26%	0.02%

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.
- Focus on Exports of Value Added Products continued and the contribution of Value Added Products in Total Exports of financial year 2015-16.
- 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 crore)

	2015-16	2014-15
a) Earnings (FOB value of Exports, commission earned)	2,274.84	2,442.48
b) Outgo (CIF value of Imports and expenditure in foreign currency)	435.44	365.66

ANNEXURE - V

EXTRACT OF ANNUAL RETURN

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2016

[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%

III. 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 Yarns and Threads Limited, Vardhman Premises, Chandigarh Road, Ludhiana-141010	U17230PB2005PLC027936	Subsidiary Company	51.00	2 (87)
4.	Vardhman Acrylics Limited, Vardhman Premises, Chandigarh Road, Ludhiana-141010	L51491PB1990PLC019212	Subsidiary Company	70.75	2 (87)
5.	Vardhman Nisshinbo Garments Company Limited, Vardhman Premises, Chandigarh Road, Ludhiana-141010	U18100PB2009PLC032764	Subsidiary Company	51.00	2 (87)
6.	Vardhman Special Steels Limited, Vardhman Premises, Chandigarh Road, Ludhiana-141010	L27100PB2010PLC033930	Associate Company	31.39	2(6)
7.	Vardhman Spinning & General Mills Limited, Vardhman Premises, Chandigarh Road, Ludhiana-141010	U17121PB2007PLC030853	Associate Company	50	2(6)

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	1,461,658	0	1,461,658	2.30	1,461,658	0	1,461,658	2.30	0
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	37,013,302	0	37,013,302	58.15	25,155,246	0	25,155,246	39.52	(18.63)
• LLP [Adishwar Enterprises LLP (formerly known as Adinath Investment & Trading Company)*]	895,053	0	895,053	1.41	12,978,058	0	12,978,058	20.39	18.9
Sub-total (A)(1):-	**39,370,013**	**0**	**39,370,013**	**61.85**	**39,594,962**	**0**	**39,594,962**	**62.21**	**0.36**
(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)	**39,370,013**	**0**	**39,370,013**	**61.85**	**39,594,962**	**0**	**39,594,962**	**62.21**	**0.36**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	8,224,819	22,272	8,247,091	12.96	6,970,756	22,272	6,993,028	10.99	(1.97)
b) Venture Capital Funds	0	0	0	0	0	0	0	0	0
c) Alternate Investment Funds	0	0	0	0	0	0	0	0	0
d) Foreign Venture Capital	0	0	0	0	0	0	0	0	0
e) Foreign Portfolio Investors	6,520,051	8,694	6,528,745	10.26	7,695,357	8,694	7,704,051	12.10	1.84
f) Banks /FI	11,731	60,082	71,813	0.11	11,503	52,762	64,265	0.10	(0.01)
g) Insurance Companies	1,00,000	1,575	101,575	0.16	50,000	1,575	51,575	0.08	(0.08)
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)	**14,856,601**	**92,623**	**14,949,224**	**23.49**	**14,727,616**	**85,303**	**14,812,919**	**23.27**	**(0.22)**

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	4,233,115	1,105,434	5,338,549	8.39	3,894,319	1,047,611	4,941,930	7.76	(0.63)
ii. Individual shareholders holding nominal share capital in excess of ₹2 lakhs.	1,472,326	0	1,472,326	2.31	1,713,002	0	1,713,002	2.69	0.38
b) NBFCs registered with RBI	-	-	-	-	7,274	0	7,274	0.01	0.01
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 (specify) # CORPORATE BODY	663,161	45,126	708,287	1.11	649,295	43,034	692,329	1.09	(0.02)
e) Any Other (specify) # NRI	177,130	1,355	178,485	0.28	253,038	1,355	254,393	0.40	0.12
e) Any Other (specify) # TRUST	1,634,995	0	1,634,995	2.57	1,635,070	0	1,635,070	2.57	0.00
Sub-Total (B)(3)	**8,180,727**	**1,151,915**	**9,332,642**	**14.66**	**8,151,998**	**1,092,000**	**9,243,998**	**14.52**	**(0.14)**
Total public shareholding (B) = (b) (1) +(b) (2) + (b) (3)	**23,037,328**	**1,244,538**	**24,281,866**	**38.15**	**22,879,614**	**1,177,303**	**24,056,917**	**37.79**	**(0.36)**
C. Shares held by custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand total (A+B+C)	**62,407,341**	**1,244,538**	**63,651,879**	**100**	**62,474,576**	**1,177,303**	**63,651,879**	**100**	**-**

** Adinath Investment & Trading Company got converted into Adishwar Enterprises LLP w.e.f 5th June, 2014. The process of change in nomenclature of demat accounts involving 1,20,52,762 shares of Adinath Investment & Trading Company got completed in the financial year 2015-16. So as on 31.03.2016, 1,20,52,762 shares have been included in Adishwar Enterprises LLP and excluded from the total of Promoter Bodies Corporate.*

(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 (formerly known as Adinath Investment & Trading Company)*	12,947,815	20.34	12,978,058	20.39	0.05
2.	Flamingo Finance & Investment Company Limited	590,513	0.93	590,513	0.93	0
3.	Anklesh Investments (Private) Limited	357,501	0.56	358,566	0.56	0
4.	Marshall Investment & Trading Company (Private) Limited	545,516	0.86	547,516	0.86	0
5.	Ramaniya Finance & Investment Company Limited	470,046	0.74	470,046	0.74	0
6.	Santon Finance & Investment Company Limited	505,609	0.79	505,609	0.79	0
7.	Plaza Trading Company (Private) Limited	840	0.00	840	0.00	0
9.	Pradeep Mercantile Company (Private) Limited	103,782	0.16	103,782	0.16	0
10.	Srestha Holdings (Private) Limited	172,005	0.27	172,005	0.27	0
11.	Syracuse Investment & Trading Company (Private) Limited	27,615	0.04	30,280	0.05	0.01
12.	Mahavir Spinning Mills (Private) Limited	109,628	0.17	109,628	0.17	0
13.	Devakar Investment & Trading Company (Private) Limited	5,540,887	8.70	5,648,566	8.87	0.17
14.	S.P. Oswal	662,125	1.04	662,125	1.04	0
15.	Shakun Oswal	153,583	0.24	153,583	0.24	0
16.	Suchita Jain	270,818	0.43	270,818	0.43	0
17.	Sachit Jain	40,005	0.06	40,005	0.06	0
18.	Soumya Jain	7,980	0.01	7,980	0.01	0
19.	Sagrika Jain	7,740	0.01	7,740	0.01	0
20.	Eastern Trading Company	59,040	0.09	59,040	0.09	0
21.	Ambar Syndicate	86,255	0.14	86,255	0.14	0
22.	Northern Trading Company	82,560	0.13	82,560	0.13	0
23.	Paras Syndicate	91,552	0.14	91,552	0.14	0
24.	Vardhman Holdings Limited	15,402,598	24.20	15,483,895	24.33	0.13
25.	VTL Investments Limited	1,134,000	1.78	1,134,000	1.78	0
	Total	**39,370,013**	**61.85**	**39,594,962**	**62.21**	**0.36**

** Adinath Investment & Trading Company got converted into Adishwar Enterprises LLP w.e.f 5th June, 2014. The process of change in nomenclature of demat accounts involving 1,20,52,762 shares of Adinath Investment & Trading Company got completed in the financial year 2015-16.*

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

S. No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-15 to 31-03-16)	
		No. of shares at the beginning (01.04.15)/end of the year (31.03.16)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Vardhman Holdings Limited	15,402,598	24.20	01-Apr-2015				
				14-Dec-2015	735	Transfer	15,403,333	24.20
				15--Dec-2015	2,129	Transfer	15,405,462	24.20
				16-Dec-2015	16,694	Transfer	15,422,156	24.23
				17-Dec-2015	20,940	Transfer	15,443,096	24.26
				18-Dec-2015	854	Transfer	15,443,950	24.26
				28-Dec-2015	15,294	Transfer	15,459,244	24.29
				29-Dec-2015	9,178	Transfer	15,468,422	24.30
				30-Dec-2015	4,831	Transfer	15,473,253	24.31
				31-Dec-2015	9,547	Transfer	15,482,800	24.32
				25-Feb-2016	1,095	Transfer	15,483,895	24.33
		15,483,895	24.33	31-Mar-2016			15,483,895	24.33
2.	Adishwar Enterprises LLP (formerly known as Adinath Investment & Trading Company)	12,947,815	20.34	01-Apr-2015				
				25-Feb-2016	243	Transfer	12,948,058	20.34
				26-Feb-2016	30,000	Transfer	12,978,058	20.38
		12,978,058	20.38	31-Mar-2016			12,978,058	20.38
3.	Anklesh Investments (Private) Limited	357,501	0.56	01-Apr-2015				
				25-Feb-2016	1,065	Transfer	358,566	0.56
		358,566	0.56	31-Mar-2016			358,566	0.56
4.	Marshall Investment And Trading Company (Private) Limited	545,516	0.86	01-Apr-2015				
				25-Feb-2016	2,000	Transfer	547,516	0.86
		547,516	0.86	31-Mar-2016			547,516	0.86
5.	Syracuse Investment And Trading Company (Private) Limited	27,615	0.04	01-Apr-2015				
				25-Feb-2016	2,665	Transfer	30,280	0.05
		30,280	0.05	31-Mar-2016			30,280	0.05
6.	Devakar Investment And Trading Company (Private) Limited	5,540,887	8.70	01-Apr-2015				
				26-Feb-2016	80,316	Transfer	5,621,203	8.83
				29-Feb-2016	27,363	Transfer	5,648,566	8.87
		5,648,566	8.87	31-Mar-2016			5,648,566	8.87

(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 (01.04.15 to 31.03.16)	
	Top ten shareholders	No. of shares at the beginning (01.04.15)/end of the year (31.03.16)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	IDFC Premier Equity Fund	3,952,000	6.209	01-Apr-2015				
				12-Jun-2015	15,160	Transfer	3,967,160	6.233
				09-Oct-2015	-561	Transfer	3,966,599	6.232
				16-Oct-2015	-1,433	Transfer	3,965,166	6.229
				23-Oct-2015	-6,146	Transfer	3,959,020	6.220
				30-Oct-2015	-2,048	Transfer	3,956,972	6.217
				06-Nov-2015	-157,422	Transfer	3,799,550	5.969
				13-Nov-2015	-23,432	Transfer	3,776,118	5.933
				20-Nov-2015	-66,568	Transfer	3,709,550	5.829
				27-Nov-2015	-14,344	Transfer	3,695,206	5.806
				15-Jan-2016	450	Transfer	3,695,656	5.805
				29-Jan-2016	-16,228	Transfer	3,679,428	5.781
				05-Feb-2016	-7,754	Transfer	3,671,674	5.768
				19-Feb-2016	-66,416	Transfer	3,605,258	5.664
				26-Feb-2016	-7,084	Transfer	3,598,174	5.653
				04-Mar-2016	-132,752	Transfer	3,465,422	5.444
				11-Mar-2016	-24,228	Transfer	3,441,194	5.406
				18-Mar-2016	-189,845	Transfer	3,251,349	5.108
				25-Mar-2016	-143,711	Transfer	3,107,638	4.882
		2,889,998	4.540	31-Mar-2016	-217,640	Transfer	2,889,998	4.540
2.	Franklin Templeton Investment Funds#	2,859,133	4.49	01-Apr-2015				
				07-Aug-2015	-7,871	Transfer	2,851,262	4.479
				28-Aug-2015	-11,375	Transfer	2,839,887	4.462
				04-Nov-2015	-132,725	Transfer	2,707,162	4.172
				11-Nov-2015	-51,526	Transfer	2,655,636	4.131
				18-Nov-2015	-26,119	Transfer	2,629,517	4.253
		2,629,517	4.253	31-Mar-2016			2,629,517	4.253
3.	Baring India Private Equity Fund III Listed Investments limited	2,002,936	3.15	01-Apr-2015				
				23-Oct-2015	-163,010	Transfer	1,839,926	2.891
				30-Oct-2015	-838,458	Transfer	1,001,468	1.573
				15-Jan-2016	-248,991	Transfer	752,477	1.182
		752,477	1.182	31-Mar-2016			752,477	1.182

S. No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.15 to 31.03.16)	
	Top ten shareholders	No. of shares at the beginning (01.04.15)/end of the year (31.03.16)	% of total shares of the Company				No. of Shares	% of total shares of the Company
4.	ICICI Prudential Value Discovery Fund*	943,820	1.48	01-Apr-2015				
				22-May-2015	-13,935	Transfer	929,885	1.461
				29-May-2015	-369,606	Transfer	560,279	0.880
				12-Jun-2015	-69,546	Transfer	490,733	0.771
				26-Jun-2015	-50,496	Transfer	440,237	0.692
				30-Jun-2015	-6,909	Transfer	433,328	0.681
				03-Jul-2015	-37,089	Transfer	396,239	0.623
				10-Jul-2015	-68,465	Transfer	327,774	0.515
				17-Jul-2015	-113,799	Transfer	213,975	0.336
				24-Jul-2015	-83,345	Transfer	130,630	0.205
				31-Jul-2015	-66,021	Transfer	64,609	0.102
				07-Aug-2015	-52,066	Transfer	12,543	0.020
				14-Aug-2015	-12,543	Transfer	0	0.00
		0	0.00	31-Mar-2016			0	
5.	Mahavir Shares Trust	1,598,741	2.51	01-Apr-2015	0	Nil movement during the year		
		1,598,741	2.51	31-Mar-2016			1,598,741	2.51
6.	UTI Equity Fund*	575,275	0.904	01-Apr-2015				
				07-Aug-2015	-54,275	Transfer	521,000	0.818
				15-Jan-2016	-150,000	Transfer	371,000	0.583
				22-Jan-2016	-191,100	Transfer	179,900	0.283
				29-Jan-2016	-179,900	Transfer	0	0
		0	0.00	31-Mar-2016			0	0.00
7.	UTI Dividend Yield Fund	468,000	0.735	01-Apr-2015	NIL Movement during the year			
		468,000	0.735	31-Mar-2016			468,000	0.735
8	UTI -Mid Cap Fund*	320,726	0.504	01-Apr-2015				
				07-Aug-2015	-30,726	Transfer	290,000	0.456
				28-Aug-2015	-25,000	Transfer	265,000	0.416
				18-Mar-2016	16,513	Transfer	281,513	0.442
		281,513	0.442	31-Mar-2016			281,513	0.442

S. No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.15 to 31.03.16)	
	Top ten shareholders	No. of shares at the beginning (01.04.15)/end of the year (31.03.16)	% of total shares of the Company				No. of Shares	% of total shares of the Company
9.	Dolly Khanna*	285,464	0.71	01-Apr-2015				
				10-Apr-2015	1,000	Transfer	286,464	0.450
				17-Apr-2015	3,000	Transfer	289,464	0.455
				24-Apr-2015	998	Transfer	290,462	0.456
				01-May-2015	2,002	Transfer	292,464	0.459
				08-May-2015	3,250	Transfer	295,714	0.465
				15-May-2015	1,000	Transfer	296,714	0.466
				22-May-2015	1,000	Transfer	297,714	0.468
				12-Jun-2015	2,500	Transfer	300,214	0.472
				14-Aug-2015	3,500	Transfer	303,714	0.477
				04-Sept-2015	-1,000	Transfer	302,714	0.476
				25-Sept-2015	-1,500	Transfer	301,214	0.473
				09-Oct-2015	-3,000	Transfer	298,214	0.469
				16-Oct-2015	-9,013	Transfer	289,201	0.454
				23-Oct-2015	-4,303	Transfer	284,898	0.448
				30-Oct-2015	-2,670	Transfer	282,228	0.443
				06-Nov-2015	-1,000	Transfer	281,228	0.442
				22-Jan-2016	-1,922	Transfer	279,306	0.439
				29-Jan-2016	-420	Transfer	278,886	0.438
				18-Mar-2016	1,000	Transfer	279,886	0.440
		279,886	0.440	31-Mar-2016			279,886	0.440
10.	Reliance Capital Trustee Co. Ltd - A/C Raliance*	261,300	0.411	01-Apr-2015				
				21-Aug-2015	-47,566	Transfer	213,734	0.335
				28-Aug-2015	-52,434	Transfer	161,300	0.253
		161,300	0.253	31-Mar-2016			161,300	0.253
11.	Barclays Merchant Bank#	-	-	01-Apr-2015				
				23-Oct-2015	163,010	Transfer	163,010	0.256
				30-Oct-2015	838,458	Transfer	1,001,468	1.573
		1,001,468	1.573	31-Mar-2016			1,001,468	1.573

S. No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.15 to 31.03.16)	
	Top ten shareholders	No. of shares at the beginning (01.04.15)/end of the year (31.03.16)	% of total shares of the Company				No. of Shares	% of total shares of the Company
12.	Franklin Templeton Mutual Fund A/C Franklin India#	-	-	01-Apr-2015				
				08-Jan-2016	7,691	Transfer	7,691	0.012
				15-Jan-2016	298,468	Transfer	306,159	0.481
				22-Jan-2016	254,619	Transfer	560,778	0.881
				29-Jan-2016	27,174	Transfer	587,952	0.924
				19-Feb-2016	15,912	Transfer	603,864	0.949
				18-Mar-2016	50,000	Transfer	653,864	1.027
				25-Mar-2016	100,000	Transfer	753,864	1.184
		753,864	1.184	31-Mar-2016			753,864	1.184
13.	Sundaram Mutual Fund A/C Sundaram Select Midcap#	233,794	0.367	01-Apr-2015				
				17-Apr-2015	7,810	Transfer	241,604	0.380
				22-Apr-2015	12,373	Transfer	253,977	0.399
				29-Apr-2015	324,427	Transfer	578,404	0.909
				12-Jun-2015	610	Transfer	579,014	0.910
				19-Jun-2015	7,820	Transfer	586,834	0.922
				07-Aug-2015	74,226	Transfer	661,060	1.039
				14-Aug-2015	-2,840	Transfer	658,220	1.034
				21-Aug-2015	-37,532	Transfer	620,688	0.975
				16-Oct-2015	5,000	Transfer	625,688	0.983
				13-Nov-2015	11,680	Transfer	637,368	1.001
				20-Nov-2015	4,374	Transfer	641,742	1.008
		641,742	1.008	31-Mar-2016			641,742	1.008
14.	Ashish Kacholia#	-	-	01-Apr-2015				
				14-Aug-2015	202,500	Transfer	202,500	0.318
				21-Aug-2015	10,925	Transfer	213,425	0.335
				28-Aug-2015	14,075	Transfer	227,500	0.357
				13-Nov-2015	72,500	Transfer	300,000	0.471
				20-Nov-2015	50,000	Transfer	350,000	0.550
				05-Feb-2016	17,325	Transfer	367,325	0.577
				31-Mar-2016	100,000	Transfer	467,325	0.734
		467,325	0.734	31-Mar-2016			467,325	0.734

S. No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.15 to 31.03.16)	
	Top ten shareholders	No. of shares at the beginning (01.04.15)/end of the year (31.03.16)	% of total shares of the Company				No. of Shares	% of total shares of the Company
15.	Anil Kumar Goel#	230,000	0.361	01-Apr-2015				
				05-Jun-2015	7,000	Transfer	237,000	0.372
				31-Jul-2015	-1,000	Transfer	236,000	0.371
				07-Aug-2015	-3,000	Transfer	233,000	0.366
				16-Oct-2015	424	Transfer	233,424	0.367
				23-Oct-2015	1,576	Transfer	235,000	0.369
				30-Oct-2015	1,000	Transfer	236,000	0.371
				06-Nov-2015	100,000	Transfer	336,000	0.528
				18-Mar-2016	1,000	Transfer	337,000	0.529
		337,000	0.529	31-Mar-2016			337,000	0.529

** Ceased to be in the list of Top 10 shareholders as on 31.03.2016. The same is reflected above since the shareholder was one of the Top 10 shareholder as on 01.04.2015.*

 # Not in the list of Top 10 shareholders as on 01.04.2015. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31.03.2016.

(v) Shareholding of Directors and Key Managerial Personnel:

S. No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.15 to 31.03.16)	
		No. of shares at the beginning (01.04.15)/end of the year (31.03.16)	% 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)	662,125	1.040	01-Apr-2015	0	Nil movement during the year		
		662,125	1.040	31-Mar-2016			662,125	1.040
2.	Mr. Sachit Jain (Joint Managing Director)	40,005	0.06	01-Apr-2015	0	Nil movement during the year		
		40,005	0.06	31-Mar-2016			40,005	0.06
3.	Mr. Neeraj Jain (Joint Managing Director)	0	0.00	01-Apr-2015	0	Nil Holding/ movement during the year		
		0	0.00	31-Mar-2016			0	0.00
4.	Mr. D.L. Sharma (Non-Executive Non-Independent Director)	3,319	0.005	01-Apr-2015	0	Nil movement during the year		
		3,319	0.005	31-Mar-2016			3,319	0.005

S. No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.15 to 31.03.16)	
		No. of shares at the beginning (01.04.15)/end of the year (31.03.16)	% of total shares of the Company				No. of Shares	% of total shares of the Company
5.	Mrs. Suchita Jain (Non-Executive Non-Independent Director)	270,818	0.425	01-Apr-2015	0	Nil Movement during the year		
		270,818	0.425	31-Mar-2016			270,818	0.425
6.	Mr. A.K. Kundra (Independent Director)	0	0.00	01-Apr-2015	0	Nil Holding/ movement during the year		
		0	0.00	31-Mar-2016			0	0.00
7.	Mr. Prafull Anubhai (Independent Director)	0	0.00	01-Apr-2015	0	Nil Holding/ movement during the year		
		0	0.00	31-Mar-2016			0	0.00
8.	Mr. Shravan Talwar (Independent Director)	0	0.00	01-Apr-2015	0	Nil Holding/ movement during the year		
		0	0.00	31-Mar-2016			0	0.00
9.	Dr. S.K. Bijlani (Independent Director)	0	0.00	01-Apr-2015	0	Nil Holding/ movement during the year		
		0	0.00	31-Mar-2016			0	0.00
10.	Mr. Devendra Bhushan Jain (Independent Director)	0	0.00	01-Apr-2015	0	Nil Holding/ movement during the year		
		0	0.00	31-Mar-2016			0	0.00
11.	Mr. A.K. Purwar (Independent Director) **Ceased to be Director on 09.05.2015**	0	0.00	01-Apr-2015	0	Nil Holding/ movement during the year		
12.	Mr. Suresh Kishinchand Khatanhar (Nominee Director)	0	0.00	01-Apr-2015	0	Nil Holding/ movement during the year		
		0	0.00	31-Mar-2016			0	0.00
13.	Mr. Rajendra Mohan Malla **Appointed as Independent Director on 04.09.2015**	0	0.00	01-Apr-2015	0	Nil Holding/ movement during the year		
		0	0.00	31-Mar-2016			0	0.00
B)	**KEY MANAGERIAL PERSONNEL (KMP's):**							
1	Mr. Rajeev Thapar (Chief Financial Officer)	10	0.00	01-Apr-2015	0	Nil movement during the year		
		10	0.00	31-Mar-2016			10	0.00
2.	Ms. Karan Kamal Walia (Company Secretary and Compliance Officer)	0	0.00	01-Apr-2015	0	Nil Holding/ movement during the year		
		0	0.00	31-Mar-2016			0	0.00

(vi) Indebtedness

Indebtedness of the Company including interest outstanding /accrued but not due for payment (Amount in ₹)

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount	₹24,923,128,221	₹135,781,776	-	₹25,058,909,997
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	₹33,718,725	-	-	₹33,718,725
Total (i+ii+iii)	**₹24,956,846,946**	**₹135,781,776**	**-**	**₹25,092,628,722**
Change in indebtedness during the financial year				
Addition	₹4,087,488,105	₹518,055,972	-	₹4,605,544,077
Reduction	₹4,593,107,200	-	-	₹4,593,107,200
Net change	**₹(505,619,095)**	**₹518,055,972**	**-**	**₹12,436,877**
Indebtedness at the end of the financial year				
i) Principal amount	₹24,447,721,418	₹653,837,748	-	₹25,101,559,166
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	₹3,506,433	-	-	₹3,506,433
Total (i+ii+iii)	**₹24,451,227,851**	**₹653,837,748**	**-**	**₹25,105,065,599**

(vii) 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
		Mr. S.P. Oswal	Mr. Sachit Jain	Mr. Neeraj Jain	
1.	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	₹7,064,200.89	₹5,393,131.58	₹5,089,245.00	₹17,528,577.47
	b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	-	-	-	
	c) Profits in lieu of salary under section 17(3) Income – Tax Act, 1961	-	-	-	-
2.	Stock option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- As % of profit	₹176,069,853	₹3,120,000	₹2,760,000	₹181,949,853
	- Others, specify				
5.	Others, please Specify	-	-	-	-
	Total (A)				**₹199,478,430.47**
	Ceiling as per the Act				₹880,349,262.94

B. Remuneration to other Directors:

S. No	Particulars of Remuneration	Name of Directors							Total Amount
1.	Independent Directors	Mr. Prafull Anubhai	Mr. A.K. Purwar	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	₹355,000/-	₹35,000/-	₹630,000/-	₹100,000/-	₹200,000/-	₹325,000/-	₹175,000/-	**₹1,820,000/-**

S. No	Particulars of Remuneration	Name of Directors							Total Amount
2.	Other Non-Executive Directors	Mr. Suresh Khatanhar (IDBI Nominee)							
	- Fee for attending board/committee meetings - Commission -Others, Please specify	₹140,000/-							**₹140,000/-**
	Total (1)	₹355,000	₹35,000	₹630,000	₹100,000	₹200,000	₹325,000	₹175,000	₹1,820,000
	Total (2)	₹140,000	-	-	-	-	-		₹140,000
	Total (B) =(1+2)	₹495,000	₹35,000	₹630,000	₹100,000	₹200,000	₹325,000	₹175,000	₹1,960,000
	Total Managerial Remuneration								**₹201,438,430.47**
	Overall ceiling as per the act								₹968,384,189.23

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

S. No	Particulars of remuneration	Key managerial Personnel			Total
		CEO	Company Secretary	CFO	
1.	Gross salary				
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act,1961	NA	₹795,934	₹4,364,323	₹5,160,257
	b) Value of perquisites u/s 17(2) Income Tax Act,1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- As % of profit	-	-	-	-
	- Others, specify	-	-	-	-
5.	Others, Please Specify	-	-	-	-
	Total	**-**	**₹795,934**	**₹4,364,323**	**₹5,160,257**

(viii) 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	N.A.				
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Others officers in default					
Penalty					
Punishment					
Compounding					

ANNEXURE - VI

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/ KMP and Designation	Remuneration for Directors/ KMP for Financial Year 2015-16 (Amount In ₹)	% Increase in Remuneration in the Financial Year 2015-16	Ratio of Remuneration of each Director/ KMP to Median Remuneration of Employees	Comparison of Remuneration of KMP Against the Performance of the Company
1.	S.P. Oswal Chairman & Managing Director	183,134,053	90.80	641.10	Profit before interest, depreciation and tax increased by 19.44% and profit after tax increased by 81.85% in financial year 2015-16.
2.	Sachit Jain Joint Managing Director	8,513,131	12.40	29.80	
3.	Neeraj Jain Joint Managing Director	78,49,245	20.60	27.48	
4.	Suchita Jain Director	-	-	-	
5.	Prafull Anubhai Non- Executive Director	355,000	44.90	1.24	
6.	A.K. Puwar* Non- Executive Director	35,000	-	-	
7.	A.K. Kundra Non- Executive Director	630,000	142.31	2.21	
8.	D.B. Jain Non- Executive Director	325,000	80.56	1.14	
9.	Shravan Talwar Non- Executive Director	100,000	-23.08	0.35	
10.	D.L. Sharma Non- Executive Director	-	-	-	
11.	S.K. Bijlani Non- Executive Director	200,000	2.56	0.70	
12.	Suresh Khatanhar Nominee Director of IDBI Bank	140,000	27.27	0.49	
13.	R.M. Malla** Non- Executive Director	175,000	-	-	-
14.	Rajeev Thapar Chief Financial Officer	4,364,323	21.38	15.28	Profit before interest, depreciation and tax increased by 19.44% and profit after tax increased by 81.85% in financial year 2015-16.
15.	Karan Kamal Walia Company Secretary	795,934	18.12	2.79	

Note:

** Details not given as Mr. A.K. Purwar resigned from the Directorship w.e.f 9th May, 2015.*

*** Details not given as Mr. R.M. Malla was appointed as Director of the Company w.e.f 4th September, 2015 and was a Director only for part of the financial year* 2015-16.

2. The median remuneration of employees of the Company during the financial year was ₹2.86 lacs.

3. In the financial year, there was an increase of 9.50% in the median remuneration of employees.

4. There were 18,035 permanent employees on the rolls of Company as on March 31, 2016.

5. Relationship between average increase in remuneration and company performance:- The Profit after Tax for the financial year ended March 31, 2016 increased by 81.85% and the increase in median remuneration was 9.50%. With increase in Profits after Tax, the median remuneration also increased.

6. Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:- The total remuneration of Key Managerial Personnel increased by 87.82% from ₹10.03 crore in 2014-15 to ₹18.83 crore in 2015-16 whereas the Profit after Tax increased by 81.85% to ₹653.05 crore in 2015-16 (₹359.11 crore in 2014-15).

7. (a) Variations in the market capitalisation of the Company: The market capitalisation as on March 31, 2016 was ₹4,923.47 crore (₹3,446.43 crore as on March 31, 2015).

   (b) Price Earnings ratio of the Company was 7.54 as at March 31, 2016 and was 9.60 as at March 31, 2015.

   (c) Percent increase over/ decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer in the year- The Company had come out with initial public offer (IPO) in 1975-76. An amount of ₹1,000 invested in the said IPO would be worth ₹11.37 lacs as on March 31, 2016 indicating a Compounded Annual Growth Rate of 19.77 %. This is excluding the dividend accrued thereon on the shares.

8. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year 2015-16 was 14.94% whereas the increase in the managerial remuneration for the same financial year was 73.69%.

9. The key parameters for the variable component of remuneration, if any, availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

10. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable.

11. 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 ₹60,00,000/- PER ANNUM

Sr. No.	Name of employee	Designation/ Nature of duties	Remuneration (in ₹ lac)	Qualification	Age (Years)	Experience (Years)	Date of Employment	Particulars of last Employment
1.	Mr. S.P. Oswal	Chairman & Managing Director	1,831.34	M.Com	73	49	08.10.1973	Chairman and Managing Director (Vardhman Spinning and General Mills Limited)
2.	Mr. Sachit Jain	Joint managing Director	85.13	B. Tech, MBA	50	26	13.06.1994	Executive Director, VMT Spinning Company Limited
3.	Mr. Neeraj Jain	Joint managing Director	78.49	B.Com, CA	49	24	31.03.2010	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)

S. No.	Name of Director	Name of Subsidiary Company	Amount (In ₹ lacs)
1.	Neeraj Jain	VMT Spinning Company Limited	24.39

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 optimise 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 are hallmarks of the best practices followed by the Company. This report on Corporate Governance, besides being in compliance of the mandatory SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015, gives an insight into the functioning of the Company.

1. VARDHMAN GROUP'S PHILOSOPHY:

- 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 and zero defect implementation.
- Global orientation targeting – at least 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 31st, 2016

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- Non- Executive Non- Independent Director
Joint Managing Director	Neeraj Jain
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	Suresh Khatanhar

 # Mr. S.P. Oswal, Mr. Sachit Jain, Mrs. Suchita Jain are related among themselves. None of the other Directors is related to any other Director of the Company.

** Mr. R.M. Malla has been appointed as Independent Director of the Company w.e.f. 4th September, 2015.*

(ii) Board Meetings:

During the financial year 2015-2016, the Board met 6 times on the following dates:

- 8th May, 2015
- 5th August, 2015
- 29th September, 2015
- 4th November, 2015
- 25th January, 2016
- 11th March, 2016

(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	6	Yes	8	-	4	-
Sachit Jain	6	Yes	7	1	-	1
Prafull Anubhai	6	Yes	4	4	1	2
S.K. Bijlani	5	No	3	1	-	-
Neeraj Jain	6	Yes	5	1	-	-
D.L. Sharma	5	Yes	8	3	1	-
A. K Kundra	6	No	2	-	1	-
Suchita Jain	5	No	7	1	-	-
Shravan Talwar	2	No	2	-	-	-
D.B. Jain	5	No	-	-	-	-
Suresh Khatanhar	4	No	-	-	-	-
R.M. Malla	4	No	3	-	-	-

Video conferencing facilities were 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 Vigil Mechanism of the Company, which also incorporates a whistle blower aims to provide a channel to the employees and Directors to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of conduct or policy. 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/user_files/20b9bcdbd2cc01fde3e8e7d392d93573769de1941436265078.pdf.** • 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	• 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 II.**

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 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.** • Recommended 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 I**.
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 42 complaints related to non-receipt of dividend, 3 complaints on SCORES Portal and 103 complaints related to non-receipt of bonus shares, fractional shares, duplicate shares, 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 2015-2016 except those that are disputed/ sub-judice.
Risk Management Committee*	A.K. Kundra *(Chairman)* Sachit Jain Neeraj Jain D.B. Jain	• The Risk Management Committee has formulated Risk Management Policy of the Company which aims to maximise opportunities in all activities and to minimise adversity. • The risk management framework 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.**

Ms. Karan Kamal Walia, Company Secretary and Compliance Officer is the Secretary of all Board Committees constituted under the Companies Act, 2013 and Uniform Listing Agreement.

** SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 became effective from 1st December, 2015 which provided for the obligation to constitute Risk Management Committee only on top 100 Listed Companies. Therefore, the Board of Directors dissolved the Risk Management Committee of the Company w.e.f 9th May, 2016.*

(ii) Meetings of Board Committees held during the year and Director's attendance:

Board Committees	Audit	CSR	Nomination & Remuneration	Stakeholders' Relationship	Risk Management
Meetings held	4	5	3	1	1
S.P. Oswal*	N.A.	N.A.	2	N.A.	N.A.
Sachit Jain	N.A.	5	N.A.	1	1
Prafull Anubhai	4	N.A.	3	N.A.	N.A.
S.K. Bijlani	3	N.A.	N.A.	N.A.	N.A.
Neeraj Jain	N.A.	5	N.A.	N.A.	1
D.L. Sharma	3	4	N.A.	1	N.A.
A. K Kundra	4	5	3	1	1
Suchita Jain	N.A.	N.A.	N.A.	N.A.	N.A.
Shravan Talwar**	1	N.A.	0	N.A.	N.A.
D.B. Jain	4	N.A.	N.A.	N.A.	1
Suresh Khatanhar	N.A.	N.A.	N.A.	N.A.	N.A.
R.M. Malla	N.A.	N.A.	N.A.	N.A.	N.A.

N.A. - Not a member of the Committee

** Mr. S.P. Oswal has been appointed as member of Nomination & Remuneration Committee w.e.f. 8th May, 2015.*

*** Mr. Shravan Talwar ceased to be a member of the Nomination & Remuneration Committee w.e.f 8th May, 2015.*

(iii) Meeting of Independent Directors:

The meeting of Independent Directors of the Company for the calendar year 2015 was held on 30th March, 2015 to evaluate the performance of Non-Independent Directors of the Company, Chairman of the Company and the Board as a whole.

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 2015-16 is as given below: (in ₹ Lacs)

Name	Designation	Salary	Perquisites & Allowances	Retirement Benefit	Commission	Gross remuneration
Mr. S.P. Oswal	Chairman & Managing Director	44.85	20.41	5.38	1,760.70	1,831.34
Mr. Sachit Jain	Joint Managing Director	31.20	18.69	4.04	31.20	85.13
Mr. Neeraj Jain	Joint Managing Director	27.60	19.98	3.31	27.60	78.49

(ii) Non-Executive Directors:

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

The detail of sitting fees paid to the Non-Executive Directors during the Financial Year 2015-16 is given hereunder: -

Name of Director	Sitting Fee (₹)
1. Prafull Anubhai	355,000
2. A.K. Kundra	630,000
3. S.K. Bijlani	200,000
4. Suresh Khatanhar (IDBI Nominee)	140,000
5. A.K. Purwar*	35,000
6. Shravan Talwar	100,000
7. D.B. Jain	325,000
8. R.M. Malla	175,000

** Resigned from the Directorship w.e.f 9th May, 2015.*

5. SHAREHOLDING DETAILS OF DIRECTORS AS ON 31st MARCH, 2016:

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

Name of Directors	Number of shares held
S.P. Oswal	662,125
Suchita Jain	270,818
Sachit Jain	40,005
D.L. Sharma	3,319

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

6. GENERAL BODY MEETINGS:

The details of General Body Meetings held during the last three financial years are given as follows:

Meeting	Day, Date and Time of the Meeting	Venue	No. of Special Resolutions
42nd Annual General Meeting for the 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
40th Annual General Meeting for the Financial year ended 31st March, 2013.	Saturday, 31st August, 2013 at 12.00 noon.	Regd. Office, Chandigarh Road, Ludhiana- 141010.	1

During the year, no resolution was passed through postal ballot. There is no immediate proposal for passing any resolution through postal ballot in financial year 2016-17.

7. DISCLOSURES:

There was no material/significant transaction with the directors or the management and their relatives etc. that has any potential conflict with interest of the Company at large. Also there has not been any non-compliance by the Company in respect of which penalties or strictures were imposed by the Stock Exchanges or Securities Exchange Board of India (SEBI) or any other Statutory Authority during the last three years.

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) 43rd Annual General Meeting:

Date: 5th September, 2016
Time: 09:00 a.m.
Venue: Regd. Office, Chandigarh Road, Ludhiana-141 010.

(ii) Financial Calendar 2016-2017 (Tentative)

First Quarter Results : August, 2016
Second Quarter Results : November, 2016
Third Quarter Results : February, 2017
Annual Results : May, 2017

(iii) Date of Book Closure :

29th August 2016

(iv) 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 2015-16.

(v) Stock Code:

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

(vi) Stock Market Data:

The month-wise highest and lowest and closing stock prices of NSE vis-a-vis BSE during the financial year 2015-16 is given below:

Financial Year 2015-16	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	723.30	541.00	648.75	19.82	723.90	541.20	648.55	19.98
May	717.00	581.10	636.55	-1.88	718.00	585.00	637.30	-1.73
June	724.00	602.00	677.05	6.36	725.00	603.95	675.65	6.02
July	815.70	670.05	798.95	18.00	816.00	673.05	799.15	18.28
August	989.00	798.90	909.85	13.88	990.00	804.00	909.75	13.84
September	974.15	847.75	934.90	2.75	974.00	847.30	934.25	2.69
October	955.00	722.00	725.65	-22.38	944.90	721.15	724.95	-22.40
November	816.80	700.00	772.85	6.50	817.00	700.00	769.50	6.15
December	849.00	731.00	829.65	7.35	850.10	736.50	830.35	7.91
January	835.65	680.00	787.35	-5.10	837.00	651.50	784.95	-5.47
February	828.00	714.40	746.05	-5.25	827.00	715.25	741.80	-5.50
March	799.30	736.05	773.50	3.68	798.05	747.10	773.35	4.25

(vii) Information regarding Dividend Payment:

a) Dividends remaining unpaid/unclaimed up to the financial year 2007-2008 have been transferred to the Investors' Education and Protection Fund (IEPF). The dividend declared from the financial year 2008-2009, 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 2009-2010 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).

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

(ix) 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.

(x) Distribution of Shareholding as on 31st March, 2016:

RANGE	SHAREHOLDERS		SHARES	
No. of Shares	Numbers of total Holders	% to Total Holders	Numbers of shares Held	% to Total Shares
Upto-500	18,834	88.74	2,007,240	3.15
501-1000	1,218	5.74	881,534	1.39
1001-2000	518	2.44	740,118	1.16
2001-3000	173	0.82	433,936	0.68
3001-4000	82	0.39	289,738	0.46
4001-5000	57	0.27	262,034	0.41
5001-10000	123	0.58	881,688	1.39
10001- above	218	1.02	58,155,591	91.36
Total	**21,223**	**100**	**63,651,879**	**100**

(xi) Dematerialisation of shares:

As on 31st March, 2016, 98.15% of the capital comprising 62,474,576 shares, out of total of 63,651,879 shares, were dematerialised.

(xii) 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,
  Sai Road, Baddi
  Distt. Solan (H.P.)- 173 205.
- Auro Weaving Mills,
  Sai Road, Baddi
  Distt. Solan (H.P.) - 173 205.
- Auro Textiles,
  Sai Road, Baddi
  Distt. Solan (H.P.)- 173 205
- Auro Textiles (unit-II),
  Sai Road, Baddi
  Distt. Solan (H.P.)- 173 205
- Mahavir Spinning Mills
  (Gassed Mercerised Yarn Unit)
  Phagwara Road,
  Hoshiarpur-146 001
- 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.)

(xiii) 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, 2016.

Place : Ludhiana
Dated : 9th May, 2016

S.P. Oswal
Chairman & Managing Director

Auditors' Certificate on Compliance of Corporate Governance Under Corporate Governance Clause of the Uniform Listing Agreement(s)

To
The Members of
Vardhman Textiles Limited

We have examined the compliance of the conditions of Corporate Governance by Vardhman Textiles Limited for the year ended on 31st March, 2016, as stipulated in the Uniform Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Uniform Listing Agreement.

We further 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 Registration No.: 000235N

(Sanjiv Mohan)
Partner
Membership No. 86066

Place : Ludhiana
Dated: 9th May, 2016

To
The Members of
Vardhman Textiles Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying Standalone Financial Statements of Vardhman Textiles Limited ('the Company') which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. 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 and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material mis-statement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit.

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

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

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give 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 financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016 and its profits and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure- A, which forms part of this report, a statement on the matters specified in the paragraph 3 and 4 of the Order.

10. 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 and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

    d. in our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e. on the basis of the written representations received from the directors as on 31st March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of sub-section (2) of section 164 of the Act; and

f. with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure- 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 explanations given to us;

(i) the Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note No. 31 to the financial statements;

(ii) the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

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

(Sanjiv Mohan)
Partner
M. No. 086066

Place: Ludhiana
Dated: 9th May, 2016

ANNEXURE – A TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Standalone Financial Statements for the year ended 31st March 2016, 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 office equipment and furniture and fixtures 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, except the land at Baddi (Himachal Pradesh) for which title deeds are yet to be executed in favour of Company. Refer Note No. 13 to the financial statements.

(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 not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore the provisions of paragraph (iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has complied with the requirements of the section 186 of the Companies Act, 2013 pursuant to loans granted and investments made. The company has not granted loans to directors or to the person in whom directors are interested. Therefore the provisions of the section 185 of the Companies Act, 2013 are not applicable to the company.

(v) According to the information and explanations given to us, the Company has not accepted deposits covered under the provisions of sections 73 to 76, other relevant provisions of the Companies Act, 2013 and the rules framed there under. According to the information and explanations given to us, no order under the aforesaid sections has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company.

(vi) 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 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 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, Service Tax and duty of Excise has not been deposited by the company on account of dispute:

S. No.	Name of Statute	Amount (in Lacs)	Financial Year to which it relates	Forum at which dispute is pending
1	Central Excise Act,1944	25.88	2005-06	Hon'ble Supreme Court, New Delhi
2	Central Excise Act,1944	1.68	2005-06	Commissioner Appeals, Chandigarh
3	Central Excise Act,1944	13.18	2006-07	CESTAT, Delhi
4	Central Excise Act,1944	1.02	2009-10	Commissioner Appeals, Bhopal
5	Central Excise Act,1944	18.67	2009-10	CESTAT, Delhi
6	Central Excise Act,1944	216.06	2009-10	CESTAT, Delhi
7	Central Excise Act,1944	34.59	2013-14	CESTAT, Chandigarh
8	Central Excise Act,1944	4.26	2008-09	Hon'ble Supreme Court, New Delhi
9	Central Excise Act,1944	4.88	2008-09	Commissioner Appeals, Chandigarh
10	Central Excise Act,1944	4.80	2006-07	CESTAT, Delhi
11	Central Excise Act,1944	64.72	Jan 2008 to March 2011	CESTAT, Delhi
12	Central Excise Act,1944	2.06	2003-04, 2004-05	Commissioner Appeals, Chandigarh
13	Central Excise Act,1944	0.17	2002-03	Assistant Commissioner, Central Excise, Ludhiana
14	Central Excise Act,1944	3.55	2005-06	CESTAT, Delhi
15	Central Excise Act,1944	0.52	2011-12	Commissioner Appeals, Bhopal
16	Central Excise Act,1944	449.64	2011-12	CESTAT, Delhi
17	Central Excise Act,1944	112.00	2011-12	CESTAT, Delhi
18	Central Sales Tax Act, 1956	1.80	2005-06	Deputy Commissioner of Sales Tax, Mumbai
19	Central Sales Tax Act, 1956	6.19	2009-10	Deputy Excise & Taxation Commissioner Appeals, Jalandhar
20	Commercial Tax Act, 1994	5.03	2001-02	Assistant Commissioner, Commercial Tax, Bhopal
21	Entry tax Act, 1976	0.52	2001-02	Assistant Commissioner, Commercial Tax, Bhopal
22	Entry tax Act, 1976	8.10	2003-04	Additional Commissioner, Commercial Tax, Bhopal
23	MP Vat Act,2002	30.87	2006-07	Appellate Board, Commercial Tax, Bhopal
24	MP Vat Act,2002	3.95	2010-11	Appellate Board, Commercial Tax, Bhopal
25	MP Vat Act,2002	2.60	2011-12	Appellate Board, Commercial Tax, Bhopal
26	MP Vat Act,2002	1.09	2012-13	Appellate Board, Commercial Tax, Bhopal
27	Punjab VAT Act, 2005	0.83	2002-03	Joint Director Enforcement, Patiala
28	The Finance Act 1994	5.02	2007-08 to 2009-10	Commissioner Appeals, Chandigarh.
29	The Finance Act 1994	11.22	2005-06	Commissioner Appeals, Chandigarh
30	Income tax Act,1961	8,626.27	2009-10 to 2011-12	Income tax Appellant Tribunal
31	Income tax Act,1961	2,823.80	2012-13	Commissioner of Income tax, Appeals

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank or government. The Company has not issued any debentures during the year or in the preceding year.

(ix) In our opinion and according to the information and explanations given to us, the 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.

(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 explanations given to us, the company is not a Nidhi Company. Therefore the provisions of paragraph 3(xii) of the Order are not applicable.

(xiii) According to the information and explanations given to us, and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details of the transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has not made Preferential Allotment or Private Placement of Shares or Fully or Partly Convertible Debentures during the year under audit. Thus the provisions of paragraph 3(xiii) 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 Regn. No. 000235N

(Sanjiv Mohan)
Partner
M. No. 086066

Place: Ludhiana
Dated: 9th May, 2016

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")

Report on Internal Financial Controls

1. We have audited the internal financial controls over financial reporting of Vardhman Textiles Limited ("the Company") as of 31st March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal financial controls, both applicable to an audit of Internal Financial Controls and issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and

perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained 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

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

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

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. 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

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such Internal Financial Controls over financial reporting were operating effectively as at 31st March 2016, 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 Regn. No. 000235N

(Sanjiv Mohan)
Partner
M. No. 086066

Place: Ludhiana
Dated: 9th May, 2016

BALANCE SHEET as at 31st March, 2016

Particulars	Note No.	As at 31st March 2016 ₹ in lacs	As at 31st March 2015 ₹ in lacs
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	3	6,365.19	6,365.19
(b) Reserves and surplus	4	358,953.18	301,972.83
		365,318.37	308,338.02
(2) Non-current liabilities			
(a) Long-term borrowings	5	102,496.18	131,726.48
(b) Deferred tax liabilities (net)	6	18,824.45	19,847.61
(c) Other long term liabilities	7	248.60	1,446.29
(d) Long-term provisions	8	592.82	514.71
		122,162.05	153,535.09
(3) Current liabilities			
(a) Short-term borrowings	9	92,875.07	46,854.69
(b) Trade payables	10	14,590.67	12,954.60
(c) Other current liabilities	11	87,279.47	100,432.07
(d) Short-term provisions	12	521.36	8,367.64
		195,266.57	168,609.00
TOTAL		682,746.99	630,482.11
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	13	247,726.91	248,233.66
(ii) Intangible assets		1,108.24	1,393.29
(iii) Capital work-in-progress		8,483.29	7,677.68
		257,318.44	257,304.63
(b) Non-current investments	14	100,501.34	57,476.60
(c) Long-term loans and advances	15	9,226.14	7,230.65
(d) Other non-current assets	16	1,192.56	12,386.42
		368,238.48	334,398.30
(2) Current assets			
(a) Current investments	17	59.21	9,940.31
(b) Inventories	18	180,911.59	163,673.47
(c) Trade receivables	19	68,192.56	67,681.88
(d) Cash and cash equivalents	20	27,676.95	17,554.77
(e) Short-term loans and advances	21	35,879.79	35,445.36
(f) Other current assets	22	1,788.41	1,788.02
		314,508.51	296,083.81
TOTAL		682,746.99	630,482.11
Significant Accounting Policies and Notes forming part of the financial statements	1 to 51		

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: 09-05-2016

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2016

Particulars	Note No.	For the year ended 31st March 2016 ₹ in lacs		For the year ended 31st March 2015 ₹ in lacs	
(i) Revenue from operations (gross)	23		558,768.17		574,263.62
Less : Excise duty			53.99		60.36
Revenue from operations (net)			558,714.18		574,203.26
(ii) Other income	24		22,731.69		15,806.76
(iii) Total revenue (i) + (ii)			**581,445.87**		**590,010.02**
(iv) Expenses :					
Cost of materials consumed	25		266,715.11		290,051.80
Purchases of stock-in-trade	26		6,715.09		7,442.39
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27		1,220.20		13,102.92
Employee benefits expense	28		41,038.05		35,083.13
Finance costs	29		8,684.95		12,153.54
Depreciation and amortization expense	13		36,192.45		48,884.54
Other expenses	30		134,415.73		134,364.78
Total expenses			**494,981.58**		**541,083.10**
(v) Profit before tax (iii) - (iv)			**86,464.29**		**48,926.92**
(vi) Tax expense :					
- Current tax		22,182.00		18,600.00	
- Deferred tax		(1,023.15)	21,158.85	(5,584.43)	13,015.57
(vii) Profit for the year (v) - (vi)			**65,305.44**		**35,911.35**
Earnings per equity share of face value (of ₹ 10/- each)					
Basic (In ₹)			102.60		56.42
Diluted (In ₹)			102.60		56.42
Significant Accounting Policies and Notes forming part of the financial statements	1 to 51				

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
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Sachit Jain
Joint Managing Director
DIN : 00746409

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

Place : Ludhiana
Dated: 09-05-2016

CASH FLOW STATEMENT for the year ended 31st March, 2016

Particulars	For the year ended 31st March 2016 ₹ in lacs		For the year ended 31st March 2015 ₹ in lacs	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Extraordinary items and tax		86,464 .29		48,926.92
Adjustments for :				
Depreciation and amortisation	36,192.45		48,884.54	
Interest expense	13,028.65		14,072.09	
Interest income	(5,523.45)		(3,009.45)	
Dividend income	(16,181.65)		(2,358.09)	
(Profit)/Loss on sale of Assets(Net)	(744.69)		(216.44)	
(Profit)/Loss on sale of Investments (Net)	(671.47)		(2,117.57)	
Provision no longer required written Back(Net)	(174.10)		(474.76)	
Sundry balance written back	(116.54)		(137.50)	
Excess income written off	871.13		148.52	
Fixed assets written off	479.15		75.38	
Bad debts written off	33.66		40.72	
Allowances for doubtful trade receivables and advances written back/provided	118.90		(14.49)	
Provision for fall in value of investments written back	-		(9.46)	
		27,312.04		54,883.49
Changes in Working capital		113,776.33		103,810.41
Adjustments for :				
(Increase)/Decrease in Trade and other Receivables	10,232.75		11,991.97	
(Increase)/Decrease in Inventories	(17,238.12)		23,481.01	
Increase/(Decrease) in Trade Payables and other Liabilities	3,323.14		(697.26)	
		(3,682.23)		34,775.72
Cash generated from Operations		110,094.10		138,586.13
Net income tax paid	(23,233.70)	(23,233.70)	17,497.05	(17,497.05)
Net cash flow from/ (used in) operating activities		86,860.40		121,089.08
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(37,112.92)		(25,331.11)	
Proceeds from sale of Fixed Assets	1,198.16		382.11	
Purchase of Investments	(45,484.66)		(13,562.34)	
Purchase of shares of Subsidiary	-		(185.64)	
Proceeds from sale of Investments	13,012.48		19,692.45	
Interest received				
-subsidiaries	97.03		79.94	
-others	4,142.04		2,148.66	
Dividend received				
-subsidiaries	15,376.50		1,295.25	
-others	805.15		1,062.83	
Net Cash flow from / (used in) investing activities		(47,966.22)		(14,417.85)

CASH FLOW STATEMENT for the year ended 31st March, 2016

Particulars	For the year ended 31st March 2016 ₹ in lacs		For the year ended 31st March 2015 ₹ in lacs	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds/ (Repayment) from Long Term Borrowings(Net)	(45,593.88)		(35,425.07)	
Proceeds/ (Repayment) from Short Term Borrowings(Net)				
-subsidiaries	-		(1,605.58)	
-others	46,020.37		(35,089.98)	
Dividend Paid (including taxes)	(15,867.72)		(7,949.95)	
Interest Paid	(13,330.77)		(14,320.39)	
Net Cash flow from/(used in) Financing Activities		**(28,772.00)**		**(94,390.97)**
Net Increase in cash and cash equivalents		10,122.18		12,280.26
Cash and cash equivalents at the beginning of the year		17,554.77		5,274.51
Cash and cash equivalents at the end of the year		27,676.95		17,554.77
Bank Balances not considered as cash and cash equivalents		1,077.58		12,008.42

See accompanying notes forming part of 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: 09-05-2016

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. The name of the company at its incorporation was Mahavir Spinning Mills Ltd. & subsequently changed to Vardhman Textiles Limited on 5th September, 2006. The company is engaged in manufacturing of Cotton yarn, Synthetic yarn & woven fabric.

2. SIGNIFICANT ACCOUNTING POLICIES :

(a) Basis of preparation of financial statements:

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

(b) Use of estimates:

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

(c) Revenue Recognition:

i) Sales:

Revenue from sale of goods is recognized:

(a) When all the significant risks and rewards of ownership are transferred to the buyer and the company retains no effective control of the goods transferred to a degree usually associated with ownership; and

(b) No significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

(ii) Export Incentives :

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

(iii) Interest:

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

(iv) Dividend:

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

(v) 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:

(a) Short Term Employee Benefits :

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

(b) Post-Employment Benefits:

(i) Defined Contribution Plans:

(1.1) Provident Fund :

The Employer's contribution to Provident Fund and Employees Pension Scheme, a defined contribution plan is made in accordance with the Provident Fund Act, 1952 read with the Employees Pension Scheme,1995.

(1.2) Superannuation :

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

(ii) Defined Benefit Plans

(1.1) Gratuity :

The Employees Gratuity Fund Scheme, managed by Employee's Group Gratuity Trust is a defined benefit plan. The liability for gratuity is provided on the basis of actuarial valuation carried out by an independent actuary at the balance sheet date using projected unit credit method. The present value of the company's obligation is determined on the basis of actuarial valuation at the year end and the fair value of plan assets is

reduced from the gross obligations under the gratuity scheme to recognize the obligation on a net basis.

Actuarial gain or loss is recognized immediately in the statement of profit and loss.

(iii) Long Term Employee Benefits

The liability for leave encashment and other compensated absences is recognized on the basis of actuarial valuation carried out by an independent actuary at the balance sheet date by using projected unit credit method.

(e) Fixed Assets (Tangible Assets):

i. Fixed Assets are stated at historical cost less accumulated depreciation.

ii. Cost of fixed assets comprise its purchase price and any attributable expenditure (both direct and indirect) for bringing an asset to its working condition for its intended use.

(f) Intangible Assets:

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

(g) Depreciation:

i) Depreciation on tangible fixed assets is provided on Straight Line Method on the basis of useful lives of such assets specified in Schedule II to the Companies Act, 2013.

ii) Depreciation on assets costing ₹ 5000/- or below is charged @ 100% per annum on proportionate basis.

(h) Amortization:

i) Intangible assets are amortized on Straight Line Method over their respective individual estimated useful life.

ii) Right to use Power Lines is amortised on straight line method over their estimated useful life.

iii) Contribution to CETP has been amortised on straight line basis over its useful life.

(i) Investments:

Long term Investments are carried at cost less provision for diminution, other than temporary, in the value of investment. Current investments are carried at lower of cost and fair value.

(j) 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.
- In case of stores and spares at Weighted Average Cost plus direct expenses.
- 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.

(k) Cenvat Credit:

Cenvat credit of excise duty paid on inputs, capital assets and input services is recognised in accordance with the Cenvat Credit Rules, 2004.

(l) Subsidy:

Government grants are recognised when there is a reasonable assurance of compliance with the conditions attached to such grants and where benefits in respect thereof have been earned and it is reasonably certain that the ultimate collection will be made. Government subsidy in the nature of promoter's contribution is credited to capital reserve. Government subsidy received for a specific asset is reduced from the cost of the said asset.

(m) 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.

(n) Segment Information :

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the enterprise as a whole.

(o) Operating Leases :

Assets acquired on leases wherein a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease

rentals paid for such leases are recognised as an expense on systematic basis over the term of lease.

(p) Foreign Currency Transaction :

(i) Foreign currency transactions are recorded on initial recognition in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency as at the date of the transaction.

(ii) Foreign currency monetary items are reported using the closing rate. Exchange differences arising on the settlement of monetary items or on reporting the same at the closing rate as at the balance sheet date are recognized as income or expense in the period in which they arise.

(iii) The premium or discount arising at the inception of forward exchange contract is amortized as an expense or income over the life of the contract. Exchange difference on such a contract is recognised in the statement of profit and loss in the reporting period in which the exchange rates change. Profit or loss arising on cancellation or renewal of such contract is recognized as income or expense in the period in which such profit or loss arises.

(iv) The exchange difference to the extent of loss, arising on forward contracts and put and call derivative options to hedge the transactions in the nature of firm commitments and/or highly probable forecast transactions is recognised in the statement of Profit and Loss. The profit, if any arising thereon is ignored.

(v) In respect of foreign branch, which is in the nature of integral foreign operations, all transactions (except fixed assets, monetary assets, monetary liabilities and depreciation on fixed assets) are translated at average monthly rates which approximate to the actual rates at the date of transaction. Branch monetory assets & liabilities are restated at the year-end rates. Fixed assets are translated as at the date of transaction. Depreciation is translated at the rates applied for translation of fixed assets.

(q) Accounting for Taxes on Income :

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

(r) Earning per Share :

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

(s) Impairment of Assets :

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

(t) Cash Flow Statement :

The cash flow statement has been in accordance with the Accounting Standard (AS) – 3 on "Cash flow statements" prescribed in Companies (Accounts) rules, 2014.

(u) Provision and Contingent Liabilities :

i) Provision is recognized (for liabilities that can be measured by using a substantial degree of estimation) when:

a) the company has a present obligation as a result of a past event;

b) a probable outflow of resources embodying economic benefits is expected to settle the obligation; and

c) the amount of the obligation can be reliably estimated

ii) Contingent liability is disclosed in case there is :

a) (i) possible obligation that arises from past events and existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise; or

(ii) a reliable estimate of the amount of the obligation cannot be made.

b) a present obligation arising from past events but is not recognised

(i) when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) a reliable estimate of the amount of the obligation cannot be made.

3 SHARE CAPITAL

Particulars	As at 31st March 2016		As at 31st March 2015	
	Number in lacs	₹ in lacs	Number in lacs	₹ in lacs
Authorised				
Equity shares of ₹10/- each (par value)	900.00	9,000.00	900.00	9,000.00
Redeemable cumulative preference shares of ₹10/- each (par value)	100.00	1,000.00	100.00	1,000.00
	1,000.00	10,000.00	1,000.00	10,000.00
Issued, subscribed and fully paid-up				
Equity shares of ₹10/- each	636.52	6,365.19	636.52	6,365.19
Total	636.52	6,365.19	636.52	6,365.19

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

Equity shares	31st March 2016		31st March 2015	
	Number in lacs	₹ in lacs	Number in lacs	₹ in lacs
At the beginning of the reporting period	636.52	6,365.19	636.52	6,365.19
Add: Issued during the reporting period	-	-	-	-
Outstanding at the end of the reporting period	636.52	6,365.19	636.52	6,365.19

b. Rights, preferences and restrictions attached to equity shares

The company has only one class of equity shares having a par value of ₹10/- each. Each holder of equity shares is entitled to one vote per share.

During the year ended 31st March, 2016 the amount of per share Interim Dividend recognised as distributions to equity shareholders was ₹ 15/- per share (Previous year NIL 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 or ultimate holding company of the company.

e. 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.

Equity shares	Aggregate number of shares as at 31st March 2016	Aggregate number of shares as at 31st March 2015
Equity Shares alloted as fully paid up by way of bonus shares	–	–
Equity Shares alloted as fully paid up pursuant to contract(s) without payment being received in cash	–	–
Equity Shares bought back by the Company	–	–

3 SHARE CAPITAL *(contd.)*

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

Class of shares and Name of shareholder	As at 31st March 2016		As at 31st March 2015	
	Number in lacs	% shareholding	Number in lacs	% shareholding
Equity shares of ₹ 10 each fully paid				
Devakar Investment and Trading Co. Private Limited	56.49	8.87	55.41	8.70
Adishwar Enterprises LLP (Formerly known as Adinath Investment and trading Company)	129.78	20.39	129.48	20.34
Vardhman Holdings Limited	154.84	24.33	154.03	24.20
IDFC Premier Equity Fund	N.A.	N.A.	39.52	6.21

Note: Adinath Investment & Trading Company got converted into Adishwar Enterprises LLP. However, the process of change in nomenclature of the demat accounts of Adinath Investment & Trading Company has been completed in current financial Year.

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

4 RESERVES AND SURPLUS

Particulars	As at 31st March 2016 ₹ in lacs		As at 31st March 2015 ₹ in lacs	
Capital Reserve*		409.33		409.33
Securities Premium account				
Balance as per the last financial statements		20,990.54		20,990.54
General Reserve				
Balance as per the last financial statements	186,302.34		151,302.34	
Add: Transferred from surplus in the statement of profit and loss	-		35,000.00	
Closing Balance		186,302.34		186,302.34
Surplus i.e. balance in the Statement of Profit and Loss				
Balance as per the last financial statements	94,270.62		105,764.32	
Add: Profit for the period transferred from statement of profit and loss	65,305.44		35,911.35	
Add: Corporate dividend tax written back	1,331.12		220.13	
Less: Depreciation charged to reserves as per schedule-II of Companies Act, 2013	-		6,110.77	
Add: Deferred tax on Depreciation charged	-		1,182.68	
Less: Appropriations				
Interim Dividend on equity (amount per share ₹ 15) (previous year ₹ NIL)	9,547.78		-	
Proposed equity dividend (amount per share ₹ NIL) (previous year ₹ 10)	-		6,365.19	
Tax on dividend	108.43		1,331.90	
Transferred to general reserve	-		35,000.00	
Closing Balance		151,250.97		94,270.62
Total		358,953.18		301,972.83

* The capital reserve includes ₹ 285.00 Lacs (Previous Year: ₹ 285.00 Lacs) being the amount of capital subsidy from respective state governments treated as promoter contribution for setting up of new industrial projects.

5 LONG-TERM BORROWINGS

Particulars	As at 31st March 2016 ₹ in lacs		As at 31st March 2015 ₹ in lacs	
Secured				
Term loans				
From banks	158,140.53		203,734.41	
Less: Current maturities of long term borrowings (refer note-11)	55,644.35	102,496.18	72,007.93	131,726.48
Total		102,496.18		131,726.48

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 Lacs		Repayment Period		Installments outstanding		Periodicity of repayment	
Balance As at 31st March 2016	Balance As at 31st March 2015	Current Year (Years)	Previous Year (Years)	Current Year (No.)	Previous Year (No.)	Current Year	Previous Year
12,275.00	16,275.00	5	5	8	12	Quarterly	Quarterly
23,830.00	29,000.00	5	5	9	13	Quarterly	Quarterly
7,608.00	9,232.00	5	5	10	14	Quarterly	Quarterly
17,514.00	6,100.00	5	5	11	15	Quarterly	Quarterly
14,000.00	15,400.00	5	5	13	17	Quarterly	Quarterly
4,500.00	2,500.00	5	5	20	20	Quarterly	Quarterly
4,130.00	4,330.00	5	5	16	20	Quarterly	Quarterly
-	1,987.66	-	8	-	1	-	Quarterly
-	112.50	-	8	-	1	-	Monthly
-	1,120.15	-	8	-	3	-	Quarterly
-	4,800.00	-	8	-	4	-	Quarterly
9,083.19	40,220.18	8	8	1	5	Quarterly	Quarterly
4,118.17	9,447.92	8	8	2	6	Quarterly	Quarterly
4,440.00	9,625.00	8	8	3	7	Quarterly	Quarterly
2,112.00	2,444.00	8	8	4	8	Quarterly	Quarterly
10,300.00	13,100.00	8	8	5	9	Quarterly	Quarterly
1,480.00	1,640.00	8	8	13	17	Quarterly	Quarterly
10,900.17	12,100.00	8	8	14	18	Quarterly	Quarterly
4,350.00	2,000.00	8	8	17	20	Quarterly	Quarterly
21,500.00	22,300.00	8	8	16	20	Quarterly	Quarterly
6,000.00	-	5	-	20	-	Quarterly	-
158,140.53	**203,734.41**						

* Figures of term loan stated above in paragraph (b) includes current maturities of long term debt shown separately in note 11.

6 DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31st March 2016 ₹ in lacs	As at 31st March 2015 ₹ in lacs
Deferred tax liabilities		
Fixed assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting period	20,504.48	21,002.91
Gross deferred tax liability	20,504.48	21,002.91
Deferred tax assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowable for tax purposes on payment basis	1,680.03	1,155.30
Gross deferred tax asset	1,680.03	1,155.30
Deferred tax liability (Net)	18,824.45	19,847.61

7 OTHER LONG-TERM LIABILITIES

Particulars	As at 31st March 2016 ₹ in lacs	As at 31st March 2015 ₹ in lacs
Other liabilities		
Retention money	19.12	30.69
Security payable	57.79	10.85
Due to employees	34.71	24.38
Other long term liabilities	136.98	1,380.37
Total	248.60	1,446.29

8 LONG-TERM PROVISIONS

Particulars	As at 31st March 2016 ₹ in lacs	As at 31st March 2015 ₹ in lacs
Provision for employee benefits :		
- Leave encashment	592.82	514.71
- Gratuity	-	-
Total	592.82	514.71

9 SHORT-TERM BORROWINGS

Particulars	As at 31st March 2016 ₹ in lacs	As at 31st March 2015 ₹ in lacs
Working capital loans from Banks		
- From banks (secured)	86,336.69	45,496.87
- From banks (unsecured)	6,538.38	1,357.82
Total	92,875.07	46,854.69

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.

Terms:-

i) From banks carries interest @ 8.30 % to 12.50 % p.a. (Previous year 8.30% to 13.05% p.a)

10 TRADE PAYABLES

Particulars	As at 31st March 2016 ₹ in lacs	As at 31st March 2015 ₹ in lacs
Trade payables		
Due to others (refer note 39)	14,572.12	12,843.46
Due to subsidiary companies	18.55	111.14
Total	14,590.67	12,954.60

11 OTHER CURRENT LIABILITIES

Particulars	As at 31st March 2016 ₹ in lacs	As at 31st March 2015 ₹ in lacs
Current maturities of long-term debt (refer note 5b)	55,644.35	72,007.93
Interest accrued but not due on borrowings	35.06	337.19
Unpaid dividends #	294.81	140.34
Other payables		
- Statutory remittances**	4,263.02	3,083.74
- Retention money	905.04	745.76
- Security deposits	147.14	123.31
- Expense payable	10,143.47	12,148.53
- Payables for purchase of fixed assets	2,132.32	1,438.87
- Advances from customers	7,400.37	6,260.05
- Due to employees	6,313.89	4,146.35
Total	87,249.47	100,432.07

** 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

12 SHORT-TERM PROVISIONS

Particulars	As at 31st March 2016 ₹ in lacs	As at 31st March 2015 ₹ in lacs
Provision for employee benefits :		
Leave encashment	138.33	109.05
Gratuity	383.03	561.50
Others		
Provision for proposed dividend on equity shares	-	6,365.19
Provision for tax on proposed dividend	-	1,331.90
Total	521.36	8,367.64

13. FIXED ASSETS

(₹ in lac)

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
Leasehold Land	829.30	-	-	-	829.30	72.88	8.15	** -	-	81.03	748.27	756.42
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	425,369.09	28,765.20	2,580.00	1,884.17	449,670.12	253,644.41	32,387.94	2,241.01	1,226.34	282,565.00	167,105.12	171,724.68
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	0.02	606.99	921.85	847.04
Office equipment	2,765.82	836.03	16.16	140.91	3,444.78	1,863.05	414.56	15.27	120.26	2,142.08	1,302.70	902.77
Total (A)	**526,099.09**	**36,194.30**	**2,808.66**	**1,944.72**	**557,540.01**	**277,865.43**	**35,768.43**	**2,403.32**	**1,417.44**	**309,813.10**	**247,726.91**	**248,233.66**
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**
Grand Total (A+B)	**529,669.70**	**36,333.27**	**2,808.66**	**1,944.72**	**561,249.59**	**280,042.75**	**36,192.45**	**2,403.32**	**1,417.44**	**312,414.44**	**248,835.15**	**249,626.95**
Previous Year	503,624.20	27,394.97	1,004.97	344.50	529,669.70	226,155.84	48,884.54	884.99	(5,887.36)	280,042.75	249,626.95	277,468.36

#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).

**Represents proportionate premium for acquisition of leasehold land being amortised over the period of lease.

- Freehold land includes ₹ 31.00 lac (Previous Year ₹ 417.59 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 ₹ (-) 57.73 lacs (Previous Year ₹ (-) 22.79 lacs) pertaining to earlier years.

- Intangible Assets are not internally generated.

14 (LONG TERM INVESTMENTS)

Particulars	As at 31st March 2016 ₹ in lacs	As at 31st March 2015 ₹ in lacs
I. TRADE INVESTMENTS (at cost)		
a) Investment in equity instruments		
i) Investment in subsidiaries (quoted)		
-6,58,00,834 (Previous year: 6,58,00,834) Equity shares of ₹10/- each fully paid up of Vardhman Acrylics Limited	6,151.93	6,151.93
ii) Investment in subsidiaries (unquoted)		
- 1,85,15,060 (Previous year: 1,85,15,060) Equity shares of ₹10/- each fully paid up of VMT Spinning Company Limited	2,856.40	2,856.40
- 40,00,000(Previous year: 40,00,000) Equity shares of ₹10/- each fully paid up of VTL Investments Limited	403.50	403.50
- 2,90,72,240 (Previous year: 2,90,72,240) Equity shares of ₹10/- each fully paid up of Vardhman Yarns & Threads Limited	12,747.16	12,747.16
- 71,40,000 (Previous year: 71,40,000) Equity shares of ₹10/- each fully paid up of Vardhman Nisshinbo Garments Company Limited	714.00	714.00
iii) Investment in associates (quoted)		
- 58,25,000 (Previous year: 58,25,000) Equity shares of ₹10/- each fully paid up of Vardhman Special Steels Limited	582.50	582.50
iv) Investment in associates (unquoted)		
- 25,000 (Previous year: 25,000) Equity shares of ₹10/- each fully paid-up of Vardhman Spinning and General Mills Limited	2.50	2.50
b) Investment in preference instruments (unquoted)		
i) Investment in subsidiaries		
1,00,00,000 (Previous year: 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
OTHER INVESTMENTS (at cost)		
i) Investment in equity instruments (unquoted)		
- 4,495(Previous year: 4,495) Equity shares of ₹10/- each fully paid-up of Shreshtha Holdings Ltd.,80 (Previous year 80) shares of ₹50/- each fully paid-up in the Valencia Co-operative Housing Society Limited, Mumbai and 5 (Previous year:5) shares of Dalamal House Commercial Complex Society Ltd, Mumbai	0.45	0.45
- 41,000 (Previous Year: 41,000) Equity-Shares of ₹10/- each fully paid-up of Shivalik Solid Waste Management Limited (Section 25 Company)	4.10	4.10
- 1,40,625 (Previous year: 1,40,625) Equity shares of ₹10/- each fully paid-up of Nimbua Greenfield (Punjab) Limited	14.06	14.06
ii) Investment in Bonds/ Preference shares/ Debentures (quoted)		
6,660 (Previous year: Nil) 17.38% Non Convertible Redeemable cumulative Preference Shares of ₹ 7500/- each fully paid of IL & FS Financial Services Ltd.	999.00	-
10,000 (Previous year: Nil) 16.46% Non Convertible Redeemable cumulative Preference Shares of ₹ 7,500/- each fully paid of IL & FS Financial Services Ltd.	1,500.00	-
10,00,000 (Previous year: nil) 3% cumulative, compulsorily convertible Preference Shares of ₹ 100/- each fully paid of TATA Motors Finance Ltd.	1,000.00	-
1,000 (previous year Nil) Principal protected Market Linked redeemable Non Convertible Debentures of ₹1,00,000/- each of ECL Finance limited	1,000.00	-
1,500 (previous year Nil) Principal protected Market Linked redeemable Non Convertible Debentures of ₹1,00,000/- each of ECL Finance limited	1,500.00	-
996 (Previous year: Nil) Secured redeemable Non convertible Principal protected market linked debentures of ₹1,00,000/- each of Reliance Capital Ltd	988.53	-

14 (LONG TERM INVESTMENTS) *(contd.)*

Particulars	As at 31st March 2016 ₹ in lacs	As at 31st March 2015 ₹ in lacs
Investment in mutual funds (quoted)		
Fixed maturity plans/Debt Funds		
2,00,00,000 (previous year: Nil) units of ₹10/- each of Reliance Fixed Horizon Fund- XXIX-Series 1- Direct Growth Plan	2,000.00	-
3,00,00,000 (previous year: Nil) units of ₹10/- each of Reliance Fixed Horizon Fund- XXIX-Series 2- Direct Growth Plan	3,000.00	-
5,00,00,000 (previous year: Nil) units of ₹10/- each of Kotak Fixed Maturity Plan Series 178 Direct Growth	5,000.00	-
1,90,08,075 (previous year: Nil) units of ₹10/- each of Reliance Fixed Horizon Fund-XXIX- Series 8 Direct Growth Plan	1,900.81	-
5,00,00,000 (previous year: Nil) units of ₹10/- each of Birla Sunlife Fixed Term Plan Series MX (1128 Days)	5,000.00	-
5,00,00,000 (previous year: Nil) units of ₹10/- each of ICICI Prudential Fixed Maturity Plan Series 77-1129 Days Plan W Direct Plan Cummulative	5,000.00	-
3,10,00,000 (previous year: Nil) units of ₹10/- each of Reliance Fixed Horizon Fund-XXIX- Series 8 Direct Growth Plan	3,100.00	-
2,20,00,000 (previous year: Nil) units of ₹10/- each of UTI Fixed Term Income Fund Series XXIII-II (1100 Days) Direct Growth Plan	2,200.00	-
1,30,00,000 (previous year: Nil) units of ₹10/- each of Kotak Fixed Maturity Plan Series 180-1099 Days	1,300.00	-
1,00,00,000 (previous year: Nil) units of ₹10/- each of UTI Fixed Term Income Fund Series XXIII-VII (1098 Days) Direct Growth Plan	1,000.00	-
3,00,00,000 (previous year: Nil) units of ₹10/- each of Kotak Fixed Maturity Plan Series 191 Direct Growth	3,000.00	-
1,00,00,000 (previous year: Nil) units of ₹10/- each of ICICI Prudential Fixed Maturity Plan Series 78-1115 Days Plan X Direct Plan Cumulative	1,000.00	-
2,50,00,000 (previous year: Nil) units of ₹10/- each of HDFC Fixed Maturity Plan 1114D Direct Growth	2,488.11	-
2,50,00,000 (previous year: Nil) units of ₹10/- each of SBI Debt Fund Series- B -36 (1131 Days)- Direct Growth	2,500.00	-
1,00,00,000 (Previous year:1,00,00,000) Units of ₹10/- each of SBI debt Fund Series - Regular -Growth	1,000.00	1,000.00
2,50,00,000 (Previous year:2,50,00,000) Units of ₹10/- each of SBI debt Fund Series -Direct -Growth	2,500.00	2,500.00
1,50,00,000 (Previous year:1,50,00,000) Units of ₹10/- each of SBI debt Fund Series - Direct -Growth	1,500.00	1,500.00
2,50,00,000 (Previous year: 2,50,00,000) Units of ₹10/- each of Blackrock Fixed Maturity Plan-12.5M	2,500.00	2,500.00
2,50,00,000 (Previous year: 25,000,000) Units of ₹10/- each of Reliance Fixed Horiozon Fund XXVI Series 2 Direct Growth Plan	2,500.00	2,500.00
2,50,00,000 (Previous year: 2,50,00,000) Units of ₹10/- each of BSL Fixed Term Plan -Series KR - Growth Direct	2,500.00	2,500.00
2,54,82,906 (Previous year: 5,00,00,000) Units of ₹10/- each of ICICI Prudential Fixed Maturity Plan Series 73-Plan I Direct Plan Cumulative	2,548.29	5,000.00
3,00,00,000 (Previous year: 3,00,00,000) Units of ₹10/- each of UTI Fixed Term Income Fund Series XVIII-I Direct Growth Plan	3,000.00	3,000.00
2,00,00,000 (Previous year: 2,00,00,000) Units of ₹10/- each of Reliance Fixed Horizon Fund- XXV- Series 33- Direct Plan Growth Plan	2,000.00	2,000.00
2,50,00,000 (Previous year: 2,50,00,000) Units of ₹10/- each of Kotak Fixed Maturity Plan Series 149 Direct - Growth	2,500.00	2,500.00
5,00,00,000 (Previous year:5,00,00,000) Units of ₹10/- each of SBI Debt Fund Series-B (1105 DAYS) Direct Plan Growth Fixed Maturity Plan	5,000.00	5,000.00
50,00,000 (Previous year:50,00,000) Units of ₹10/- each of ICICI Prudential Fixed Maturity Plan Series 76-1108 Days Plan V Direct Plan Cumulative	500.00	500.00
2,50,00,000 (Previous year:2,50,00,000) Units of ₹10/- each of ICICI Prudential Fixed Maturity Plan Series 76-1108 Days Plan V Direct Plan Cumulative	2,500.00	2,500.00
Total	100,501.34	57,476.60
1. Aggregate amount of quoted investments	82,759.17	39,734.42
2. Aggregate Market Value of quoted investments	106,939.41	52,963.78
3. Aggregate amount of unquoted investments	17,742.17	17,742.18
4. Aggregate provision made for diminution in value of investments	-	-

15 LONG-TERM LOANS AND ADVANCES

Particulars	As at 31st March 2016 ₹ in lacs	As at 31st March 2015 ₹ in lacs
(unsecured, considered good)		
Capital advances	2,330.52	1,663.04
Security deposits	2,745.03	2,159.56
Other loans and advances :		
- Loans to employees	80.42	90.54
- Prepaid expenses	55.51	42.86
- Other recoverable	54.15	191.69
- Balance with government authorities	1,769.26	1,943.41
- Advance income-tax {net of provision for tax ₹ 1,21,358.76 Lacs (Previous year ₹ 99,176.76 Lacs)}	2,191.25	1,139.55
Total	9,226.14	7,230.65

16 OTHER NON-CURRENT ASSETS

Particulars	As at 31st March 2016 ₹ in lacs	As at 31st March 2015 ₹ in lacs
(unsecured considered good)		
- Fixed Deposits with banks more than twelve months maturity	1,077.58	12,008.42
- Interest Receivable	114.98	378.00
Total	1,192.56	12,386.42

17 CURRENT INVESTMENTS

Particulars	As at 31st March 2016 ₹ in lacs		As at 31st March 2015 ₹ in lacs	
Current investments (valued at lower of cost and fair value)				
Investment in Debentures or Bonds (quoted)				
Nil (Previous year: 25,00,000) units of ₹100/- each of 8.65% NABARD Bonds				2,476.67
Investment in Liquid Funds / Debt Funds/ Monthly Income Plans (unquoted)*				
- NIL (Previous year :737,849.845) Units of ₹1000/- each of SBI Premier Liquid Fund Regular Plan Daily Dividend		-		7,402.47
- NIL (Previous year : 606) Units of ₹10/- each of SBI Ultra fund SHF Ultra Short Term Debt Fund Direct Daily Dividend		-		0.01
- NIL (Previous year : 1013.965) Units of ₹10/- each of Principal Debt Opportunity Fund Conservative Plan		-		10.16
- 5914.18 (Previous year :3910.64) Units of ₹10/- each of Baroda Pioneer Liquid Fund Plan A Daily Dividend *		59.21		51.00
Total	-	59.21		9,940.31
1. Aggregate amount of quoted investments		-		2,476.67
2. Aggregate Market Value of quoted investments		-		2,500.00
3. Aggregate amount of unquoted investments		59.21		7,463.64
4. Aggregate provision made for diminution in value of investments		-		-

* These investments are under Portfolio Management Services

18 INVENTORIES

Particulars	As at 31st March 2016 ₹ in lacs	As at 31st March 2015 ₹ in lacs
(at cost or net realisable value, whichever is lower)		
Raw materials (includes in transit ₹ 1,493.96 lacs (Previous Year ₹ 2,971.32 lacs)	116,562.34	98,380.88
Work-in-progress	10,955.01	11,763.34
Finished Goods (includes in transit ₹ NIL (Previous Year ₹ NIL)	40,067.32	40,479.19
Stores and Spares (includes in transit ₹ 1,292.39 lacs (Previous Year ₹ 1,021.86 lacs)	13,326.92	13,050.06
Total	180,911.59	163,673.47

19 TRADE RECEIVABLES

Particulars	As at 31st March 2016 ₹ in lacs	As at 31st March 2015 ₹ in lacs
Outstanding for a period exceeding six months from the date they were due for payment :		
- Unsecured, considered good unless otherwise stated	1,307.04	1,671.63
- Doubtful	202.77	18.79
Less: Allowances for doubtful trade receivables	202.77	18.79
	1,307.04	1,671.63
Other trade receivables Unsecured, considered good:		
- Related Party	435.75	442.07
- Others	66,449.77	65,568.18
Total	68,192.56	67,681.88

20 CASH AND CASH EQUIVALENTS

Particulars	As at 31st March 2016 ₹ in lacs	As at 31st March 2015 ₹ in lacs
a) Balances with banks		
- In current accounts	3,256.97	4,264.77
- In deposit accounts with maturity upto three months	18,005.50	1,576.99
b) Cheques on hand	84.12	16.66
c) Cash on hand	22.23	50.33
d) Other bank balances		
- Earmarked balances with banks*	295.97	141.87
- Deposits with more than twelve months maturity	1,077.58	12,008.42
- Deposits with more than three months but less than twelve months maturity	6,012.16	11,504.15
	28,754.53	29,563.19
Less: Amounts disclosed as other non current assets (refer note 16)	1,077.58	12,008.42
Total	27,676.95	17,554.77

* Earmarked balances with banks include ₹ 294.77 lacs (Previous year ₹ 140.31 lacs) pertaining to dividend accounts with banks and ₹ 1.20 lacs (Previous year ₹ 1.56 lacs) pledged with government authorities and others.

21 SHORT-TERM LOANS AND ADVANCES

Particulars	As at 31st March 2016 ₹ in lacs		As at 31st March 2015 ₹ in lacs	
(unsecured considered good, unless otherwise stated)				
Loans and advances to related parties (refer note 41)				
Subsidiary companies		1,199.12		918.12
Others		1,589.87		2,554.57
Others:				
Balance with government authorities		9,429.75		11,889.87
Claims receivables		669.19		732.94
Advances to suppliers		5,407.38		6,773.61
Prepaid expenses		733.57		495.09
Other recoverables :				
- Considered good	16,850.91		12,081.16	
- doubtful	22.13		87.20	
	16,873.04		12,168.36	
Less: Allowances for doubtful advances	22.13	16,850.91	87.20	12,081.16
Total		35,879.79		35,445.36

22 OTHER CURRENT ASSETS

Particulars	As at 31st March 2016 ₹ in lacs	As at 31st March 2015 ₹ in lacs
Amount recoverable from Mahavir Share Trust in respect of shares held in Trust (refer note 33 and 34)	1,788.41	1,788.02
Total	1,788.41	1,788.02

23 REVENUE FROM OPERATIONS

Particulars	For the year ended 31st March 2016 ₹ in lacs	For the year ended 31st March 2015 ₹ in lacs
Sale of products	546,507.95	560,197.22
Sale of services	361.17	532.76
Other operating revenues :		
- Export benefits	10,798.59	12,447.02
- Others	1,100.46	1,086.62
Revenue from operations (Gross)	558,768.17	574,263.62
Less : Excise duty	53.99	60.36
Revenue from operations (Net)	558,714.18	574,203.26
Sale of products comprise :		
Yarn	326,235.16	337,104.24
Fabric	39,021.74	39,675.23
Processed fabric	163,419.39	163,486.17
Power	-	17.29
Miscellaneous	16,991.48	18,971.30
Raw material (cotton)	535.31	766.51
Raw material (fibre)	227.51	90.79
Raw material (others)	77.36	85.69
Total	546,507.95	560,197.22

24 OTHER INCOME

Particulars	For the year ended 31st March 2016 ₹ in lacs	For the year ended 31st March 2015 ₹ in lacs
Dividend Income from long-term trade investments		
- Subsidiaries	15,376.50	1,295.25
- Others	400.10	176.38
Dividend income from current investments -Others	405.05	886.45
Net gain on sale of investments		
- Current investments	396.34	571.45
- Long-term investments	275.13	1,546.12
Claims received (net of expenses)	152.96	74.43
Provisions no longer required written back	174.10	474.76
Allowances for doubtful trade receivables and advances written back	-	14.49
Adjustments to carrying amount of investment		
- Reversal of reduction in the carrying amount of current investments	-	9.46
Prior period items (net) (refer note 43)	-	104.55
Net gain on sale of fixed assets	744.69	216.44
Gain on foreign currency transactions and translations (Net)	2,667.17	8,501.42
Miscellaneous	2,139.65	1,935.56
Total	**22,731.69**	**15,806.76**

25 COST OF MATERIALS CONSUMED *

Particulars	For the year ended 31st March 2016 ₹ in lacs	For the year ended 31st March 2015 ₹ in lacs
Cotton #	205,312.17	228,084.72
Manmade fibre	59,441.37	60,171.74
Yarn	1,083.89	1,286.59
Fabric	463.32	82.60
Others	414.36	426.15
Total	**266,715.11**	**290,051.80**

* Includes Cost of Goods sold

Cotton consumed is net of insurance claim received on Raw material destroyed in fire of ₹ NIL (previous year ₹ 1,997.24 Lacs).

26 DETAILS OF PURCHASES OF STOCK-IN-TRADE:

Particulars	For the year ended 31st March 2016 ₹ in lacs	For the year ended 31st March 2015 ₹ in lacs
Fabric	135.53	123.03
Yarn	6,576.74	7,319.36
Others	2.82	-
Total	**6,715.09**	**7,442.39**

27 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For the year ended 31st March 2016 ₹ in lacs		For the year ended 31st March 2015 ₹ in lacs	
Inventories at the beginning of the year				
Work-in-progress	11,763.34		14,294.60	
Finished goods	40,479.19	52,242.53	51,050.85	65,345.45
Inventories at the end of the year				
Work-in-progress	10,955.01		11,763.34	
Finished goods	40,067.32	51,022.33	40,479.19	52,242.53
Total		1,220.20		13,102.92

Details of inventory :		Qty	Amount	Qty	Amount
Work-in-progress :			₹ in lacs		₹ in lacs
Yarn			7,241.70		7,873.23
Fabric			2,141.81		2,034.17
Processed Fabric			1,571.50		1,855.94
Total			10,955.01		11,763.34
Finished goods :					
Yarn	MT's	14,274	25,520.51	12,125	24,600.72
Fabric	Mn. Mtrs	15.71	9,469.20	15.43	10,289.65
Processed Fabric	Mn. Mtrs	6.81	5,077.61	6.34	5,588.82
Total			40,067.32		40,479.19

28 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31st March 2016 ₹ in lacs	For the year ended 31st March 2015 ₹ in lacs
Salaries and wages	36,626.87	31,092.08
Contribution to provident and other funds	3,804.12	3,460.64
Staff welfare expenses	607.06	530.41
Total	41,038.05	35,083.13

29 FINANCE COSTS

Particulars	For the year ended 31st March 2016 ₹ in lacs	For the year ended 31st March 2015 ₹ in lacs
Interest expense (net) (refer note 44)	7,505.20	11,062.64
Other borrowing costs	1,179.75	1,090.90
Total	8,684.95	12,153.54

30 OTHER EXPENSES

Particulars	For the year ended 31st March 2016 ₹ in lacs	For the year ended 31st March 2015 ₹ in lacs
Power and fuel	60,173.10	60,782.79
Consumption of stores and spare parts	3,346.15	3,239.35
Packing materials and charges	7,948.17	7,670.49
Dyes and Chemical consumed	19,656.86	19,671.36
Rent	215.17	183.29
Repairs and maintenance to buildings	2,394.34	2,430.74
Repairs and maintenance to machinery	14,329.92	14,144.25
Insurance	673.12	614.35
Rates and taxes	130.93	168.93
Auditors remuneration (including service tax):		
Audit fee	36.80	31.46
Tax audit fee	9.16	7.87
Reimbursement of expenses	12.24	12.11
In other capacity	9.58	1.94
Bad debts written off	33.66	40.72
Allowances for doubtful trade receivables and advances (Net of written back)	118.90	-
Forwarding charges and octroi	8,419.28	8,973.46
Commission to selling agents	4,994.61	6,062.14
Prior period items (net) (refer note 43)	280.55	-
Rebate and discount	1,163.45	1,171.92
Miscellaneous (refer note-47)	10,469.74	9,157.61
Total	134,415.73	134,364.78

31. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR):-

Particulars	As at 31st March 2016 ₹ in lacs	As at 31st March 2015 ₹ in lacs
I. Contingent Liabilities		
(i) Claims not acknowledged as debts	1,020.77	827.69
(ii) Bank Guarantees and Letters of Credit outstanding	6,030.86	8,781.05
(iii) Bills discounted with banks	8,582.11	13,710.55

(iv) 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 ₹1,194.71 lacs (Previous Year ₹1,159.80 lacs). As against this a sum of ₹110.21 lacs (Previous Year ₹113.70 lacs) has been deposited under protest and stands included under the head "other recoverables in note-21 - Short-term loans and advances ". 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 ₹18,253.23 lacs (Previous Year ₹16,298.27 lacs). As against this a sum of ₹6,799.35 lacs (Previous year ₹6,035.72 lacs) has been deposited/adjusted under protest and stands included in "Advance income tax" under the head "Long term loans and advances". Provision of ₹15,635.13 lacs (Previous Year ₹14,250.47 lacs) 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 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.

Particulars	As at 31st March 2016 ₹ in lacs	As at 31st March 2015 ₹ in lacs
II. Commitments		
(i) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	5,923.71	12,151.21
(iii) Exports obligations under Export Promotion Capital Goods (EPCG) scheme#	50,392.70	49,512.28

#The Company has executed bonds for an aggregate amount of ₹ 1,17,933.85 lacs (Previous Year ₹ 91,640.51 lacs) 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.

32. 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.

33. The Company is holding 15,98,741 (Previous year 15,98,741) equity shares of Vardhman Textiles Limited 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'. Further, during the accounting year ended 31st March, 2012, the trust had been allotted 3,19,748 equity shares by Vardhman Specials Steels Limited (VSSL) in the ratio of one equity share against every five equity shares held in the company in accordance with the 'Scheme of Arrangement and Demerger' entered into by the company, VSSL and their respective shareholders and creditors . The said trust has been exclusively formed for the benefit of the company. As per the provision of the trust deed, all the money received by the trust (including dividend and the proceeds of the sale of shares) shall be paid forthwith to the company by the trust.

34. THE DETAIL OF THE AMOUNT RECOVERABLE FROM MAHAVIR SHARE TRUST AS AT THE CLOSE OF THE YEAR IS AS UNDER:

Particulars	As at 31st March 2016 ₹ in Lacs	As at 31st March 2015 ₹ in Lacs
Cost of Shares	1,785.40	1,785.40
Other Recoverable Amount	3.01	2.62
Total	1,788.41	1,788.02

35. The accumulated losses of Vardhman Nisshinbo Garments Company Limited, a subsidiary of the company, as on 31st March, 2016 are more than 50% of its net worth. However the subsidiary company has turned around and has reported net profit during the current financial year. In view of the management of the subsidiary company, these losses were only due to the starting phase of the business and based on the orders on hand and expected growth in export business the losses would be further reduced within a few years. Therefore no provision for decline in the value of investment has been made as in the opinion of the management of the Company, such decline is temporary in nature.

36. Business segments have been identified based on the nature and class of products and services, assessment of differential risks and returns. On the basis of factors detailed in Accounting Standard- 17 'Segment Reporting', Yarn and Fabric segments have been combined into one segment. Now company is a single segment company operating in textile business and disclosure requirements as contained in the Accounting Standard- 17 'Segment Reporting' are not required in the Standalone financial statements. However, the disclosure has been made in the Consolidated Financial Statements.

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

38. 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 Accounting Standard (AS)-20 on "Earning Per Share" prescribed in Companies (Accounts) rules, 2014.

(i) A statement on calculation of basic EPS is as under:

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Net Profit after tax attributable to equity shareholders	65,305.44	35,911.35
Total (A)	65,305.44	35,911.35
Weighted average number of equity shares (No in lac)	636.52	636.52
Total (B)	636.52	636.52
Basic earning per Share (₹) (A)/(B)	102.60	56.42
Diluted earning per Share (₹)* (A)/(B)	102.60	56.42
Face value per equity share (₹)	10.00	10.00

*There are no potential equity shares

39. DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 UNDER THE CHAPTER ON DELAYED PAYMENTS TO MICRO & SMALL ENTERPRISE.

Particulars	As at 31st March 2016 ₹ in Lacs	As at 31st March 2015 ₹ in Lacs
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.

40. 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 ₹ 100.02lacs (Previous Year ₹ 108.37 lacs). The future minimum lease payments in respect of the non-cancellable operating leases are:

Particulars	As at 31st March 2016 ₹ in Lacs	As at 31st March 2015 ₹ in Lacs
a) not later than one year	53.35	61.15
b) later than one year but not later than five years	11.09	32.56
c) later than five years	0.46	0.48

41. RELATED PARTY DISCLOSURE

(a) Disclosure of Related Parties and relationship between the parties.

1. Subsidiaries	Vardhman Yarns and Threads Limited
	Vardhman Acrylics Limited
	VMT Spinning Company Limited
	Vardhman Nisshinbo Garments Company Limited
	VTL Investments Limited
2. Associates	Vardhman Special Steels Limited
	Vardhman Spinning and General Mills Limited
3. Key Management Personnel	Mr. S.P.Oswal, Chairman and Managing Director
	Mr. Sachit Jain, Joint Managing Director
	Mrs. Suchita Jain, Director (Executive Director upto 31.03.2015)
	Mr. Neeraj Jain, Joint Managing Director
	Mr. Rajeev Thapar (Chief Financial Officer)
	Ms. Karan Kamal Walia (Company Secretary)
4. Relative of KMP	Ms. Soumya Jain
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
	*Adishwar 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

Note: *No transaction has taken place in current financial year.

**No transaction has taken place in current and previous financial year.

41. RELATED PARTY DISCLOSURE *(contd.)*

(b) Description of the nature of transactions with the related parties :-

(₹ in lac)

Particulars	Subsidiaries		Associates		Key Management Personnel (KMP)		Relative of Key Management Personnel (KMP)		Enterprises over which KMP is able to exercise significant influence		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	33,182.31	38,825.05	0.63	-							33,182.94	38,825.05
Purchase of DEPB licences				3.15							-	3.15
Sale/processing of goods	3,065.26	2,993.34	59.92	66.02							3,125.18	3,059.36
Sale of DEPB licences			368.53	58.57							368.53	58.57
Purchase of fixed assets	15.28	16.78									15.28	16.78
Sale of fixed assets	272.00	18.72	3.06	2.43							275.06	21.15
Donation paid									472.00	600.00	472.00	600.00
Rent paid									9.61	9.61	9.61	9.61
Reimbursement of expenses paid	1,682.15	1,206.77	201.66	122.50							1,883.81	1,329.27
Reimbursement of expenses received	843.66	1,405.94	13.92	55.61							857.58	1,461.55
Receipt against corporate services agreement *	475.88	469.05	98.16	99.65							574.04	568.70
Payment against licence agreement *									84.53	86.91	84.53	86.91
Interest paid	29.85	310.79								268.05	29.85	578.84
Interest received	113.82	100.42	71.50	286.17							185.32	386.59
Rent received	33.23	27.12									33.23	27.12
Dividend received	15,376.50	1,295.25									15,376.50	1,295.25
Dividend Paid	283.50	124.74							9,227.33	4,045.18	9,510.83	4,169.92
Managerial remuneration					2,046.57	1,190.22	4.16	2.23			2,050.73	1,192.45
Loan given (Including Opening Balance)	1,599.12	8,374.90	7,254.57	66,425.50							8,853.69	74,800.40
Loan received back	400.00	7,456.78	5,754.57	63,870.93							6,154.57	71,327.71
Closing balance	1,199.12	918.12	1,500.00	2,554.57							2,699.12	3,472.69
Loan taken (Including Opening Balance)		47,744.00							-	5,062.58	-	52,806.58
Loan repayment		47,744.00							-	5,062.58	-	52,806.58
Closing balance		-								-	-	-
Year end balance receivable	523.08	442.07	153.89	0.49						0.22	676.97	442.78
Year end balance payable	18.55	147.10									18.55	147.10

*Excluding service tax

List of other related parties :-

Particulars	Nature of relationship	Contribution paid (₹ In lacs)	
		Current Year	Previous year
Mahavir Employee Gratuity Fund Trust	Post-employment benefit plan	578.90	143.69
Mahavir Superannuation scheme	Post-employment benefit plan	64.33	71.05

42. 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 (Previous Year ₹500.00 lacs) to M/s Vardhman Acrylics Ltd. during the year. The maximum amount outstanding during the year was ₹ NIL (Previous Year ₹500.00 lacs). The Balance outstanding as on 31.03.16 is ₹ Nil (Previous Year ₹ Nil).

(ii) The Company has given inter corporate deposits aggregating to ₹ NIL (Previous Year ₹2,844.00 lacs) to M/s VMT Spinning Company Limited during the year. The maximum amount outstanding during the year was ₹ NIL (Previous Year ₹1,098.00 lacs). The Balance outstanding as on 31.03.16 is ₹ Nil (Previous Year ₹ Nil).

(iii) The Company has given inter corporate deposits aggregating to ₹4,700.00 lacs (Previous Year ₹65,079.00 lacs) to M/s Vardhman Special Steels Limited. The maximum amount outstanding during the year was ₹1,954.57 lacs (Previous Year ₹6,535.74 lacs). The Balance outstanding as on 31.03.2016 is ₹1,500.00 lacs (Previous Year ₹2,554.57 lacs).

(iv) The Company has given inter corporate deposits aggregating to ₹681.00 lacs (Previous Year ₹1,636.00 lacs) to M/s Vardhman Nisshinbo Garments Company Limited during the year. The maximum amount outstanding during the year was ₹1,199.12 lacs (Previous Year ₹1,187.62 lacs). The Balance outstanding as on 31.03.16 is ₹1,199.12 lacs (Previous Year ₹918.12 lacs).

(v) The Company has given inter corporate deposits aggregating to ₹ NIL (Previous Year ₹2,621.00 lacs) to M/s Vardhman Yarns and Threads Limited during the year. The maximum amount outstanding during the year was ₹ NIL (Previous Year ₹861.00 lacs). The Balance outstanding as on 31.03.16 is ₹ NIL (Previous Year ₹ NIL).

43. PRIOR PERIOD ITEMS ARE AS FOLLOWS :-

Particulars	For the year ended 31st March 2016 ₹ in Lacs	For the year ended 31st March 2015 ₹ in Lacs
Other Expenses	205.16	107.72
Finance Costs	(15.90)	(117.77)
Employee Benefits Expense	1.75	4.25
Cost of Materials Consumed	116.64	(17.01)
Other Income	(28.27)	(34.69)
Revenue From Operations	1.17	(47.05)
Net Prior period (Income)/Expense	280.55	(104.55)

44. INTEREST EXPENSE IS NET OF INTEREST INCOME FROM :-

Particulars	For the year ended 31st March 2016 ₹ in Lacs	For the year ended 31st March 2015 ₹ in Lacs
(i) Related parties		
-Subsidiaries	119.49	150.26
-Associates	71.54	286.17
(ii) Current investments	1,487.43	822.37
(iii) Long Term Investments	179.52	221.94
(iv) Deposits and others	3,665.47	1,528.70

45. Figures in bracket indicate deductions.

46. Previous year's figures have been recast/regrouped wherever necessary, to make these comparable with current year's figures.

47. In accordance with the provisions of Section 135 of the Companies Act, 2013 the company has paid a sum of ₹476.60 lacs (Previous year ₹600.00 lacs) towards approved CSR activities. The said amount stands debited to the "Miscellaneous" under the head "other expenses".

48. The Payment of Bonus (Amendment) Act 2015, notified on 31st December 2015, has revised the thresholds for coverage of employee eligible for Bonus and also enhanced the ceiling limits for computation of bonus retrospectively from 1st April 2014. Based on legal opinion, the Company has filed a writ

petition in Hon'ble High Court of Punjab & Haryana contesting its retrospective applicability and the same is pending for hearing. However, the said jurisdictional High Court has already granted stay on its retrospective operation in some other case. In view thereof, the company has not provided differential bonus pertaining to the period from 1st April 2014 to 31st March 2015 amounting to ₹ 8.21 crore.

However, the company has provided bonus for the current financial year according to the amended provisions of the Payment of Bonus (Amendment) Act 2015.

49. EMPLOYEE BENEFITS :

The summarized position of Post-employment benefits and long term employee benefits recognized in the Statement of Profit and Loss and Balance Sheet as required in accordance with Accounting Standard (AS) 15 is as under:-

(a) Changes in the present value of the obligations: (₹ In Lacs)

Particulars	Leave (Unfunded)		Gratuity (Funded)	
	Current Year	Previous year	Current Year	Previous year
Present value of obligation as at beginning of the year	514.71	441.50	3,591.73	2,772.47
Interest cost	31.00	25.58	274.35	207.97
Current service cost	311.72	272.77	662.95	557.81
Benefits Paid	257.00	(235.34)	334.85	(279.89)
Actuarial (gain)/ loss on Obligations	(7.61)	10.20	40.92	333.37
Present value obligation as at end of the year #	592.82	514.71	4,235.10	3,591.73

includes short term Gratuity liability of ₹ 581.27 lacs (Previous year ₹472.76 lacs)

(b) Changes in Fair Value of Plan Asset (₹ In Lacs)

Particulars	Leave (Unfunded)		Gratuity (Funded)	
	Current Year	Previous year	Current Year	Previous year
Fair value of Plan Assets as at beginning of the year	-	-	3,030.23	2,731.15
Expected return on Plan Assets	-	-	284.41	254.64
Contributions	-	-	578.90	143.69
Withdrawal	-	-	(17.47)	(99.31)
Benefits Paid	-	-	-	-
Actuarial gain/ (loss) on Obligations	-	-	(24.00)	0.06
Fair value of Plan Assets as at end of the year	-	-	3,852.07	3,030.23

(c) Amount recognized in Balance Sheet : (₹ In Lacs)

Particulars	Leave (Unfunded)		Gratuity (Funded)	
	Current Year	Previous year	Current Year	Previous year
Present value of Funded obligation as at end of the year	-	-	4,235.10	3,591.73
Fair value of Plan Assets as at end of the year	-	-	3,852.07	3,030.23
Funded Status	(592.82)	(514.71)	(383.03)	(561.50)
Present value of unfunded obligation as at end of the year	592.82	514.71	-	-
Unfunded Actuarial (gains)/ losses	-	-	-	-
Unfunded Net Asset/ (Liability) recognised in Balance Sheet	(592.82)	(514.71)	(383.03)	(561.50)

(d) Expenses Recognized in Profit and LossValue of Plan Asset (₹ In Lacs)

Particulars	Leave (Unfunded)		Gratuity (Funded)	
	Current Year	Previous year	Current Year	Previous year
Current service cost	311.72	272.77	662.95	557.81
Past Service cost	-	-	-	-
Interest cost	31.00	25.58	274.35	207.97
Expected return on Plan Assets	-	-	(284.41)	(254.64)
Curtailment cost	-	-	-	-
Settlement cost	-	-	-	-
Net Actuarial (gain)/ loss recognised during the year	(7.61)	10.20	64.92	329.94
Total Expenses recognised in Profit & Loss Account	335.11	308.55	717.81	841.08

(e) Investment details of Fund: (₹ In Lacs)

Particulars	Leave (Unfunded)		Gratuity (Funded)	
	Current Year	Previous year	Current Year	Previous year
Central Govt. Securities	-	-	2,166.77	1,898.13
Investment in PSU	-	-	1,329.12	785.81
Other Investments	-	-	325.52	181.78
Bank Balance	-	-	30.66	164.51
Total	-	-	3,852.07	3,030.23

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

Particulars	Leave (Unfunded)		Gratuity (Funded)	
	Current Year	Previous year	Current Year	Previous year
Discount Rate (per annum)	8.00%	7.90%	8.00%	7.90%
Rate of increase in compensation levels (per annum)	6.00%	6.00%	6.00%	6.00%
Rate of return on plan assets (per annum)	N.A.	N.A.	8.59%	9.26%
Expected Average remaining working lives of employees (years)	26.87	27.03	26.87	27.03
Method Used	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in employee market.

(g) Other short term employee's benefits (Un-Funded) (₹ In Lacs)

Particulars	Short Term Leave		Leave Travel Encashment		Ex-Gratia	
	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year
Liability as at beginning of the year	109.05	93.20	104.63	80.52	192.04	173.02
Liability as at end of the year	137.60	109.05	124.91	104.63	64.11	192.04
Amount debited to Statement of P&L	28.55	15.85	90.90	88.74	99.86	215.32

(h) During the year, the company has recognized an expense of ₹2,049.74 Lacs (Previous Year ₹1,708.31 lacs) in respect of Contribution to Provident Fund and ₹81.77 Lacs (Previous Year ₹75.35 Lacs) in respect of Contribution to Superannuation Scheme.

50. The company uses forward contracts and options to hedge its risk associated with fluctuation in foreign currency relating to foreign currency assets and liabilities, firm commitment and highly probable forecast transactions. The use of the aforesaid financial instruments is governed by the company's overall risk management strategy. The company does not use forward contracts and options for speculative purposes. The details of the outstanding forward contracts and options as at 31st March 2016 is as under:

a) Category wise quantitative data	Current Year		Previous Year	
	No. of Contracts	Amount in Foreign Currency (Lacs)	No. of Contracts	Amount in Foreign Currency (Lacs)
Forward Contracts, Options and Hedge				
Forward contracts against exports (USD)	103	598.35	254	1,381.26
Forward contracts against exports (EURO)	16	66.03	23	70.80
Put and Call options against exports (USD) *	5	50.00	2	225.00
Forward contracts against imports (USD)	29	98.06	25	74.80
Forward contracts against imports (CHF)	1	0.72	1	29.60
Forward contracts against imports (YEN)	-	-	1	66.30
Forward contracts against imports (EURO)	8	18.64	11	65.90
Forward contracts against imports (GBP)	1	0.24	-	-
b) Details of foreign currency exposure that has not been hedged by a derivative instrument or otherwise is given below :				
Against Creditors (CHF)		7.92		0.59
Against Creditors (EURO)		14.75		3.57
Against Creditors (JPY)		485.44		7.38
Against Creditors (GBP)		0.39		0.01
Against Creditors (USD)		12.02		0.39

* Option Contracts are based on the maximum coverage under options.

Foreign Currency option contracts mature with in 12 months.

51. The information required by paragraph 5 of general instructions for preparation of the statement of profit and loss as per Schedule-III of the Companies Act, 2013 :

(A) CIF VALUE OF IMPORTS

(₹ In Lacs)

Particulars	Current year	Previous year
Raw Materials	22,506.86	17,136.47
Components & Spare Parts	5,958.11	6,350.67
Capial Goods	11,817.39	8,661.85
Total	40,282.36	32,148.99

(B) EXPENDITURE IN FOREIGN CURRENCY

(₹ In Lacs)

Particulars	Current year	Previous year
Travelling	92.74	92.93
Commission	2,913.78	4,070.09
Technical Knowhow Fee	6.67	5.94
Miscellaneous	248.47	247.78
Total	3,261.66	4,416.74

(C) EARNING IN FOREIGN CURRENCY

(₹ In Lacs)

Particulars	Current year	Previous year
FOB Value of Exports	227,484.18	244,248.09
Total	227,484.18	244,248.09

(D) VALUE OF RAW MATERIALS, COMPONENTS & SPARE PARTS CONSUMED

(₹ In Lacs)

	Current year		Previous year	
Particulars	Value	%	Value	%
(I) Raw Materials				
Imported	24,640.23	9.26	21,074.31	7.29
Indigenous	241,512.60	90.74	268,076.44	92.71
Total	266,152.83	100.00	289,150.75	100.00
(II) Components and Spare Parts:				
Imported	5,759.71	13.45	8,304.65	19.56
Indigenous	37,060.24	86.55	34,155.73	80.44
Total	42,819.95	100.00	42,460.38	100.00

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: 09-05-2016

CONSOLIDATED
FINANCIAL STATEMENTS

To
The Members of
Vardhman Textiles Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying Consolidated Financial Statements of Vardhman Textiles Limited ("the Holding Company") and its subsidiaries and its associates (collectively referred to as "the Group"), comprising of the consolidated balance sheet as at 31st March 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

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

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

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

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

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

9. We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets of ₹ 1,204.77 crore as at 31st March, 2016, total revenues of ₹ 1,371.97 crore and net cash flows amounting to ₹ 1.75 crore for the year ended on that date, as considered in the Consolidated Financial Statements. The consolidated financial statements also include the Group's share of net profit of ₹ 1.64 Crores for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on

the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate and our report in terms of sub sections (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

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

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

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

    c. the balance sheet, the Statement of Profit and Loss and the cash flow statement dealt with by this report are in agreement with the books of account;

    d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

    e. on the basis of the written representations received from the directors as on 31st March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of sub-section (2) of section 164 of the Act; and

    f. with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure- A"; and

    g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to explanations given to us;

        (i) the Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note No. 32 to the financial statements;

        (ii) the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

        (iii) There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

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

(Sanjiv Mohan)
Partner
M. No. 086066

Place: Ludhiana
Dated: 9th May, 2016

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")

Report on Internal Financial Controls

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of Vardhman textiles Limited ("the Holding Company") its subsidiary companies and its associates which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The Respective Board of Directors of the Holding Company and its subsidiary companies and its associates, 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the

safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

6. 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

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material mis-statements 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

8. In our opinion, the Holding Company and its subsidiary companies and its associates, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, 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 Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to four subsidiary companies and one associate, 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 Regn. No. 000235N

(Sanjiv Mohan)
Partner
M. No. 086066

Place: Ludhiana
Dated: 9th May, 2016

CONSOLIDATED BALANCE SHEET as at 31st March, 2016

Particulars	Note No.	As at 31st March 2016 ₹ in lacs	As at 31st March 2015 ₹ in lacs
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	3	6,251.79	6,251.79
(b) Reserves and surplus	4	378,395.07	331,276.62
		384,646.86	337,528.41
(2) Minority Interest			
(a) Share capital		6,410.81	6,410.81
(b) Reserves and surplus		30,748.53	37,691.14
		37,159.34	44,101.95
(3) Non-current liabilities			
(a) Long-term borrowings	5	115,542.18	141,832.43
(b) Deferred tax liabilities (net)	6	21,324.09	22,324.88
(c) Other long term liabilities	7	285.99	1,464.45
(d) Long-term provisions	8	850.92	943.82
		138,003.18	166,565.58
(4) Current liabilities			
(a) Short-term borrowings	9	105,358.13	47,366.46
(b) Trade payables	10	19,921.27	22,089.29
(c) Other current liabilities	11	95,252.86	108,890.11
(d) Short-term provisions	12	548.99	11,301.52
		221,081.25	189,647.38
TOTAL		780,890.63	737,843.32
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	13	284,390.08	284,024.31
(ii) Intangible assets		1,687.64	2,249.27
(iii) Capital work-in-progress		9,429.77	8,323.52
		295,507.49	294,597.10
(b) Goodwill on Consolidation		1,259.18	1,259.18
(c) Non-current investments	14	89,490.57	45,679.33
(d) Long-term loans and advances	15	9,244.21	7,799.02
(e) Other non-current assets	16	1,270.47	12,403.57
		396,771.92	361,738.20
(2) Current assets			
(a) Current investments	17	23,703.39	41,182.48
(b) Inventories	18	205,629.32	191,575.33
(c) Trade receivables	19	82,573.34	80,951.19
(d) Cash and cash equivalents	20	30,937.24	20,275.66
(e) Short-term loans and advances	21	39,176.76	40,017.99
(f) Other current assets	22	2,098.66	2,102.47
		384,118.71	376,105.12
TOTAL		780,890.63	737,843.32
Significant Accounting Policies and Notes forming part of the financial statements	1 to 44		

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)	Karan Kamal Walia	Rajeev Thapar	Sachit Jain	S.P. Oswal
Partner	*Company Secretary*	*Chief Financial Officer*	*Joint Managing Director*	*Chairman and Managing Director*
M. No. 086066			DIN : 00746409	DIN: 00121737

Place : Ludhiana
Dated: 09-05-2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2016

Particulars	Note No.	For the year ended 31st March 2016 ₹ in lacs		For the year ended 31st March 2015 ₹ in lacs	
(i) Revenue from operations (gross)	23		667,295.03		682,918.85
Less : Excise duty			3,603.08		4,322.84
Revenue from operations (net)			663,691.95		678,596.01
(ii) Other income	24		8,634.64		16,623.88
(iii) Income From Associates			163.49		-
(iv) **Total revenue (i) + (ii) + (iii)**			**672,490.08**		**695,219.89**
(v) **Expenses :**					
Cost of materials consumed	25		301,887.02		334,555.91
Purchases of stock-in-trade	26		1,891.45		440.14
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27		3,183.39		14,035.16
Employee benefits expense	28		51,665.34		44,837.38
Finance costs	29		9,774.55		12,487.27
Depreciation and amortization	13		40,180.29		53,221.01
Other expenses	30		173,520.19		172,950.78
Loss From Associates			-		475.01
Total Expenses			**582,102.23**		**633,002.66**
(vi) **Profit before tax (iv) - (v)**			**90,387.85**		**62,217.23**
(vii) **Less: Tax expense :**					
- Current Tax		28,237.32		23,244.98	
- Deferred tax		(1,000.78)	27,236.54	(5,593.12)	17,651.86
(viii) Profit for the period after tax but before Minority Interest (vi - vii)			63,151.31		44,565.37
(ix) Less : Minority Interest			5,289.08		4,544.47
(x) **Profit for the period after tax and Minority Interest (viii - ix)**			**57,862.23**		**40,020.90**
Earnings per equity share of face value of ₹ 10/- each					
Basic (In ₹)			92.55		64.02
Diluted (In ₹)			92.55		64.02
Significant Accounting Policies and Notes forming part of the financial statements	1 to 44				

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)	Karan Kamal Walia	Rajeev Thapar	Sachit Jain	S.P. Oswal
Partner	*Company Secretary*	*Chief Financial Officer*	*Joint Managing Director*	*Chairman and Managing Director*
M. No. 086066			DIN : 00746409	DIN: 00121737

Place : Ludhiana
Dated: 09-05-2016

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2016

Particulars	For the year ended 31st March 2016 ₹ in lacs		For the year ended 31st March 2015 ₹ in lacs	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Extraordinary items and tax		90,387.85		62,217.23
Adjustments for :				
Depreciation and Amortisation	40,180.29		53,221.01	
Interest expense	14,019.76		14,752.33	
(Income) / Loss from Associates	(163.49)		475.01	
Interest income	(5,563.46)		(3,482.57)	
Dividend income	(1,482.82)		(1,737.01)	
(Profit)/Loss on sale of Assets (Net)	(752.59)		(464.03)	
(Profit)/Loss on sale of Investments (Net)	(1,088.44)		(3,422.71)	
Provision no longer required written Back (Net)	(394.53)		(730.43)	
Sundry balance written back	(133.89)		(167.76)	
Excess income written off	886.45		149.48	
Fixed assets written off	516.73		135.87	
Provision for dimunition in value of Investments written back (Net)	(2.00)		(52.34)	
Provision for Doubtful Debts and Advances (Net)	130.74		0.21	
Bad debts written off	115.61		113.84	
		46,268.36		58,790.90
Changes in Working capital		136,656.21		121,008.13
Adjustments for :				
(Increase)/Decrease in Trade and other Receivables	8,677.26		12,368.21	
(Increase)/Decrease in Inventories	(14,053.99)		27,667.12	
Increase/(Decrease) in Trade Payables and other Liabilities	313.59		2,651.35	
		(5,063.14)		42,686.68
Cash generated from Operations		131,593.07		163,694.82
Net income tax paid	(28,788.11)	(28,788.11)	(22,465.07)	(22,465.07)
Net cash flow from/ (used in) operating activities		102,804.96		141,229.75
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets and capital work in progress (including capital advances)	(41,715.93)		(31,275.54)	
Proceeds from sale of Fixed Assets	1,075.99		769.34	
Purchase of Investments	(62,642.61)		(45,642.18)	
Sale of Investments	37,564.40		40,112.10	
Interest Received	5,826.47		2,776.09	
Dividend Received	1,482.82		1,737.01	
Net Cash from / (used in) investing activities		(58,408.86)		(31,523.18)

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2016

Particulars	For the year ended 31st March 2016 ₹ in lacs		For the year ended 31st March 2015 ₹ in lacs	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Purchase of shares of Subsidiary by Holding Company	-		(202.64)	
Proceeds / (Repayments) from/of Long Term Borrowings(Net)	(44,188.41)		(36,551.86)	
Proceeds / (Repayments) from/of Short Term Borrowings(Net)	57,991.67		(36,706.69)	
Dividend Paid (including taxes)	(33,283.79)		(9,255.15)	
Interest Paid	(14,253.99)		(14,789.53)	
Net Cash from / (used in) Financing Activities		**(33,734.52)**		**(97,505.87)**
Net Increase in cash and cash equivalents		10,661.58		12,200.71
Cash and cash equivalents at the beginning of the year		20,275.66		8,074.95
Cash and cash equivalents at the end of the year		30,937.24		20,275.66
Bank balances not considered as cash and cash equivalents		1,155.49		12,025.57
See accompanying notes forming part of the financial statements 1 to 44				

As per our report of even date

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

(Sanjiv Mohan)
Partner
M. No. 086066

Place : Ludhiana
Dated: 09-05-2016

For and on behalf of the Board of Directors

Karan Kamal Walia	Rajeev Thapar	Sachit Jain	S.P. Oswal
Company Secretary	*Chief Financial Officer*	*Joint Managing Director*	*Chairman and Managing Director*
		DIN : 00746409	DIN: 00121737

1. CORPORATE INFORMATION

Vardhman Textiles Limited (The Company) and its subsidiaries (Collectively referred to as the "Group") are engaged in manufacturing of Cotton yarn, Synthetic yarn, Woven fabric, Sewing thread, Acrylic fibre, Tow and garments.

2. SIGNIFICANT ACCOUNTING POLICIES :

(a) Basis of preparation of consolidated financial statements :

The consolidated financial statements are prepared in accordance with Generally Accepted Accounting Principles under the historical cost convention on accrual basis in accordance with the applicable accounting standards prescribed under section 133 of Companies Act,2013 read with rule 7 of The Companies (Accounts) rules, 2014.

(b) Use of Estimates:

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

(c) Revenue Recognition:

(i) Sales

Revenue from sale of goods is recognized:

(a) When all the significant risks and rewards of ownership are transferred to the buyer and the seller retains no effective control of the goods transferred to a degree usually associated with ownership and

(b) No significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

(ii) Export Incentives :

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

(iii) Interest

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

(iv) Dividend

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

(v) 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:

(a) Short Term Employee Benefits :

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

(b) Post Employment Benefits:

(i) Defined Contribution Plans:

(1.1) Provident Fund :

The Employer's contribution to Provident Fund and Employees Pension Scheme, a defined contribution plan is made in accordance with the Provident Fund Act, 1952 read with the Employees Pension Scheme, 1995.

(1.2) Superannuation :

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

(ii) Defined Benefit Plans

(1.1) Gratuity :

The Employees Gratuity Fund Scheme, managed by Employee's Group Gratuity Trust is a defined benefit plan. The liability for gratuity is provided on the basis of actuarial valuation carried out by an independent actuary at the balance sheet date using projected unit credit method. The Present Value of the company's obligation is determined on the basis of actuarial valuation at the year end and the fair value of plan assets is reduced from the gross obligations under the gratuity scheme to recognize the obligation on a net basis.

(iii) Actuarial gain or loss is recognized immediately in the statement of profit and loss.

(iv) Long Term Employee Benefits

The liability for leave encashment and other compensated absences is recognized on the basis of actuarial valuation carried out by an independent actuary at the balance sheet date by using projected unit credit method.

(e) Fixed Assets (Tangible Assets):

i. Fixed Assets are stated at historical cost less accumulated depreciation.

ii. Cost of fixed assets comprises its purchase price and any attributable expenditure (both direct and indirect) for bringing the assets to its working conditions for its intended use.

(f) Intangible assets:

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

(g) Depreciation:

i) Depreciation on tangible fixed assets is provided on straight line method on the basis of useful lives of such assets specified in Schedule II to the Companies Act, 2013.

However, in case of one subsidiary (Vardhman Yarns & Threads Limited), the management has reassessed and revised wherever necessary the useful lives of the assets. Depreciation on fixed assets of the said subsidiary is provided on straight line method as per the revised useful lives estimated by the independent Chartered Engineer, as engaged by the management.

Revised useful lives of assets in the said subsidiary are as below:

Block of asset	Revised Useful life as per the management (in years)
Buildings (including temporary structure)	1 – 58
Plant and machinery	1 – 20
Furniture and fixture	15
Office equipment	1 – 20
Vehicles	10

The estimated useful lives of assets, as certified by the Chartered Engineer, have been derived based on factors, inter-alia, an inspection of the assets, benchmarking of useful lives within similar industry as that of the Company, number of shifts operated by the Company, historical usage of the assets, maintenance activity carried out by the Company as per their plans, running condition of the assets, etc. Hence the useful lives in respect of these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

ii) Depreciation on assets costing ₹ 5000/- or below is charged @ 100% per annum on proportionate basis.

(h) Amortization

i. Intangible assets are amortized on Straight Line Method. These assets are amortized over their respective individual estimated useful life.

ii. Right to use Power Lines is amortised on straight line method over their estimated useful life.

iii. Contribution to CETP is amortised on straight line basis over its estimated useful life.

(i) Investments:

Long term Investments are carried at cost less provision for diminution, other than temporary, in the value of investment. Current investments are carried at lower of cost and fair value.

(j) Inventories:

Inventories are valued at cost or net realisable 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.
- In case of stores and spares at weighted average cost plus direct expenses.
- In case of work in progress at raw material cost plus conversion cost 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.

(k) Cenvat Credit:

Cenvat credit on excise duty paid inputs, capital assets and input services is taken in accordance with the Cenvat Credit Rules, 2004.

(l) Subsidy:

Government grants available to the company are recognised when there is a reasonable assurance of compliance with the conditions attached to such grants and where benefits in respect thereof have been earned and it is reasonably certain that the ultimate collection will be made. Government subsidy in the nature of promoter's contribution is credited to Capital Reserve. Government subsidy received for specific asset is reduced from the cost of the said asset.

(m) Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(n) Operating Leases :

Assets acquired on leases wherein a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals paid for such leases are recognised as an expense on systematic basis over the term of lease.

(o) Foreign Currency Conversion:

(i) Foreign Currency transactions are recorded on initial recognition in the reporting currency, by applying to the Foreign Currency amount the exchange rate between the reporting currency and the Foreign Currency at the date of the transaction.

(ii) Foreign currency monetary items are reported using the closing rate. Exchange differences arising on the settlement of monetary items or on reporting the same at the closing rate as at the balance sheet date are recognised as income or expense in the period in which they arise.

(iii) The premium or discount arising at the inception of forward exchange contracts is amortised as an expenses or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the reporting period in which the exchange rate changes. Profit or loss arising on cancellation or renewal of such contracts is recognised as income or expense in period in which such profit or loss arises.

(iv) The exchange difference to the extent of loss, arising on forward contracts and put and call derivative options to hedge the transactions in the nature of firm commitments and/or highly probable forecast transactions is recognised in the Statement Profit and Loss, the profit, if any arising thereon is ignored.

(v) In respect of foreign branch, which is in the nature of integral foreign operations, all transactions (except fixed assets, monetary assets, monetary liabilities and depreciation on fixed assets) are translated at average monthly rates which approximates to the actual rates at the date of transaction. Branch monetory assets & liabilities are re-instated at the year-end rates. Fixed assets are translated as at the date of transaction. Depreciation is translated at the rates applied for translation of fixed assets.

(p) Accounting for Taxes on Income

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

(q) Earning per Share :

i) Basic Earning Per Share is computed by dividing the Net Profit or Loss for the period attributable to equity shareholders by the Weighted Average number of equity shares outstanding during the period.

ii) Diluted earning per share is computed by taking into account Weighted Average number of equity shares outstanding during the period and the weighted average number of equity shares which would be issued on conversion of all the dilutive potential equity shares into equity shares.

(r) Impairment of Assets

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

Goodwill arising on consolidation is not amortised, but it is reviewed for impairment at the end of each accounting year, if the events or changes in the circumstances indicate that carrying value may be impaired.

(s) Cash Flow Statement :

The Cash Flow Statement has been in accordance with the Accounting Standard (AS) – 3 on "Cash Flow Statements" prescribed in Companies (Accounts) rules, 2014.

(t) Provisions and Contingent Liabilities

i) Provision is recognized (for liabilities that can be measured by using a substantial degree of estimation) when:

a) the Company has a present obligation as a result of a past event;

b) a probable outflow of resources embodying economic benefits is expected to settle the obligation; and

c) the amount of the obligation can be reliably estimated

ii) Contingent liability is disclosed in case there is :

a) possible obligation that arises from past events and existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise; or

b) a present obligation arising from past events but is not recognised

(i) when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) a reliable estimate of the amount of the obligation cannot be made.

(u) Segment Information :

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the enterprise as a whole.

3 SHARE CAPITAL

Particulars	As at 31st March 2016		As at 31st March 2015	
	Number in lacs	₹ in lacs	Number in lacs	₹ in lacs
Authorised				
Equity shares of ₹10/- each (par value)	900.00	9,000.00	900.00	9,000.00
Redeemable cumulative preference shares of ₹10/- each (par value)	100.00	1,000.00	100.00	1,000.00
	1,000.00	10,000.00	1,000.00	10,000.00
Issued, subscribed and fully paid-up				
Equity shares of ₹10/- each	625.18	6,251.79	625.18	6,251.79
Total	625.18	6,251.79	625.18	6,251.79

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

Equity shares	FY 2015-16		FY 2014-15	
	Number in lacs	₹ in lacs	Number in lacs	₹ in lacs
At the beginning of the reporting period	625.18	6,251.79	625.18	6,251.79
Add: Issued during the reporting period	-	-	-	-
Outstanding at the end of the reporting period	625.18	6,251.79	625.18	6,251.79

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.

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.

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.

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

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

d. Aggregate number and class of shares 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.

Equity shares	Aggregate number of shares as at 31st March 2016	Aggregate number of shares as at 31st March 2015
Equity Shares alloted as fully paid up by way of bonus shares	–	–
Equity Shares alloted as fully paid up pursuant to contract(s) without payment being received in cash	–	–
Equity Shares bought back by the Company	–	–

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

Class of shares and Name of shareholder	As at 31st March 2016		As at 31st March 2015	
	Number in lacs	% shareholding	Number in lacs	% shareholding
Equity shares of ₹ 10 each fully paid				
Devakar Investment and Trading Co. Private Limited	56.49	8.87	55.41	8.70
Adishwar Enterprises LLP (Formerly known as Adinath Investment and trading Company)	129.78	20.39	129.48	20.34
Vardhman Holdings Limited	154.84	24.33	154.03	24.20
IDFC Premier Equity Fund	-	-	39.52	6.21

Note- Adinath Investment & Trading Company got converted into Adishwar Enterprises LLP w.e.f 5th June, 2014. However, the process of change in nomenclature of demat accounts of Adinath Investment & Trading Company has been completed in current financial Year.

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

4 RESERVES AND SURPLUS

Particulars	As at 31st March 2016 ₹ in lacs		As at 31st March 2015 ₹ in lacs	
Capital Reserve*				
Balance as per the last financial statements		345.00		345.00
Capital Redemption Reserve				
Balance as per the last financial statements		2,152.47		2,152.47
Securities Premium Account				
Balance as per the last financial statements		20,990.54		20,990.54
Statutory Reserve u/s 45-IC of RBI Act, 1934				
Balance as per the last financial statements	296.20	-	234.70	-
Add: Amount transferred from surplus in statement of profit and loss	71.50	367.70	61.50	296.20
General Reserve				
Balance as per the last financial statements	201,483.97		163,483.97	
Add: Transferred from surplus in statement of profit and loss	-	201,483.97	38,000.00	201,483.97
Surplus i.e. balance in the Statement of Profit and Loss				
Balance as per the last financial statements	106,008.44		119,743.61	
Add: Corporate Dividend Tax Written Back	1,357.13		220.13	
Add: Profit for the year transferred from Statement of Profit and Loss	57,862.23		40,020.90	
Less: Transferred pursuant to cessation of associate relationship	-		23.58	
Less: Capital reserve arising on account of acquisition of shares in subsidiary company	-		192.50	
Less: Depreciation charged to reserves as per schedule-II of Companies Act, 2013	-		6,514.49	
Add: Deferred tax on Depreciation charged	-		1,322.40	
Less: Appropriations				
Proposed equity dividend	-		8,220.98	
Interim dividend on equity (Net of Minority)	9,377.68		-	
Tax on dividend (Net of Minority)	2,723.23		2,285.55	
Amount transferred to Statutory Reserve u/s 45-IC of RBI Act, 1934	71.50		61.50	
Transferred to General Reserve	-		38,000.00	
Closing Balance		153,055.39		106,008.44
Total		378,395.07		331,276.62

* The capital reserves consists of capital subsidy received on account of government grant from respective state governments treated as promoter contribution for setting up of new industrial projects.

5 LONG-TERM BORROWINGS

Particulars	As at 31st March 2016 ₹ in lacs		As at 31st March 2015 ₹ in lacs	
Secured				
From banks	172,460.64		216,649.05	
Less: Current maturities of long term borrowings (refer note-11)	56,918.46	115,542.18	74,816.62	141,832.43
Total		115,542.18		141,832.43

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 Lacs		Repayment Period		Installments outstanding		Periodicity of repayment	
Balance As at 31st March 2016	Balance As at 31st March 2015	Current Year (Years)	Previous Year (Years)	Current Year (No.)	Previous Year (No.)	Current Year	Previous Year
12,275.00	16,275.00	5	5	8	12	Quarterly	Quarterly
23,830.00	29,000.00	5	5	9	13	Quarterly	Quarterly
2,538.85	2,675.79	5	5	9	13	Quarterly	Quarterly
7,608.00	9,232.00	5	5	10	14	Quarterly	Quarterly
18,683.00	7,345.00	5	5	11	15	Quarterly	Quarterly
1,116.00	1,196.00	5	5	12	16	Quarterly	Quarterly
14,000.00	15,400.00	5	5	13	17	Quarterly	Quarterly
9,982.00	3,707.00	5	5	20	20	Quarterly	Quarterly
4,130.00	4,330.00	5	5	16	20	Quarterly	Quarterly
-	454.75	-	7.75	-	3	-	Quarterly
-	1,987.66	-	8	-	1	-	Quarterly
-	112.50	-	8	-	1	-	Monthly
-	1,839.05	-	8	-	3	-	Quarterly
-	4,925.00	-	8	-	4	-	Quarterly
9,250.75	40,993.98	8	8	1	5	Quarterly	Quarterly
4,361.04	10,142.32	8	8	2	6	Quarterly	Quarterly
4,440.00	9,625.00	8	8	3	7	Quarterly	Quarterly
2,112.00	2,444.00	8	8	4	8	Quarterly	Quarterly
10,300.00	13,100.00	8	8	5	9	Quarterly	Quarterly
1,800.00	1,920.00	8	8	13	17	Quarterly	Quarterly
1,480.00	1,640.00	8	8	13	17	Quarterly	Quarterly
10,900.00	12,100.00	8	8	14	18	Quarterly	Quarterly
4,350.00	2,000.00	8	8	17	20	Quarterly	Quarterly
23,304.00	24,204.00	8	8	16	20	Quarterly	Quarterly
6,000	-	5	-	20	-	Quarterly	-
172,460.64	**216,649.05**						

* Figures of term loan stated above in para (b) includes current maturities of long term debt shown separately in note 11

6 DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31st March 2016 ₹ in lacs	As at 31st March 2015 ₹ in lacs
Deferred tax liabilities		
Fixed assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting period	23,553.25	24,062.79
Gross deferred tax liability	23,553.25	24,062.79
Deferred tax assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowable for tax purposes on payment basis	2,229.16	1,737.91
Gross deferred tax asset	2,229.16	1,737.91
Deferred tax liability (Net)	21,324.09	22,324.88

7 OTHER LONG-TERM LIABILITIES

Particulars	As at 31st March 2016 ₹ in lacs	As at 31st March 2015 ₹ in lacs
Other liabilities		
Retention money	19.36	30.92
Security payable	57.79	10.85
Due to employees	34.71	24.38
Other long term liabilities	174.13	1,398.30
Total	285.99	1,464.45

8 LONG-TERM PROVISIONS

Particulars	As at 31st March 2016 ₹ in lacs	As at 31st March 2015 ₹ in lacs
Provision for employee benefits		
- Leave encashment	813.10	695.92
- Gratuity	37.82	247.90
Total	850.92	943.82

9 SHORT-TERM BORROWINGS

Particulars	As at 31st March 2016 ₹ in lacs	As at 31st March 2015 ₹ in lacs
Working capital loans from Banks		
- From banks (secured)	98,819.75	46,010.58
- From banks (unsecured)	6,538.38	1,355.88
Total	105,358.13	47,366.46

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.

Terms:-

i) From banks carries interest @ 8.30 % to 12.50 % p.a. (Previous year 8.30% to 13.05% p.a)

10 TRADE PAYABLES

Particulars	As at 31st March 2016 ₹ in lacs	As at 31st March 2015 ₹ in lacs
Trade payables		
Due to others	19,921.27	22,089.29
Total	19,921.27	22,089.29

11 OTHER CURRENT LIABILITIES

Particulars	As at 31st March 2016 ₹ in lacs	As at 31st March 2015 ₹ in lacs
Current maturities of Long term debt (Refer note 5b)	56,918.46	74,816.62
Interest accrued but not due on borrowings	66.99	301.23
Unpaid dividends#	338.54	140.34
Other payables		
- Statutory remittances**	5,950.19	4,661.42
- Retention money	1,041.84	909.67
- Security deposits	151.04	127.63
- Expense payable	12,857.33	14,428.99
- Creditors for Fixed assets	2,265.24	1,438.86
- Trade Deposits and Advance from customers	7,570.49	6,534.84
- Employees related payable	7,603.72	5,096.08
- Other payables	489.02	434.43
Total	95,252.86	108,890.11

** 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

12 SHORT-TERM PROVISIONS

Particulars	As at 31st March 2016 ₹ in lacs	As at 31st March 2015 ₹ in lacs
Provision for employee benefits :		
- Leave encashment	185.65	150.49
- Gratuity	363.34	644.50
Provision for proposed dividend on equity shares	-	8,220.98
Provision for tax on proposed dividend	-	2,285.55
Total	548.99	11,301.52

13. FIXED ASSETS

(₹ in lac)

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	transferred to Retained Earnings	Balance as at 31st March, 2016	Balance as at 31st March, 2016	Balance as at 31st March, 2015
Tangible Assets:													
Free-hold Land	10,448.94	258.36	5.16	(331.68)	11,033.82	-	-	-	-	-	-	11,033.82	10,448.94
Leasehold Land	2,436.79	-	-	-	2,436.79	312.82	25.00**	-	-	-	337.82	2,098.97	2,123.97
Lease hold improvements	85.20	-	-	-	85.20	27.55	17.19	-	-	-	44.74	40.46	57.65
Buildings	98,920.18	6,640.97	28.95	28.29	105,503.91 #	23,543.80	2,967.82	11.37	31.82	-	26,468.43	79,035.48	75,376.38
Plant and Equipment	482,359.98	32,339.24	3,110.92	2,040.37	509,547.93	289,452.78	35,584.02	2,729.39	1,357.79	-	320,949.62	188,598.31	192,907.20
Furniture and Fixtures	2,618.19	221.81	4.60	63.96	2,771.44	1,697.84	198.06	3.17	53.95	-	1,838.78	932.66	920.35
Vehicles	1,685.79	313.50	183.96	(0.22)	1,815.55	642.65	189.72	135.50	0.02	-	696.85	1,118.70	1,043.14
Office quipment	3,389.21	897.87	16.90	170.25	4,099.93	2,242.53	484.05	15.98	142.35	-	2,568.25	1,531.68	1,146.68
Total (A)	**601,944.28**	**40,671.75**	**3,350.49**	**1,970.97**	**637,294.57**	**317,919.97**	**39,465.86**	**2,895.41**	**1,585.93**	**-**	**352,904.49**	**284,390.08**	**284,024.31**
Intangible Assets:													
Computer Softwares	1,784.99	88.80	-	-	1,873.79	832.58	235.26	-	-	-	1,067.84	805.95	952.41
Right to use Power lines	1,812.52	-	-	-	1,812.52	1,363.07	150.30	-	-	-	1,513.37	299.15	449.45
CETP Contribution	-	64.00	-	-	64.00	-	46.40	-	-	-	46.40	17.60	-
Brand Value	2,824.71	-	-	-	2,824.71	1,977.30	282.47	-	-	-	2,259.77	564.94	847.41
Total (B)	**6,422.22**	**152.80**	**-**	**-**	**6,575.02**	**4,172.95**	**714.43**	**-**	**-**	**-**	**4,887.38**	**1,687.64**	**2,249.27**
Grand Total (A+B)	**608,366.50**	**40,824.55**	**3,350.49**	**1,970.97**	**643,869.59**	**322,092.92**	**40,180.29**	**2,895.41**	**1,585.93**	**-**	**357,791.87**	**286,077.72**	**286,273.58**
Previous Year	578,174.91	32,392.53	1,364.14	836.80	608,366.50	264,116.45	53,221.01	1,068.06	691.67	6,515.19	322,092.92	286,273.58	314,058.46

#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).

**Represents proportionate premium for acquisition of leasehold land being amortised over the period of lease.

- Freehold land includes ₹ 31.00 lac (Previous Year ₹ 417.59 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 ₹ (-) 57.73 lacs (Previous Year ₹ (-) 22.79 lacs) pertaining to earlier years.

- Intangible Assets are not internally generated.

14 NON-CURRENT INVESTMENTS (Long term investments)

Particulars	As at 31st March 2016 ₹ in lacs		As at 31st March 2015 ₹ in lacs	
I TRADE INVESTMENTS (at cost)				
a. Investment in equity instruments				
In associates (Unquoted)				
- 25,000 (Previous year: 25,000) Equity shares of ₹10/- each fully paid-up of Vardhman Spinning and General Mills Limited	2.50		2.50	
Add: Capital Reserve arising on acquisition of shares in associate	0.42		0.42	
Add: Accumulated profit from Associate Company	3.79	6.71	3.93	6.85
In associates (Quoted)				
- 58,25,000 (Previous year: 58,25,000) Equity shares of ₹10/- each fully paid up of Vardhman Special Steels Limited	582.50		582.50	
Add: Accumulated profit from Associate Company	352.56	935.06	188.93	771.43
In others (Unquoted)				
- 21,769 (previous year 21,769) equity shares of ₹ 1,000 each fully paid-up of Perundurai Common Effluent Treatment Plant (a Section 25 Company)		217.69		217.69
II OTHER INVESTMENTS (at cost)				
a. Investment in Equity Shares (unquoted)				
- 4,495(Previous year: 4,495) Equity shares of ₹10/- each fully paid-up of Shreshtha Holdings Ltd.,80 (Previous year 80) shares of ₹50/- each fully paid-up in the Valencia Co-operative Housing Society Limited, Mumbai and 5 (Previous year:5) shares of Dalamal House Commercial Complex Society Ltd, Mumbai		0.45		0.45
- 41,000 (Previous Year: 41,000) Equity-Shares of ₹10/- each fully paid-up of Shivalik Solid Waste Management Limited (Section 25 Company)		4.10		4.10
- 1,40,625 (Previous year: 1,40,625) Equity shares of ₹10/- each fully paid-up of Nimbua Greenfield (Punjab) Limited		14.06		14.06
- 1,647,525 (Previous Year 1,647,525) Equity Shares of ₹ 10/- each fully paid up of Bharuch Eco-Aqua Infrastructure Ltd.		164.75		164.75
b. Investment in Preference shares/ Debenture / Bonds (quoted)				
- 6,660 (Previous year: Nil) 17.38% Non Convertible Redeemable cumulative Preference Shares of ₹ 7,500/- each fully paid of Infrastructure Leasing Financial Services Ltd.		999.00		-
- 10,000 (Previous year: Nil) 16.46% Non Convertible Redeemable cumulative Preference Shares of ₹ 7,500/- each fully paid of Infrastructure Leasing Financial Services Ltd.		1,500.00		-
- 10,00,000 (Previous year: nil) 3% cumulative, compulsorily convertible Preference Shares of ₹ 100/- each of TATA Motors Finance Ltd.		1,000.00		-
820 (Previous Year Nil) 16.46% Non Convertible Redeemable cumulative Preference Shares of ₹ 7,500/- each fully paid of Infrastructure Leasing Financial Services Ltd.		123.00		-

14 NON-CURRENT INVESTMENTS (Long term investments) *(contd.)*

Particulars	As at 31st March 2016 ₹ in lacs		As at 31st March 2015 ₹ in lacs	
II OTHER INVESTMENTS (at cost) *(contd...)*				
- 1,000 (previous year Nil) Principal protected Market Linked redeemable Non Convertible Debentures of ₹1,00,000/- each of ECL Finance limited		1,000.00		-
- 1,500 (previous year Nil) Principal protected Market Linked redeemable Non Convertible Debentures of ₹1,00,000/- each of ECL Finance limited		1,500.00		-
- 996 (Previous year: Nil) Secured redeemable Non convertible Principal protected market linked debentures of ₹1,00,000/- each of Reliance Capital Ltd		988.53		-
c. Investment in Mutual Funds (quoted)				
Fixed Maturity Plans/Debt Funds				
- 1,00,00,000 (Previous year:1,00,00,000) Units of ₹10/- each of SBI debt Fund Series - Regular -Growth		1,000.00		1,000.00
- 2,50,00,000 (Previous year:2,50,00,000) Units of ₹10/- each of SBI debt Fund Series -Direct -Growth		2,500.00		2,500.00
- 1,50,00,000 (Previous year:1,50,00,000) Units of ₹10/- each of SBI debt Fund Series - Direct -Growth		1,500.00		1,500.00
- 2,50,00,000 (Previous year: 2,50,00,000) Units of ₹10/- each of Blackrock Fixed Maturity Plan-12.5M		2,500.00		2,500.00
- 2,50,00,000 (Previous year: 2,50,00,000) Units of ₹10/- each of Reliance Fixed Horiozon Fund XXVI Series 2 Direct Growth Plan		2,500.00		2,500.00
- 2,50,00,000 (Previous year: 2,50,00,000) Units of ₹10/- each of Birla Sunlife Fixed Term Plan -Series KR - (385 days) Growth Direct		2,500.00		2,500.00
- 2,54,82,906 (Previous year: 5,00,00,000) Units of ₹10/- each of ICICI Prudential Fixed Maturity Plan Series 73-Plan I Direct Plan Cumulative		2,548.29		5,000.00
- 3,00,00,000 (Previous year: 3,00,00,000) Units of ₹10/- each of UTI Fixed Term Income Fund Series XVIII-I Direct Growth Plan		3,000.00		3,000.00
- 2,00,00,000 (Previous year: 2,00,00,000) Units of ₹10/- each of Reliance Fixed Horizon Fund- XXV- Series 33- Direct Plan Growth Plan		2,000.00		2,000.00
- 2,50,00,000 (Previous year: 2,50,00,000) Units of ₹10/- each of Kotak FMP Series 149 Direct - Growth		2,500.00		2,500.00
- 5,00,00,000 (Previous year:5,00,00,000) Units of ₹10/- each of SBI Debt Fund Series-B (1105 DAYS) Direct Plan Growth Fixed Maturity Plan		5,000.00		5,000.00
- 50,00,000 (Previous year:50,00,000) Units of ₹10/- each of ICICI Prudential Fixed Maturity Plan Series 76-1108 Days Plan V Direct Plan Cumulative		500.00		500.00
- 2,50,00,000 (Previous year:2,50,00,000) Units of ₹10/- each of ICICI Prudential Fixed Maturity Plan Series 76-1108 Days Plan V Direct Plan Cumulative		2,500.00		2,500.00
- 1,00,00,000 (Previous Year 1,00,00,000) Units of ₹ 10/- each of Reliance Fixed Horizon Fund -XXV-Series 16-Growth Plan		1,000.00		1,000.00
- 2,00,00,000 (Previous Year 2,00,00,000) Units of ₹ 10/- each of Kotak Fixed Maturity Plan Series 140 Growth		2,000.00		2,000.00
- 2,50,00,000 (Previous Year 2,50,00,000) Units of ₹ 10/- each of Kotak Fixed Maturity Plan Series 150 Growth		2,500.00		2,500.00
- 1,50,00,000 (Previous Year 1,50,00,000) Units of ₹ 10/- each of UTI Fixed Term Income Fund Series XVIII-I (400 Days) Direct Growth Plan		1,500.00		1,500.00

14 NON-CURRENT INVESTMENTS (Long term investments) *(contd.)*

Particulars	As at 31st March 2016 ₹ in lacs	As at 31st March 2015 ₹ in lacs
II OTHER INVESTMENTS (at cost) *(contd...)*		
Fixed Maturity Plans/Debt Funds		
- 1,00,00,000 (Previous Year 1,00,00,000) Units of ₹ 10/- each of DSP Blackrock Fixed Term Plan - Series 44 -36 M - Direct Growth	1,000.00	1,000.00
- NIL (Previous Year 2,50,00,000) Units of ₹ 10/- each of Reliance Fixed Horizon Fund - XXIV -Growth Plan	-	2,500.00
- 1,00,00,000 (Previous Year 1,00,00,000) Units of ₹ 10/- each of Birla Sun Life Fixed Maturity Plan Series GI - G	1,000.00	1,000.00
- 2,00,00,000 (previous year: Nil) units of ₹10/- each of Reliance fixed horizon fund- XXIX-Series 1- Direct Growth Plan	2,000.00	-
- 3,00,00,000 (previous year: Nil) units of ₹10/- each of Reliance fixed horizon fund- XXIX-Series 2- Direct Growth Plan	3,000.00	-
- 5,00,00,000 (previous year: Nil) units of ₹10/- each of Kotak Fixed Maturity Plan Series 178 Direct Growth	5,000.00	-
- 1,90,08,075 (previous year: Nil) units of ₹10/- each of Reliance Fixed Horizon Fund-XXIX- Series 8 Direct Growth Plan	1,900.81	-
- 5,00,00,000 (previous year: Nil) units of ₹10/- each of Birla Sunlife Fixed Term Plan Series MX (1128 Days)	5,000.00	-
- 5,00,00,000 (previous year: Nil) units of ₹10/- each of ICICI Prudential Fixed Maturity Plan Series 77-1129 Days Plan W Direct Plan Cumulative	5,000.00	-
- 3,10,00,000 (previous year: Nil) units of ₹10/- each of Reliance Fixed Horizon Fund-XXIX- Series 8 Direct Growth Plan	3,100.00	-
- 2,20,00,000 (previous year: Nil) units of ₹10/- each of UTI Fixed Term Income Fund Series XXIII-II (1100 Days) Direct Growth Plan	2,200.00	-
- 1,30,00,000 (previous year: Nil) units of ₹10/- each of Kotak Fixed Maturity Plan Series 180-1099 Days	1,300.00	-
- 1,00,00,000 (previous year: Nil) units of ₹10/- each of UTI Fixed Term Income Fund Series XXIII-VII (1098 Days) Direct Growth Plan	1,000.00	-
- 3,00,00,000 (previous year: Nil) units of ₹10/- each of Kotak Fixed Maturity Plan Series 191 Direct Growth	3,000.00	-
- 1,00,00,000 (previous year: Nil) units of ₹10/- each of ICICI Prudential Fixed Maturity Plan Series 78-1115 Days Plan X Direct Plan Cumulative	1,000.00	-
- 2,50,00,000 (previous year: Nil) units of ₹10/- each of HDFC Fixed Maturity Plan 1114D Direct Growth	2,488.12	-
- 2,50,00,000 (previous year: Nil) units of ₹10/- each of SBI Debt Fund Series- B -36(1131 Days)- Direct Growth	2,500.00	-
- 50,00,000 (Previous Year NIL) Units of ₹ 10/- each of UTI Fixed Term Income Fund Series XXII-VI Growth Plan	500.00	-
- 2,50,00,000 (Previous year Nil) Units of 10/- each SBI debt fund series - A 10 - Direct - Growth	2,500.00	-
	89,490.57	45,679.33
1. Aggregate amount of Quoted Investments	89,082.79	45,271.42
2. Aggregate Market value of quoted investments	99,967.92	49,117.37
3. Aggregate amount of Unquoted Investments	407.77	407.91
4. Aggregate provision for diminution in value of Investments	-	-

Non current investments having maturity period less than 12 months as on date of Balance Sheet have been shown under the head current investments.

15 LONG-TERM LOANS AND ADVANCES

Particulars	As at 31st March 2016 ₹ in lacs	As at 31st March 2015 ₹ in lacs
(unsecured, considered good)		
Capital advances	2,455.51	1,844.02
Security deposits	2,824.66	2,245.45
Other loans and advances :		
- Loans to employees	91.84	100.19
- Prepaid expenses	71.66	66.89
- Other recoverable	899.04	1,017.61
- Advance income-tax {net of provision for tax ₹ 1,55,734.92 lacs (Previous year ₹ 1,27,463.30 lacs)}	1,132.24	581.45
- Balance with government authorities	1,769.26	1,943.41
Total	9,244.21	7,799.02

16 OTHER NON-CURRENT ASSETS

Particulars	As at 31st March 2016 ₹ in lacs	As at 31st March 2015 ₹ in lacs
(unsecured considered good)		
- Fixed Deposits with banks more than twelve months maturity	1,155.49	12,025.57
- Interest Receivable	114.98	378.00
Total	1,270.47	12,403.57

17 CURRENT INVESTMENTS

Particulars	As at 31st March 2016 ₹ in lacs	As at 31st March 2015 ₹ in lacs
I a. Investment in Preference Shares (quoted)		
- 5,00,000 (Previous Year Nil) Preference Shares of ₹ 100/- each of L & T Redeemable Preference Shares	500.00	-
b. Investment in Mutual Funds/Fixed Maturity Plans/Debt Funds/Debentures/Bonds (quoted)		
- 60,779 (Previous Year 60,779) Units of ₹ 1,000 /- each of Principal Bank CD Fund-Direct Plan Growth.	1,000.00	1,000.00
- 2,24,30,779 (Previous Year 2,24,30,779) Units of ₹ 10/ each of JP Morgan Indian banking and PSU debt fund -Regular plan-Growth option	2,500.00	2,500.00
- Nil (previous year 2,50,00,000) Units of ₹ 10/- each of SBI debt fund series - A 10 - direct - growth	-	2,500.00
- 80,00,000 (Previous Year 80,00,000) Units of ₹ 10/- each of DSP Blackrock 3 Years close ended equity fund	800.00	800.00
- Nil (Previous year: 25,00,000) Units of ₹100/- each of 8.65% NABARD Bonds	-	2,476.67
- Nil (Previous Year 3,330) Units of ₹ 1,000 /- each of 8.66% NTPC Tax Free Bonds	-	33.30
- Nil (Previous year 100,000) 8.51% Tax Free Bonds of ₹1,000/- each of the Housing and Urban Development Corporation	-	1,000.00
c. Investment in Debentures or Bonds (quoted)		
- NIL (Previous Year 10,875) 8% tax free secured redeemable non-convertible Bonds of ₹1,000/- each of Indian Railway Finance Corporation Limited	-	217.50
- NIL (Previous Year 200) Units of ₹ 1,000,000/-each of IIFL Duration Product I-042	-	2,000.00
d. Investment in Liquid Funds / Debt Funds/ Monthly Income Plans (quoted)		
- 3,740,235.3273 (Previous Year: 3,740,235.3273) Units of ₹10/- each of Birla Sun Life Active Debt Multi - Manager FoF Scheme Growth	700.00	700.00
7,568.074 (Previous Year Nil) Units of ₹ 1,000/- each of SBI Premier Liquid Fund Regular Plan Growth	179.18	-
1.559 (Previous Year Nil) Units of ₹ 1,000/- each of SBI Premier Liquid Fund Direct Plan Growth	0.04	-
1,009.512 (Previous Year 2,992.946) Units of ₹1,000/- each of SBI Ultra Short Term Debt Fund regular daily dividend	18.79	30.03

17 CURRENT INVESTMENTS *(contd.)*

Particulars	As at 31st March 2016 ₹ in lacs	As at 31st March 2015 ₹ in lacs	
d. Investment in Liquid Funds / Debt Funds/ Monthly Income Plans (quoted) *(contd...)*			
- 2,13,20,689 (Previous Year 2,13,20,689) Units of ₹10/- each of JP Morgan Indian banking and PSU debt fund -Direct plan-Growth option	2,500.00		2,500.00
- 57,77,241 (Previous Year 57,77,241) Units of ₹10/ each of IDFC Dynamic bond fund - Growth - Direct plan	1,000.00		1,000.00
- 96,90,611 (Previous Year Nil) Units of ₹10/ each of JP Morgan Indian active bond fund -Direct plan-Growth option	1,500.00		-
- 2,50,00,000 (Previous Year NIL) Units of ₹10/- each of Relaince Fixed Horizon Fund - XXIV -Growth Plan	2,500.00		-
- 31,419 (Previous Year NIL) Units of ₹1,000 /- each of Principal Cash Management Fund Direct Growth Plan	462.00		-
- 62,643 (Previous Year NIL) Units of ₹1,000 /- each of SBI Premier Liquid Fund - Regular Plan Growth	1,483.73		-
- 359,303 (Previous year NIL)Units of ₹1,000/- each of SBI premier liquid fund - regular plan - growth	8,500.44		-
Investment in Liquid Funds / Debt Funds/ Monthly Income Plans (unquoted)			
- Nil (Previous Year: 50,211) units of ₹1,000/- each of SBI Premier Liquid Fund - daily dividend	-		503.74
- NIL (Previous year :7,37,849.845) Units of ₹1,000/- each of SBI Premier Liquid Fund - Regular Plan Daily Dividend	-		7,402.48
- NIL (Previous year : 606) Units of ₹10/- each of SBI Ultra fund Ultra Short Term Debt Fund Direct Daily Dividend	-		0.01
- Nil (Previous Year: 2,30,60,289) Units of ₹10/- each Kotak equity arbitrage fund direct plan - Bimonthly Dividend	-	4,671.12	
Less : Provision for diminution in value of Investments	-	2.00	4,669.12
- Nil (Previous Year 1,50,039) Units of ₹1,000 /- each of Principal Cash Management Fund - Direct Plan Dividend option Daily - Reinvestment.	-		1,500.98
- Nil (Previous Year 15,425) Units of ₹1,000 /- each of SBI Ultra Short term debt fund - Direct Daily dividend	-		155.02
- Nil (Previous Year 1,67,619) Units of ₹1,000 /- each of SBI Ultra Short term debt fund - Regular daily dividend	-		1,681.66
- Nil (Previous Year 18,945) Units of ₹1,000 /- each of SBI Premier Liquid Fund - Direct Plan - Daily dividend	-		190.06
- Nil (Previous Year 1,40,818) Units of ₹1,000 /- each of Principal Debt Opportunities Fund Conservative Plan - Direct Plan Dividend Daily	-		1,410.78
- Nil (Previous Year 50,412) Units of ₹1,000 /- each of Kotak Floater short term -Direct plan - Daily dividend	-		509.98
- Nil (Previous Year 1,05,341) Units of ₹10/- each of ICICI prudential liquid - daily dividend	-		105.40
- Nil (Previous Year: 2,84,83,520) Units of ₹10/- each of IDFC banking debt fund - daily dividend	-		2,856.07
- Nil (Previous Year: 1,76,139) Units of ₹1,000/- each of Reliance liquid fund - cash plan - direct plan daily dividend	-		1,962.45
- Nil (Previous Year: 38,309) Units of ₹1,000/- each of SBI ultra short term debt fund - direct plan - daily dividend	-		385.00
- NIL Units (Previous Year: 51,866.15) Units of SBI Premier Liquid Fund Regular Plan Daily Dividend	-		520.35
- NIL Units (Previous Year: 45,567.21) Units of ₹ 1,000/- each of SBI Premier Liquid Fund Daily Plan- Daily Dividend	-		457.15
- Nil (Previous Year: 5,339.486) Units of ₹1,000/- each of SBI Premier liquid Fund Direct Plan Daily Dividend	-		53.57
- NIL (Previous year: 1,013.965) Units of ₹10/- each of Principal Debt Opportunity Fund Conservative Plan	-		10.16
- 5,914.18 (Previous year: 3,910.64) Units of ₹10/- each of Baroda Pioneer Liquid Fund Plan A Daily Dividend *	59.21		51.00
Grand Total	23,703.39		41,182.48
1. Aggregate amount of Quoted Investments	23,644.18		11,727.47
2. Aggregate Market value of quoted investments	24,803.08		12,182.05
3. Aggregate amount of Unquoted Investments	59.21		29,455.01
4. Aggregate provision for diminution in value of Investments	-		-

Non current investments having maturity period less than 12 months as on date of balance sheet have been shown under the head current investments.

* These Investments are held under Portfolio Management Services

18 INVENTORIES

Particulars	As at 31st March 2016 ₹ in lacs		As at 31st March 2015 ₹ in lacs	
(at cost or net realisable value, whichever is lower)				
Raw materials (includes in transit ₹ 4,524.19 lacs; Previous Year ₹ 6,257.13 lacs)	130,304.82		113,699.55	
Less: Unrealised profit on consolidation	342.18	129,962.64	746.69	112,952.86
Work-in-Progress	14,637.60		16,560.28	
Less: Unrealised profit on consolidation	48.55	14,589.05	63.93	16,496.35
Finished Goods (includes in transit ₹ NIL (Previous Year ₹ 82.07 lacs)	45,647.07		46,989.85	
Less: Unrealised profit on consolidation	274.98	45,372.09	272.01	46,717.84
Stores and Spares (includes in transit ₹1,522.93 lacs (Previous Year ₹1,192.00 lacs)		15,705.54		15,408.28
Total		205,629.32		191,575.33

19 TRADE RECEIVABLES

Particulars	As at 31st March 2016 ₹ in lacs	As at 31st March 2015 ₹ in lacs
a) Debts outstanding for a period exceeding six months from due date of payment		
- Unsecured, considered good unless otherwise stated	1,359.31	1,707.94
- Doubtful	310.78	168.50
Less: Allowances for doubtful trade receivables	310.78	168.50
	1,359.31	1,707.94
Other trade receivables :		
- Unsecured, considered good	81,214.03	79,243.25
Total	82,573.34	80,951.19

20 CASH AND CASH EQUIVALENTS

Particulars	As at 31st March 2016 ₹ in lacs	As at 31st March 2015 ₹ in lacs
Cash and cash equivalents		
a) Balances with banks		
- In current accounts	6,100.77	6,726.90
- In deposit accounts with maturity upto three months	18,007.11	1,606.24
b) Cheques on hand	154.89	106.42
c) Cash on hand	55.22	84.82
d) Other bank balances		
-Earmarked balances with banks*	339.61	141.52
-Deposits with maturity more than three months but less than twelve months	6,279.64	11,609.76
-Deposits with more than twelve months maturity	1,155.49	12,025.57
	32,092.73	32,301.23
Less: Amounts disclosed as other non current assets (refer note 16)	1,155.49	12,025.57
Total	30,937.24	20,275.66

* Earmarked balances with banks include ₹ 338.51 lacs (Previous year ₹ 140.31 lacs) pertaining to dividend accounts with banks and ₹ 1.10 lacs (Previous year ₹ 1.21 Lacs) pledged with government authorities and others.

21 SHORT-TERM LOANS AND ADVANCES

Particulars	As at 31st March 2016 ₹ in lacs		As at 31st March 2015 ₹ in lacs	
(unsecured considered good, unless otherwise stated)				
Loans and advances to related parties (refer note 35)		1,589.87		2,555.09
Others:				
Balance with government authorities		10,663.79		13,839.05
Claims receivables		676.71		737.22
Advances to suppliers		6,481.41		8,157.94
Prepaid expenses		838.74		697.05
Other recoverables :				
- Considered good	18,926.24		14,031.64	
- Considered doubtful	22.13		87.20	
	18,948.37		14,118.84	
Less: Allowances for doubtful advances	22.13	18,926.24	87.20	14,031.64
Total		39,176.76		40,017.99

22 OTHER CURRENT ASSETS

Particulars	As at 31st March 2016 ₹ in lacs	As at 31st March 2015 ₹ in lacs
Amount recoverable from Mahavir Share Trust in respect of shares held in Trust	1,788.41	1,788.02
Mat Credit Recoverable	310.25	314.45
Total	2,098.66	2,102.47

23 REVENUE FROM OPERATIONS

Particulars	For the year ended 31st March 2016 ₹ in lacs	For the year ended 31st March 2015 ₹ in lacs
Sale of products	654,640.64	668,591.84
Sale of services	51.78	43.18
Other Operating revenues		
- Export benefits	11,178.47	12,890.27
- Others	1,424.14	1,393.56
Revenue from operations	667,295.03	682,918.85
Less : Excise duty	3,603.08	4,322.84
Revenue from operations (Net)	663,691.95	678,596.01
Sale of products comprise :		
Yarn	333,122.92	343,702.87
Processed fabric	161,877.51	162,451.61
Thread	75,158.51	71,092.34
Fabric	39,021.74	39,673.99
Acrylic fibre and tow	21,442.55	26,554.19
Miscellaneous	18,054.07	20,181.94
Garments	5,836.78	4,636.19
Power	-	17.29
Raw material (Others)	0.49	179.66
Raw material (Cotton)	86.61	37.58
Raw material (Fibre)	39.46	64.18
Total	654,640.64	668,591.84

24 OTHER INCOME

Particulars	For the year ended 31st March 2016 ₹ in lacs	For the year ended 31st March 2015 ₹ in lacs
Dividend Income from Long Term Trade Investments	436.95	176.38
Dividend Income from Current investments	1,045.87	1,560.63
Net Gain on sale of Investments		
- Current investments	660.10	687.66
- Long-term investments	428.34	2,735.05
Claims received (Net of expenses)	186.66	111.65
Provisions no longer required written back	394.53	730.43
Adjustment to the carrying amount of investments		
- Reversal of reduction in the carrying amount of investments	2.00	54.35
Gain on foreign currency transactions and translations (Net)	2,836.41	8,412.72
Net Gain on sale of Fixed Assets	752.59	464.03
Miscellanoeus	1,891.19	1,666.79
Prior period items (net) (refer note 36)	-	24.19
Total	8,634.64	16,623.88

25 COST OF MATERIALS CONSUMED *

Particulars	For the year ended 31st March 2016 ₹ in lacs	For the year ended 31st March 2015 ₹ in lacs
Cotton #	217,490.30	242,227.29
Manmade Fibre	46,137.54	48,216.82
Yarn	18,169.24	17,364.36
Fabric	1,940.41	1,732.49
others	2,364.22	1,968.73
Acrylonitrile	15,785.31	23,046.22
Total	301,887.02	334,555.91

* Includes Cost of Goods sold

Cotton consumed is net of Raw material destroyed in fire of ₹ NIL (previous year ₹ 1,997.24 lacs).

26 PURCHASES OF STOCK-IN-TRADE:

Particulars	For the year ended 31st March 2016 ₹ in lacs	For the year ended 31st March 2015 ₹ in lacs
Fabric	135.54	123.04
Yarn	1,755.91	317.10
Total	1,891.45	440.14

27 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For the year ended 31st March 2016 ₹ in lacs		For the year ended 31st March 2015 ₹ in lacs	
Opening Stock:				
Work-in-Progress	16,560.28		19,669.02	
Finished Goods	46,907.78	63,468.06	57,834.20	77,503.22
Less: Closing Stock:				
Work-in-Progress	14,637.60		16,560.28	
Finished Goods	45,647.07	60,284.67	46,907.78	63,468.06
Total		3,183.39		14,035.16
Details of inventory :	Qty	Amount	Qty	Amount
Work-in-progress		₹ in lacs		₹ in lacs
Yarn		8,326.77		9,947.34
Fabric		2,141.81		2,034.17
Thread		2,138.62		2,170.82
Processed Fabric		1,571.50		1,855.94
Garment		254.24		281.50
Acrylic Fibre		204.66		270.51
Total		**14,637.60**		**16,560.28**
Finished goods				
Yarn	14,795 MT	26,557.17	12,473 MT	25,301.20
Fabric	15.71 Mn Mtrs	9,469.21	15.43 Mn Mtrs	10,289.65
Thread	1,153.53 MT	3,642.86	1,413.75 MT	4,773.20
Processed Fabric	6.81 Mn Mtrs	5,077.61	6.34 Mn Mtrs	5,588.82
Garments	83,320 Pcs	272.35	62,516 pcs.	232.62
Acrylic Fibre and tow	555.34 MT	617.87	460.3 MT	722.29
Total		45,647.07		46,907.78

28 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31st March 2016 ₹ in lacs	For the year ended 31st March 2015 ₹ in lacs
Salaries and wages	46,024.60	39,575.82
Contribution to provident and other funds	4,875.83	4,597.19
Staff welfare expenses	764.91	664.37
Total	51,665.34	44,837.38

29 FINANCE COSTS

Particulars	For the year ended 31st March 2016 ₹ in lacs	For the year ended 31st March 2015 ₹ in lacs
Interest expense (net)	8,456.30	11,269.75
Other borrowing costs	1,318.25	1,217.52
Total	9,774.55	12,487.27

30 OTHER EXPENSES

Particulars	For the year ended 31st March 2016 ₹ in lacs	For the year ended 31st March 2015 ₹ in lacs
Consumption of stores and spare parts	5,893.86	5,545.51
Dyes and Chemicals consumed	22,194.80	22,199.80
Packing materials and charges	12,776.92	12,347.26
Power and Fuel	70,678.90	71,602.64
Rent	407.22	365.13
Repairs and maintenance to Buildings	2,911.21	2,928.01
Repairs and maintenance to Machinery	16,825.58	16,335.03
Insurance	817.76	758.71
Rates and Taxes	609.66	621.76
Auditors Remuneration:		
Audit Fee	85.11	63.17
Tax Audit Fee	12.66	11.11
Reimbursement of Expenses	14.49	14.19
In other capacity	10.26	2.61
Bad debts written off	115.61	113.84
Provision for Doubtful Debts and advances (Net)	130.74	0.21
Adjustments to carrying amount of investment		
- Reduction in the carrying amount of current investments	-	2.00
Forwarding Charges and Octroi	12,175.34	12,584.56
Commission to Selling Agents	5,594.61	6,592.06
Rebate and Discount	5,324.54	4,527.08
Miscellaneous	16,685.59	16,336.10
Prior period items (net) (refer note 36)	255.33	-
Total	173,520.19	172,950.78

31. CONSOLIDATION INFORMATION

(A) SUBSIDIARIES

(i) The Consolidated Financial Statements present the consolidated Accounts of Vardhman Textiles Limited and its subsidiaries and associates

Name of Subsidiary	Extent of Parent Company's Shareholding	
	Current Year	Previous Year
a) VMT Spinning Co. Ltd.	89.44 %	89.44 %
b) VTL Investments Ltd	100.00 %	100.00 %
c) Vardhman Yarns & Threads Ltd.	51.00 %	51.00 %
d) Vardhman Acrylics Ltd.	70.75 %	70.75 %
e) Vardhman Nisshinbo Garments Company Ltd.	51.00 %	51.00 %

(ii) Principles of consolidation

i) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the Book Values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements"

ii) The Consolidated Financial Statements are prepared using uniform accounting policies for the transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

iii) The difference between the cost of investment and the parent's portion of equity in the subsidiary companies as on the date of the holding-subsidiary relationship coming into existence and at anytime thereafter is recognised as capital reserve/goodwill as the case may be.

iv) Investments made by the parent company in the subsidiary companies subsequent to the holding - subsidiary relationship coming into existence are eliminated while preparing the consolidated financial statements.

v) Minority Interest's share of Net Profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

vi) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

vii) Unrealised profits on account of intra group transactions have been accounted for depending upon whether the transaction is an upstream transaction or a downstream transaction.

(ii) Consolidated Financial Statement have been prepared after making the following adjustments:

a) The dividend received by the Holding Company amounting to ₹15,376.50 lac (Previous Year ₹1295.25 lac) from its subsidiary companies included in the schedule of 'Other Income' in its individual balance sheet has been eliminated on consolidation.

b) The dividend received by the Subsidiary Company amounting to ₹283.50 Lac (Previous Year ₹124.74 lac) from its holding company included in the schedule of 'Other Income' in its individual Balance Sheet has been eliminated on consolidation.

c) The dividend received by one of the Subsidiary Company amounting to ₹4.69 Lac (Previous Year ₹Nil) from another subsidiary company included in the schedule of 'Other Income' in its individual balance sheet has been eliminated on consolidation.

d) The Parent's portion of the proposed dividend amounting to ₹ Nil (Previous Year ₹2,587.48 lac) has been reduced from the aggregate of the proposed dividend as reflected in the financial statements of the subsidiary companies, as a result of which the profit carried to the consolidated balance sheet stands increased to that extent.

e) The subsidiary's portion of the proposed dividend amounting to ₹ Nil (Previous Year ₹113.40 lac) has been reduced from the aggregate of the proposed dividend as reflected in the financial statements of the holding company, as a result of which the profit carried to the consolidated balance sheet stands increased to that extent.

f) The subsidiary's portion of the proposed dividend amounting to ₹ Nil (Previous Year ₹0.78 lac) has been reduced from the aggregate of the proposed dividend as reflected in the financial statements of the subsidiary company, as a result of which the profit carried to the consolidated balance sheet stands increased to that extent.

g) The unrealised profit on intra group transactions amounting to ₹665.71 lac (Previous Year ₹1,082.62 lac) has been reduced from the share of profits of the Parents Company in the Consolidated Statement of Profit and Loss.

h) Unrealised profit for the previous year amounting to ₹ 1,082.62 lac (Previous Year ₹559.39 lac) has been reversed during the year and has been reduced from the figure of unrealised profit amounting to ₹665.71 lac (Previous Year ₹1,082.62 lac) made during the year.

(B) ASSOCIATES

(i) Investment in associates has been accounted for as per the Equity Method of accounting as prescribed by Accounting Standard (AS) - 23 on "Accounting for Investments in Associates" as issued by Companies (Accounting Standards) Rules, 2006 in the Consolidated Financial Statements.

a) The Company accounts for its share in change in net assets of the associates, post-acquisition, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Statement of Profit and Loss to the extent such change is attributable to the associates' Profit or Loss through its reserves for the balance, based on available information.

b) The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.

(ii) The details of investment in associates made by Vardhman Textiles Limited are given below:-

₹ in lacs

Associate Company	Ownership Interest & Voting Power	Original cost of Investment	Amount of Capital Reserve included in original cost	Amount of Goodwill included in original cost	Accumulated profit at the year end	Carrying amount at Investment at the year end
Vardhman Spinning & General Mills Limited	50.00%	2.50	0.42	-	3.79	6.71
Vardhman Special Steels Limited	31.39%	582.50	-	-	352.56	935.06

(iii) Company's share of contingencies and capital commitment in its associate for which the Company is also contingently liable is ₹1,926.83 lac (Previous Year ₹2,885.70 lac).

32. THERE ARE CONTINGENT LIABILITIES IN RESPECT OF THE FOLLOWING ITEMS:-

Particulars	As at 31st March 2016 ₹ in lacs	As at 31st March 2015 ₹ in lacs
a) Claim not acknowledge as debts	1,119.00	921.79
b) Bank Guarantees and Letter of Credit outstanding	7,243.19	10,952.36
c) Bills discounted with banks	8,582.11	13,710.55

d) The holding company, subsidiaries and associate companies (to the extent of holding company's share) have contested the additional demand in respect of Sales Tax, Excise Duty, Service tax, Entry tax, Income tax etc. amounting to ₹ 20,873.05 lacs (Previous Year ₹ 19,257.09 lacs). The companies have filed appeals with the various appellant authorities and have been advised that the demand is not in accordance with law. No provision, therefore, has been made in books of accounts in respect thereof.

33. ESTIMATED AMOUNT OF CONTRACTS REMAINING TO BE EXECUTED ON CAPITAL ACCOUNT (NET OF ADVANCES)

Particulars	As at 31st March 2016 ₹ in lacs	As at 31st March 2015 ₹ in lacs
Estimated amount of contracts remaining to be executed on Capital Account (Net of advances)	7,403.87	12,374.72

34. SEGMENT REPORTING

Segment Information as required by Accounting Standard (AS)-17 on Segment Reporting issued by Companies (Accounting Standards) Rules, 2006 and 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.

a) Primary Segment Information:

	Textiles		Fibre		Unallocated		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
REVENUE								
External sales	645,442.06	655,929.11	17,927.14	22,352.13	322.75	314.89	663,691.95	678,596.13
Inter-segment sales	-	-	23,229.00	27,478.34	25,615.31	22,067.98	48,844.31	49,546.32
Other income	6,076.56	11,989.56	541.14	907.83	39.13	60.42	6,656.83	12,957.81
Total revenue	651,518.62	667,918.67	41,697.28	50,738.30	25,977.19	22,443.29	719,193.09	741,100.27
RESULT								
Segment results	94,926.18	70,529.01	4,450.17	3,888.51	5,615.55	2,962.26	104,991.90	77,379.78
Unallocated Corporate Expenses (Net)							4,829.50	2,675.29
Operating profit							100,162.40	74,704.49
Interest expense							9,774.55	12,487.27
Income tax - Current							28,237.32	23,244.98
- Mat Credit entitlement								
- Deferred							(1,000.78)	(5,593.13)
- Fringe benefit							-	-
Profit from ordinary activities							63,151.31	44,565.37
Extraordinary loss / (income)							-	-
Net profit							63,151.31	44,565.37
OTHER INFORMATION								
Segment assets	585,579.69	574,168.69	35,065.55	42,450.16	16,757.48	17,665.20	637,402.72	634,284.05
Unallocated Corporate Assets							143,487.92	103,559.27
Total assets	585,579.69	574,168.69	35,065.55	42,450.16	16,757.48	17,665.20	780,890.64	737,843.32
Segment Liabilities	49,031.73	46,152.02	4,004.58	8,103.68	2,441.18	2,009.91	55,477.49	56,265.61
Unallocated Corporate Liabilities							4,463.73	277,622.48
Total liabilities	49,031.73	46,152.02	4,004.58	8,103.68	2,441.18	2,009.91	59,941.22	333,888.09
Capital expenditure	39,928.00	31,124.98	569.18	541.11	123.47	145.94	40,620.66	31,812.04
Depreciation & Amortisation	38,441.57	51,197.74	456.94	476.87	779.21	1,099.36	39,677.72	52,773.97
Non-cash expenses other than depreciation & amortisation	-	-	-	-	-	-	-	-

b) Secondary Segment Information:

Particulars	For the year ended 31st March, 2016 ₹ in Lacs	For the year ended 31st March, 2015 ₹ in Lacs
Segment Revenue – External Turnover		
- within India	4,12,640.63	4,08,861.55
- outside India	2,51,051.32	2,69,734.46
Total Revenue	6,63,691.95	6,78,596.01

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.

35. RELATED PARTY DISCLOSURE

(a) Disclosure of Related Parties and relationship between the parties.

1. Subsidiaries	Vardhman Yarns and Threads Limited (VYTL)
	Vardhman Acrylics Limited
	VMT Spinning Company Limited
	Vardhman Nisshinbo Garments Company Limited
	VTL Investments Limited
2. Associates	Vardhman Special Steels Limited
	Vardhman Spinning and General Mills Limited
3. Companies which excerise significant influence In subsidiary i.e. VYTL	American & Efird Global, LLC (A&E)
4. Key Management Personnel	Mr. S.P. Oswal
	Mr. D.L. Sharma
	Mr. B.K. Choudhary
	Mr. Sachit Jain
	Mrs. Suchita Jain (Executive Director upto 31st March, 2015)
	Mr. Neeraj Jain
	Mr. Rajeev Thapar
	Ms. Karan Kamal Walia
	Mr. Vivek Gupta
	Ms. Ruchita Vij
	Mr. Satin Katyal (CS)
	Mr. Munish Sharma (till 9th March 2015)
	Mr. Anil Sood (from 10th March 2015)
	Mr. Rahul Handa (till 8th June 2014)
	Mr. Raman Marwaha
	Mr. Shashi Ranjan (till 27th February 2016)

35. RELATED PARTY DISCLOSURE

(a) Disclosure of Related Parties and relationship between the parties. *(contd...)*

5. Relative of KMP	Ms. Soumya Jain
6. Enterprises over which key Management Personnel and relative of such personnel is able to exercise significant influence or control	Vardhman Holdings Limited
	**Vardhman Apprales Limited
	Smt. Banarso Devi Oswal Public Charitable Trust
	Sri Aurobindo Socio Economic and Management Research Institute
	*Adishwar Enterprises LLP (formerly known as Adinath Investment and Trading Company)
	*Devakar Investment and Trading Company Limited
	*Srestha Holdings Limited
	*Flamingo Finance and Investment Company Limited
	*Ramaniya Finance and Investment Company Limited
	*Marshall Investment and Trading Company (Private) Limited
	*Pardeep Mercentile Company (Private) Limited
	*Plaza Trading Company (Private) Limited
	*Mahavir Spinning Mills (Private) Ltd. (Formerly known as Vardhman Textile Processors (P) Ltd.)
	*Anklesh Investment (Private) Limited
	*Syracuse Investment and Trading Company (Private) Limited
	**Northern Trading Company
	**Amber Syndicate
	**Paras Syndicate
	**Adinath Syndicate
	**Eastern Trading Company

Note:

*No transaction has taken place in current financial year.

**No transaction has taken in current & previous financial year.

List of other related parties :-

Particulars	Nature of relationship	Contribution paid (₹ In lacs)	
		Current Year	Previous year
Mahavir Employee Gratuity Fund Trust	Post-employment benefit plan	578.90	143.69
Mahavir Superannuation scheme	Post-employment benefit plan	64.33	71.05
VYTL Gratuity Fund Trust	Post-employment benefit plan	83.20	6.73
VYTL Superannuation Fund Trust	Post-employment benefit plan	16.21	15.00
VAL Gratuity Fund Trust	Post-employment benefit plan	108.71	---
VAL Supperannnation Scheme	Post-employment benefit plan	4.48	4.95
VMT Gratuity Fund Trust	Post-employment benefit plan	109.33	---
VMT Superannuation Scheme	Post-employment benefit plan	2.20	1.37

42. RELATED PARTY DISCLOSURE *(contd.)*

(b) Description of the nature of transactions with the related parties :-

(₹ in lac)

Particulars	Associates		Companies Which Exercise Significant Influence in Subsidiary i.e. VYTL		Key Management Personnel (KMP)		Relative of Key Management Personnel (KMP)		Enterprises over which KMP is able to exercise significant influence		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	0.63	-									0.63	-
Purchase of DEPB licences	-	3.15									-	3.15
Sale/processing of goods	70.02	72.94									70.02	72.94
Sale of DEPB licences	368.53	58.57									368.53	58.57
Sale of fixed assets	3.06	4.98									3.06	4.98
Donation paid									472.00	600.00	472.00	600.00
Rent paid									9.61	9.61	9.61	9.61
Reimbursement of expenses paid	203.26	124.90									203.26	124.90
Reimbursement of expenses received	13.92	55.66									13.92	55.66
Receipt against corporate services agreement *	98.16	99.65									98.16	99.65
Payment against licence agreement *									134.53	136.91	134.53	136.91
Interest paid									-	268.05	-	268.05
Interest received	71.50	286.17									71.50	286.17
Dividend Paid			10,446.99	977.66					9,227.33	4,045.18	19,674.32	5,022.84
KMP Remuneration					2,317.03	1,396.55					2,317.03	1,396.55
Salary Paid							4.16	2.23			4.16	2.23
Loan given (Including Opening Balance)	7,254.57	66,425.50									7,254.57	66,425.50
Loan received back	5,754.57	63,870.93									5,754.57	63,870.93
Closing balance	1,500.00	2,554.57									1,500.00	2,554.57
Loan taken (Including Opening Balance)									-	5,062.58	-	5,062.58
Loan repayment									-	5,062.58	-	5,062.58
Year end balance receivable	153.89	7.56									153.89	7.56

*Excluding service tax

36. PRIOR PERIOD ITEMS ARE AS FOLLOWS :-

Particulars	For the year ended 31st March 2016 ₹ in Lacs	For the year ended 31st March 2015 ₹ in Lacs
Other Expenses	236.71	154.44
Cost of Materials Consumed	109.27	(15.14)
Finance Costs	(15.96)	(74.73)
Employee Benefits Expense	2.63	5.57
Other Income	(56.88)	(38.78)
Revenue From Operations	(20.44)	(55.53)
Net Prior period (Income)/Expense	255.33	(24.19)

37. INTEREST EXPENSE IS NET OF INTEREST INCOME FROM :-

Particulars	For the year ended 31st March 2016 ₹ in Lacs	For the year ended 31st March 2015 ₹ in Lacs
(i) Related parties	77.21	336.01
(ii) Current investments	1,738.06	1,489.48
(iii) Deposits & others	3,748.19	1,657.08

38. EARNING PER SHARE

The calculation of Earning Per Share (EPS) as disclosed in the Statement of Profit and Loss has been made in accordance with Accounting Standard (AS)-20 on "Earning Per Share" issued by Companies (Accounting Standards) Rules, 2006.

A statement on calculation of basic and diluted EPS is as under:

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Net Profit After Tax attributable to equity shareholders	57,862.23	40,020.90
Total (A)	57,862.23	40,020.90
Weighted Average number of equity shares (No in lac)	625.18	625.18
Total (B)	625.18	625.18
Basic Earning Per Share (₹) (A)/(B)	92.55	64.02
Diluted Earning Per Share (₹)* (A)/(B)	92.55	64.02
Face Value per equity share (₹)	10.00	10.00

*There are no potential equity shares

39. The detail of Goodwill as on 31st March, 2016

	Current year ₹ in Lacs	Previous year ₹ in Lacs
Goodwill as per last account	1,259.18	1,325.87
Less: adjusted against Capital Reserve on acquisition of shares	-	66.69
Total	1,259.18	1,259.18

40. Previous year's figures have been recast/regrouped wherever necessary, to make these comparable with current year's figures.

41. Figures in brackets indicate deduction.

42. Figures pertaining to the subsidiary companies have been regrouped/recast wherever necessary to bring them in line with the parent Company's financial statements.

43. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures.

Name of the Enterprise	Net Assets, i.e. total assets minus total liabilties		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ in Lac)	As % of consolidated profit or loss	Amount (₹ in Lac)
Parent				
Vardhman Textiles Limited	86.61%	365,318.36	112.86%	65,305.44
Subsidiaries				
Indian				
Vardhman Acrylics Limited	7.00%	29,522.50	5.16%	2,982.86
Vardhman Nisshinbo Garments Company Limited	0.26%	1,097.73	0.35%	200.00
Vardhman Yarns and Threads Limited	8.42%	35,510.38	14.96%	8,654.77
VMT Spinning Company Limited	2.29%	9,648.62	1.27%	736.36
VTL Investments Limited	0.97%	4,080.30	0.62%	357.01
Foriegn	NIL	NIL	NIL	NIL
Minority Interests in all subsidiaries	8.81%	37,159.34	9.14%	5,289.08
Associates (Investment as per the equity method)				
Indian				
Vardhman Special Steels Limited	0.22%	935.06	0.28%	163.63
Vardhman Spinning and General Mills Limited	0.00%	6.71	0.00%	(0.14)

As per our report of even date

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

(Sanjiv Mohan)
Partner
M. No. 086066

Place : Ludhiana
Dated: 09-05-2016

For and on behalf of the Board of Directors

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

FORM AOC-1, PURSUANT TO SECTION 129(3) OF COMPANIES ACT, 2013 RELATING TO SUBSIDIARY COMPANIES

Part A

₹ in Lacs

Particular	VMT Spinning Company Limited	VTL Investments Limited	Vardhman Yarns & Threads Limited	Vardhman Acrylics Limited	Vardhman Nisshinbo Garments Company Limited
	Current Year	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.	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.	N.A.
c) Capital	2,070.02	400.00	5,700.64	9,300.78	2,400.00
d) Reserves	7,578.59	3,680.30	29,809.74	20,221.72	(1,302.27)
e) Total Assets	14,261.24	4,080.65	64,638.24	36,038.77	5,538.29
f) Total Liabilites	14,261.24	4,080.65	64,638.24	36,038.77	5,538.29
g) Details of investment (Except in case of investment in the subsidiaries)	-	3,265.38	11,218.13	22,110.48	-
h) Turnover (net)	15,657.87	394.75	72,848.34	41,161.15	5,768.57
i) Profit before taxation	1,049.99	384.51	12,879.58	4,474.35	200.00
j) Provision for taxation	313.63	27.50	4,224.81	1,491.49	-
k) Profit after Taxation	736.36	357.01	8,654.77	2,982.86	200.00
l) Proposed dividend(including tax thereon)	-	-	-	-	-
m) % of shareholding	89.44%	100%	51%	70.75%	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	31.03.2016
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	5,82,50,000
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	0
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	54,91,46,114
6. Profit / Loss for the year	
i. Considered in Consolidation	16,363,135.66
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	31.03.2016
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	25,000
Amount of Investment in Associates/Joint Venture	250,000
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	601,633.64
6. Profit / Loss for the year	
i. Considered in Consolidation	-13,646
i. Not Considered in Consolidation	N.A.

NOTICE

Notice is hereby given that the 43rd ANNUAL GENERAL MEETING of Vardhman Textiles Limited will be held on Monday, the 5th day of September, 2016 at 09:00 a.m. at the Registered Office of the Company situated at Chandigarh Road, Ludhiana, to transact the following businesses:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2016, Statement of Profit and Loss for the year ended on that date, together with Report of the Auditors and Directors thereon.

2. To appoint a Director in place of Mrs. Suchita Jain, (holding DIN No. 00746471), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.

3. To consider and ratify the appointment of Statutory Auditors of the Company for the financial year 2016-17 and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, the appointment of M/s. S.C. Vasudeva & Co., Chartered Accountants, as the Statutory Auditors of the Company for a term of consecutive three years starting from conclusion of the 41st Annual General Meeting till the conclusion of 44th Annual General Meeting of the Company be and is hereby ratified at the 43rd Annual General Meeting of the Company at such remuneration as may be finalized by the Chairman and Managing Director of the Company."

SPECIAL BUSINESS

4. **To re-appoint Mr. Neeraj Jain as Joint Managing Director of the Company:-**

   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 196, 197, 203, Schedule V of Companies Act, 2013, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, approval of the Members be and is hereby accorded to re-appoint Mr. Neeraj Jain as Joint Managing Director of the Company for a term of 3 (three) consecutive years starting from 1st April, 2016 to 31st March, 2019 on a remuneration as detailed below:-

S.no.	Remuneration	Details
I.	Basic Salary	Basic Salary will be in the scale of ₹2,50,000 – 15,000 - 2,80,000 per month.
II.	Commission	Commission equal to 1% of the Net Profit of the Company subject to maximum of 100% of the Annual Basic Salary.
III.	Special Allowance	Special allowance @ ₹75,000 per month.
IV.	Other Allowances	Other allowances @ ₹10,500 per month.
V.	Perquisites	The perquisites shall be allowed in addition to basic salary, special allowance and commission. However, such perquisites shall be restricted to an amount equal to one year's basic salary during each year as per details given below:-
	a) Housing	House Rent Allowance equal to 40% of basic salary.
	b) Medical Reimbursement*	Reimbursement of medical expenses incurred by the appointee (including medi-claim insurance premium) on self and his family, subject to ceiling of one month's basic salary in a year or three month's basic salary over a period of three years.
	c) Leave Travel Concession	The expenses incurred on leave travel by the appointee on self and his family shall be reimbursed once in a year in accordance with the rules specified by the Company subject to a maximum of ₹1,00,000 per annum.

S.no.	Remuneration	Details
	d) Personal Accident Insurance	Premium not to exceed ₹5,000 per annum.
	e) Provident Fund & other funds	Contribution to provident fund, superannuation fund or annuity fund and this will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961. The said contribution will also be subject to the rules framed by the Company in this respect.
	f) Gratuity	Gratuity payable shall not exceed half a month's salary for each completed year of service and this shall not be included in the computation of ceiling on perquisites. This will, however, be subject to the ceiling prescribed by the Central Government from time to time.
	g) Car	Free use of Company's car for official work as well as for personal purposes along with Driver.

** In case of re-appointment, the appointee will be eligible for carry forward of unutilized amount of medical expenses entitlement of the current term to the next term subject to a maximum ceiling of three month's basic salary. The same provisions shall be applicable in case of any carry forward of medical expenses entitlement from the previous term as well.*

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

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to vary/ alter at any time the remuneration, terms & conditions of the said appointment in such manner as may be approved by the Board of Directors of the Company and are acceptable to Mr. Neeraj Jain.

RESOLVED FURTHER THAT Mr. D.L. Sharma, Director, be and is hereby authorised to enter into an agreement with Mr. Neeraj Jain in respect of his re-appointment as Joint Managing Director of the Company, for and on behalf of the Company."

5. **To re-appoint Mr. Sachit Jain as Joint Managing Director of the Company:**

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 196, 197, 203, Schedule V of Companies Act, 2013, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, approval of the Members be and is hereby accorded to re-appoint Mr. Sachit Jain as Joint Managing Director of the Company for a term of 3 (three) consecutive years starting from 1st April, 2016 to 31st March, 2019 on a remuneration as detailed below:-

S.no.	Remuneration	Details
I.	Basic Salary	Basic Salary will be in the scale of ₹3,00,000-15,000-3,30,000 per month.
II.	Commission	Commission equal to 1% of the Net Profit of the Company subject to maximum of 100% of the Annual Basic Salary.
III.	Special Allowance	Special allowance @ ₹66,000 per month.
IV.	Perquisites	The perquisites shall be allowed in addition to basic salary, special allowance and commission. However, such perquisites shall be restricted to an amount equal to one year's basic salary during each year as per details given below:-
	a) Housing	House Rent Allowance equal to 40% of basic salary.
	b) Medical Reimbursement*	Reimbursement of medical expenses incurred by the appointee (including medi-claim insurance premium) on self and his family, subject to ceiling of one month's basic salary in a year or three month's basic salary over a period of three years.

S.no.	Remuneration	Details
	c) Leave Travel Concession	The expenses incurred on leave travel by the appointee on self and his family shall be reimbursed once in a year in accordance with the rules specified by the Company subject to a maximum of ₹1,00,000 per annum.
	d) Personal Accident Insurance	Premium not to exceed ₹5,000 per annum.
	e) Provident Fund & other funds	Contribution to provident fund, superannuation fund or annuity fund and this will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961. The said contribution will also be subject to the rules framed by the Company in this respect.
	f) Gratuity	Gratuity payable shall not exceed half a month's salary for each completed year of service and this shall not be included in the computation of ceiling on perquisites. This will, however, be subject to the ceiling prescribed by the Central Government from time to time.
	g) Car	Free use of Company's car for official work as well as for personal purposes along with Driver.

** In case of re-appointment, the appointee will be eligible for carry forward of unutilized amount of medical expenses entitlement of the current term to the next term subject to a maximum ceiling of three month's basic salary. The same provisions shall be applicable in case of any carry forward of medical expenses entitlement from the previous term as well.*

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

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to vary/ alter at any time the remuneration, terms & conditions of the said appointment in such manner as may be approved by the Board of Directors of the Company and are acceptable to Mr. Sachit Jain.

RESOLVED FURTHER THAT Mr. D.L. Sharma, Director, be and is hereby authorised to enter into an agreement with Mr. Sachit Jain in respect of his re-appointment as Joint Managing Director of the Company, for and on behalf of the Company."

6. **Approval of 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, the following resolution as a **Special Resolution:**

"RESOLVED THAT 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") and subject to such approvals, permissions, sanctions and subject to such conditions and modifications as may be prescribed or imposed by the above authorities while granting such approval, permissions and sanctions, approval and consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committee including Nomination & Remuneration Committee of the Board) to introduce, offer and implement the proposed **Vardhman Textiles Limited ESOP Plan 2016** (proposed plan), the salient features of which are detailed in the Explanatory Statement to this Notice and to create, offer, issue and allot in one or more tranches to the present and future employees of the Company selected on the basis of criteria prescribed by the Board in accordance with the SEBI Guidelines, hereinafter referred to as "the Eligible Employees" under the said proposed plan such number of options as the Board may decide which could give rise to the issue of equity shares of nominal face value not exceeding ₹63,65,180 divided into 6,36,518 equity shares of the face value of ₹10/- each on such terms and conditions described below :

The offer shall be in accordance with the terms and conditions as regards price, payment, application, allotment, entitlement to dividend and other rights, transferability and all other matters as stipulated by the SEBI Guidelines and in accordance with any other guidelines, rules, regulations and laws to the extent applicable and subject also to the Memorandum and Articles of Association of the Company provided that:

- The equity shares issued upon exercise of the options shall rank pari passu in all respects with the existing equity shares of the Company including the entitlement of dividend.
- Each option granted to Eligible Employees shall be convertible into one equity share of nominal value of ₹10/- each on payment

of a price as decided by the Nomination & Remuneration Committee and subject to any regulation or guidelines of the SEBI in regard to the pricing of the options, as applicable from time to time.

- Each option shall be vested in the Option Holder after a minimum period of 1 (one) year from the date of grant of the option.
- The options shall be valid and exercisable for a period of 2 years from the date of vesting of the options.
- The consideration for the shares to be issued upon exercise of an option, may as determined by the Nomination & Remuneration Committee at the time of granting the Options, consist of cash, cheque or consideration received by the Company under a cashless exercise program implemented by the Company or any combination of the foregoing methods of payment.
- No employee shall, during any fiscal year of the Company, be granted options exceeding the limit fixed by the SEBI or any other relevant regulation as is applicable to such options.
- The Company shall conform to the accounting policies mandated by applicable law or regulations of the SEBI or any other relevant regulation as is applicable to the accounting of such options.

RESOLVED FURTHER THAT the Board is also authorised to take necessary steps for listing of the shares allotted under the proposed plan, on the Stock Exchanges where the Company's equity shares are listed as per the terms and conditions of the Listing Agreement with the concerned Stock Exchanges and other applicable guidelines, rules and regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorized to formulate, evolve, decide upon and bring into effect the proposed plan on such terms and conditions as contained in the relevant explanatory statement to this notice and to make any modification(s), change(s), variation(s), alteration(s) or revision(s) in terms and conditions of the scheme from time to time including but not limited to amendments with respect to vesting period, exercise price, eligibility criteria, vesting schedule or to suspend, withdraw or revive the proposed plan subject to the condition that it is not detrimental to the interests of the employees.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary or desirable and to appoint consultants, advisors, etc. and pay fees and commission and incur expenses in relation thereto.

RESOLVED FURTHER THAT the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise in relation to the implementation of the proposed plan and to the shares issued herein without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by authority of this Resolution.

RESOLVED FURTHER THAT in case the Company's equity share capital or its valuation is effected due to any corporate action like issue of Bonus / Rights shares, stock split, consolidation, merger, restructuring or any such event happening subsequent to the grant of options, the Board shall have the discretion to make appropriate amendments to the proposed plan including change in number of options, the exercise price or floating a new scheme / extend the application of the existing scheme or any other fair and just mechanism including acceleration of options, in accordance with law, if deemed necessary, while striving to ensure that the rights of employees are not affected.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any powers conferred herein to any committee, with power to sub-delegate to any Executives/Officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc., as may be necessary in this regard."

7. **To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2017:**

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, 2017, be paid the remuneration of ₹4,61,500/-.

RESOLVED FURTHER THAT Mr. S.P. Oswal, Chairman & Managing Director and Ms. Karan Kamal Walia, Company Secretary 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 **(KARAN KAMAL WALIA)**
Dated: 9th May, 2016 **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 SEPARATELY 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 on **Monday, 29th August 2016**.

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 Directors seeking appointment/re-appointment in the Annual General Meeting is also being annexed hereto separately and forms part of the Notice. The Directors have furnished the requisite declarations for their appointment/ re-appointment.

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 2015-16 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 2015-16 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 43rd 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 2nd September, 2016 (9:00 a.m.) and ends on 4th September, 2016 (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 29th August, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after end of voting period on 4th September, 2016. 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 first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number is printed on Attendance slip provided with the Annual report. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN: 160804023 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 changed 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 App Store and the Windows Phone Store respectively as on after 30th June 2016. 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. 29th August, 2016 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

Place: Ludhiana
Dated: 9th May, 2016

(KARAN KAMAL WALIA)
Company Secretary

ANNEXURE TO THE NOTICE

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4 of the Special Business:

The Board of Directors vide resolution dated 7th August, 2014 had appointed Mr. Neeraj Jain as Joint Managing Director of the Company for a period of two consecutive years starting from 7th August, 2014 to 6th August, 2016 at terms and conditions approved by the shareholders in their General Meeting held on 24th September, 2014.

The Board of Directors in its meeting held on 25th January, 2016 had re-appointed Mr. Neeraj Jain as Joint Managing Director of the Company for a term of 3 (three) consecutive years starting from 1st April, 2016 to 31st March, 2019. The terms and conditions of the remuneration being paid to him are detailed in the resolution. His appointment is subject to approval of members of the Company. Accordingly, your approval is solicited.

Memorandum of Interest:

Except Mr. Neeraj Jain, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4. This disclosure may also be regarded as a sufficient disclosure under Corporate Governance clause of the Uniform Listing Agreement with the stock exchanges.

Item No. 5 of the Special Business:

The Board of Directors vide resolution dated 7th August, 2014 had appointed Mr. Sachit Jain as Joint Managing Director of the Company for a period of two consecutive years starting from 7th August, 2014 to 6th August, 2016 at terms and conditions approved by the shareholders in their General Meeting held on 24th September, 2014.

The Board of Directors in its meeting held on 9th May, 2016 had re-appointed Mr. Sachit Jain as Joint Managing Director of the Company for a term of 3 (three) consecutive years starting from 1st April, 2016 to 31st March, 2019. The terms and conditions of the remuneration being paid to him are detailed in the resolution. His appointment is subject to approval of members of the Company. Accordingly, your approval is solicited.

Memorandum of Interest:

Except Mr. Sachit Jain, being an appointee, Mrs. Suchita Jain, being appointee's relative, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5. This disclosure may also be regarded as a sufficient disclosure under Corporate Governance clause of the Uniform Listing Agreement with the stock exchanges.

Item No. 6 of the Special Business:

Vardhman Textiles Limited Employee Stock Option Plan 2016

a) Brief description of the scheme:

In oder to create a sense of ownership and participation amongst the employees, to reward long term employee loyalty towards the Company, to motivate the employees with incentives, inspire loyalty and reward opportunities, to provide means to enable the Company to attract and retain appropriate human talent in the employment of the Company and to achieve sustained growth of the Company the Board of Directors in its meeting held on 9th May, 2016 have approved and proposed for the approval of the shareholders for issue of Stock Options as per which employees, who comply with certain eligibility criteria would be granted stock options to subscribe a specified number of equity shares of the Company offered to them at a price to be determined. The proposed plan would be subject to and in conformity with the SEBI Guidelines.

b) Total number of options to be granted:

(i) The maximum aggregate number of shares that may be granted under the proposed plan is 1% of the total issued capital i.e 6,36,518 equity shares of the face value of ₹10 /-.

(ii) One option entitles the holder of the options to apply for one equity share of the company subject to corporate action.

c) Eligibility criteria for the employees to participate:

The following are eligible to participate in the proposed plan of the Company:

(i) a permanent employee of the company who has been working in India or outside India; or

(ii) a director of the company whether a whole time director or not but excluding an independent director; or

(iii) an employee as defined in clauses (i) or (ii) of a subsidiary, in India or outside India, or of a holding company of the company but does not include-

   (a) an employee who is a promoter or a person belonging to the promoter group; or

   (b) a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the company.

d) Requirements of vesting:

There shall be a minimum period of one year between the grant of options and vesting of options. However, in case where options are granted by a company under the proposed plan in lieu of options held by the employee under an ESOP plan in another company which has merged or amalgamated with that company, the period during which the options granted by the transferor company were held by him shall be adjusted against the minimum vesting period of one year.

e) Vesting:

The vesting shall happen in one or more tranches as may be decided by the Nomination & Remuneration Committee and communicated to the employee at the time of grant.

f) Exercise price or price formula:

The exercise price for the conversion of one option into one equity share shall be as decided by the Nomination & Remuneration Committee.

g) Exercise Period and the Process of Exercise:

(i) Exercise period shall be two years from the date of vesting of the options.

(ii) If an eligible employee's employment with the company terminates otherwise than due to "Cause", the eligible employee shall be eligible to exercise all the vested options within 30 days of his termination of employment with the company or such extended period as decided by the Nomination & Remuneration Committee.

"Cause" for the purpose of the Plan shall mean, as determined by the Nomination & Remuneration Committee and shall include,

(i) the engaging by the eligible employee in wilful, reckless or grossly negligent conduct which is determined by Nomination & Remuneration Committee to be detrimental to the interest of the Company or any of its affiliates, monetarily or otherwise.

(ii) fraud, misfeasance, breach of trust or wrongful disclosure of any secret or confidential information about the Company.

(iii) the eligible employee pleading guilty to or conviction of a felony.

(iv) violation of any terms of employment contract.

(iii) If an eligible employee's employment with the company terminates due to Death or Permanent disability, the eligible employee / nominee shall be eligible to exercise all the options within 30 days or such period as decided by the Nomination & Remuneration Committee.

(iv) The options will be exercisable by the employees by a written application to the Nomination & Remuneration Committee to exercise the options, in such manner and on execution of such documents as may be prescribed by the Nomination & Remuneration Committee under the proposed plan.

(v) The options will lapse if not exercised within the specified exercise period.

h) Parameters/Process for determining the eligibility of employees to the ESOP Scheme:

(i) Employees would be granted stock options based on their tenure in the Company or such other parameters as may be decided by the Nomination & Remuneration Committee from time to time.

(ii) The Nomination & Remuneration Committee may at its discretion extend the benefits of the proposed plan to a new entrant or any existing employee on such other basis as it may deem fit.

(i) Maximum number of options to be issued per employee and in aggregate:

(i) The maximum number of options to be granted to each employee will depend upon the rank/ designation of the employee as on the date of grant of options. However no employee shall be entitled to more than such number of options exceeding the limit fixed by the SEBI or any other relevant regulation as is applicable to such options.

(ii) The maximum aggregate number of shares that may be granted under the proposed plan is 1% of the total issued Share Capital i.e 6,36,518 shares.

(iii) The Nomination & Remuneration Committee shall decide on the number of options to be granted to each employee within this limit.

j) Maximum quantum of benefits to be provided per employee:

The maximum quantum of benefit to be provided per employee shall depend upon various factors e.g. number of option granted, exercise price and Fair Market Value on exercise date. However no employee shall be entitled to more than such number of options exceeding the limit fixed by the SEBI or any other relevant regulation as is applicable to such options.

k) Mode of Implementation and administration of Scheme:

The scheme shall be directly implemented and administrated by the Company through the Nomination & Remuneration Committee.

l) Issuance of shares under the Scheme:

The company shall issue fresh shares as and when application for exercise of options are received by the Company from the employees.

m) Accounting Methods:

The Company shall confirm to the accounting policies specified in the SEBI Guidelines and/or such other guidelines as may be applicable from time to time.

n) Method of valuation of the options:

The Company shall use the prescribed method for valuation of the options.

Clause 6 of the SEBI Guidelines requires that any ESOP Scheme for offering stock options to the employees of the Company must be approved by the shareholders by way of a Special Resolution in the General Meeting and furthermore, as the Scheme will entail further shares to be offered to persons other than the existing shareholders of the company, consent of the members is required by way of a Special Resolution pursuant to the provisions of sub section (b) of Section 62 of the Companies Act, 2013 for the Item No. 6 and all other applicable provisions of the law for the time being in force.

The Board of Directors recommends the Special Resolution as set out in Item No. 6 for the approval of the members.

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/their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

Item No. 7 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 9th May, 2016 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, 2017.

Accordingly, the consent of the members is solicited for passing an Ordinary Resolution as set out at Item No. 7 of the notice for ratification of payment of remuneration of ₹4,61,500/-to the Cost Auditors for the Financial Year ending 31st March, 2017. The Board commends the Ordinary Resolution as set out at Item No. 7 of the Notice for approval by the shareholders.

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. 7.

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

Name of the Director	Mrs. Suchita Jain	Mr. Neeraj Jain	Mr. Sachit Jain
Date of Birth	20.03.1968	09.10.1967	08.07.1966
Date of Appointment	29.01.2010	31.03.2010	13.06.1994
Expertise in specific functional area	Business Executive having experience of more than 23 years in Textile Industry.	Business Executive having experience of more than 24 years in Textile Industry.	Business Executive having experience of more than 26 years in Textile Industry.
Qualification	M.Com	B.Com, C.A.	B. Tech, M.B.A.
Directorships of Other Companies as on 31st March, 2016	1. Vardhman Special Steels Limited 2. Vardhman Holdings Limited 3. Vardhman Spinning and General Mills Limited 4. VTL Investments Limited 5. Srestha Holdings Private Limited 6. Pradeep Mercantile Company Private Limited 7. Plaza Trading Company Private Limited 8. Anklesh Investments Private Limited 9. Santon Finance and Investment Company Limited 10. Flamingo Finance and Investment Company Limited 11. Ramaniya Finance and Investment Company Limited 12. Syracuse Investment & Trading Company Private Limited 13. Marshall Investment & Trading Company Private Limited	1. VMT Spinning Company Limited 2. Vardhman Nisshinbo Garments Company Limited 3. Vardhman Apparels Limited 4. Vardhman Textile Components Limited 5. Vardhman Spinning and General Mills Limited	1. Vardhman Special Steels Limited 2. Vardhman Acrylics Limited 3. Vardhman Yarns and Threads Limited 4. Vardhman Holdings Limited 5. Vardhman Nisshinbo Garments Company Limited 6. UTI Asset Management Company Limited 7. The Alloy Steel Producers Association of India 8. Srestha Holdings Private Limited 9. Pradeep Mercantile Company Private Limited 10. Plaza Trading Company Private Limited 11. Anklesh Investments Private Limited 12. Mahavir Spinning Mills Private Limited 13. Devakar Investment & Trading Company Private Limited 14. Syracuse Investment & Trading Company Private Limited 15. Marshall Investment & Trading Company Private Limited
Chairman/Member of Committees of Other Companies as on 31st March, 2016	**Corporate Social Responsibility Committee:** 1. Vardhman Holdings Limited (Chairperson) 2. Vardhman Special Steels Limited **Stakeholder's Relationship Committee:** Vardhman Special Steels Limited	**Audit Committee:** 1. VMT Spinning Company Limited	**Corporate Social Responsibility Committee:** 1. Vardhman Acrylics Limited (Chairman) 2. Vardhman Special Steels Limited **Stakeholder's Relationship Committee:** 1. Vardhman Holdings Limited (Chairman) **Asset Liability & Risk Management Committee:** 1. Vardhman Holdings Limited (Chairman) **Nomination & Remuneration Committee:** 1. Vardhman Holdings Limited 2. Vadhman Nisshinbo Garments Company Limited (Chairman) 3. Vadhman Special Steels Limited **HR Committee:** 1. UTI Asset Management Company Limited
Shareholding in the Company	270,818	-	40,005
Relationship with other Director(s)	Mr. S.P. Oswal is the Father and Mr. Sachit Jain is the husband of Mrs. Suchita Jain.	Not related to any Director	Mrs. Suchita Jain is wife of Mr. Sachit Jain.

NOTES

NOTES

Corporate information

Board of Directors

Mr. Shri Paul Oswal
Chairman & Managing Director

Mr. S. Khatanhar
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

Mr. Sachit Jain - *Joint Managing Director*

Mr. Neeraj Jain - *Joint Managing Director*

Chief Financial Officer

Mr. Rajeev Thapar

Company Secretary

Ms. Karan Kamal Walia

Auditors

M/s S.C. Vasudeva & Co.,
Chartered Accountants,
New Delhi

Bankers

State Bank of Patiala
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
State Bank of Hyderabad
State Bank of Mysore
Axis Bank Limited
Exim Bank
Oriental Bank of Commerce

Registrar & Transfer Agent

Alankit Assignments Limited, New Delhi

Works

Anant Spinning Mills, Mandideep

Arihant Spinning Mills, Malerkotla

Arisht Spinning Mills, Baddi

Auro Dyeing, Baddi

Auro Spinning Mills, Baddi

Auro Textiles, Baddi

Auro Textiles (Unit II), Baddi

Auro Weaving Mills, Baddi

Mahavir Spinning Mills, (Gassed Mercerised Yarn Unit), Hoshiarpur

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-141 010.
- 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
- Vardhman Fabrics, Marketing Office, Chandigarh Road, Ludhiana - 141 010
- 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, Gurgaon - 122 001.
- Mahavir Spinning Mills, Marketing office, Chandigarh Road, Ludhiana-141 010

A TRISYS PRODUCT
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Vardhmān

Delivering Excellence. Since 1965.

VARDHMAN TEXTILES LIMITED
CHANDIGARH ROAD, LUDHIANA - 141 010
CIN: L17111PB1973PLC003345

VARDHMAN TEXTILES LIMITED

CIN: L17111PB1973PLC003345
Regd. Office: Chandigarh Road, Ludhiana-141 010 (Punjab), India.
Phone No.: 0161-2228943-48, Fax: 0161-2220766
E-mail: secretarial.lud@vardhman.com; Website: www.vardhman.com

ATTENDANCE SLIP
E-VOTING PARTICULARS

43rd ANNUAL GENERAL MEETING

2016

I/We hereby record my/our presence at the 43rd Annual General Meeting of Vardhman Textiles Limited held at Registered office of the Company situated at Chandigarh Road, Ludhiana-141 010 on Monday, the 5th day of September, 2016 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 meeting place.
2. Electronic copy of the Annual Report for 2015-16 and Notice of the Annual General Meeting (AGM) alongwith Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company/Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of Annual Report for 2015-16 alongwith Attendance Slip and Proxy Form is sent in permitted mode(s) to all members whose email is not registered or have requested for a hard copy.

ELECTRONIC VOTING PARTICULARS

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

NOTE: Please read instructions given at Point No. 12 of the Notice of 43rd Annual General Meeting annexed in the Annual Report for 2015-16 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: 0161-2220766
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 43rd Annual General Meeting of the Company to be held on Monday, the 5th day of September, 2016 at 09.00 am at the 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 NO.	
Ordinary Business	
1.	Adoption of Financial Statements, Reports of the Auditors and Directors of the Company for the Financial Year ended 31st March, 2016.
2.	Re-appointment of Mrs. Suchita Jain, Director who retires by rotation.
3.	Ratification of the appointment of Statutory Auditors of the Company for the Financial Year 2016-17 and fix their remuneration.
Special Business	
4.	Re-appointment of Mr. Neeraj Jain as Joint Managing Director of the Company
5.	Re-appointment of Mr. Sachit Jain as Joint Managing Director of the Company.
6.	Approval of Vardhman Textiles Limited Employee Stock option Plan 2016 under SEBI (Share Based Employee Benefits) Regulations, 2014
7.	Ratification of the Remuneration of Cost Auditors for the Financial year ended 31st March, 2017.

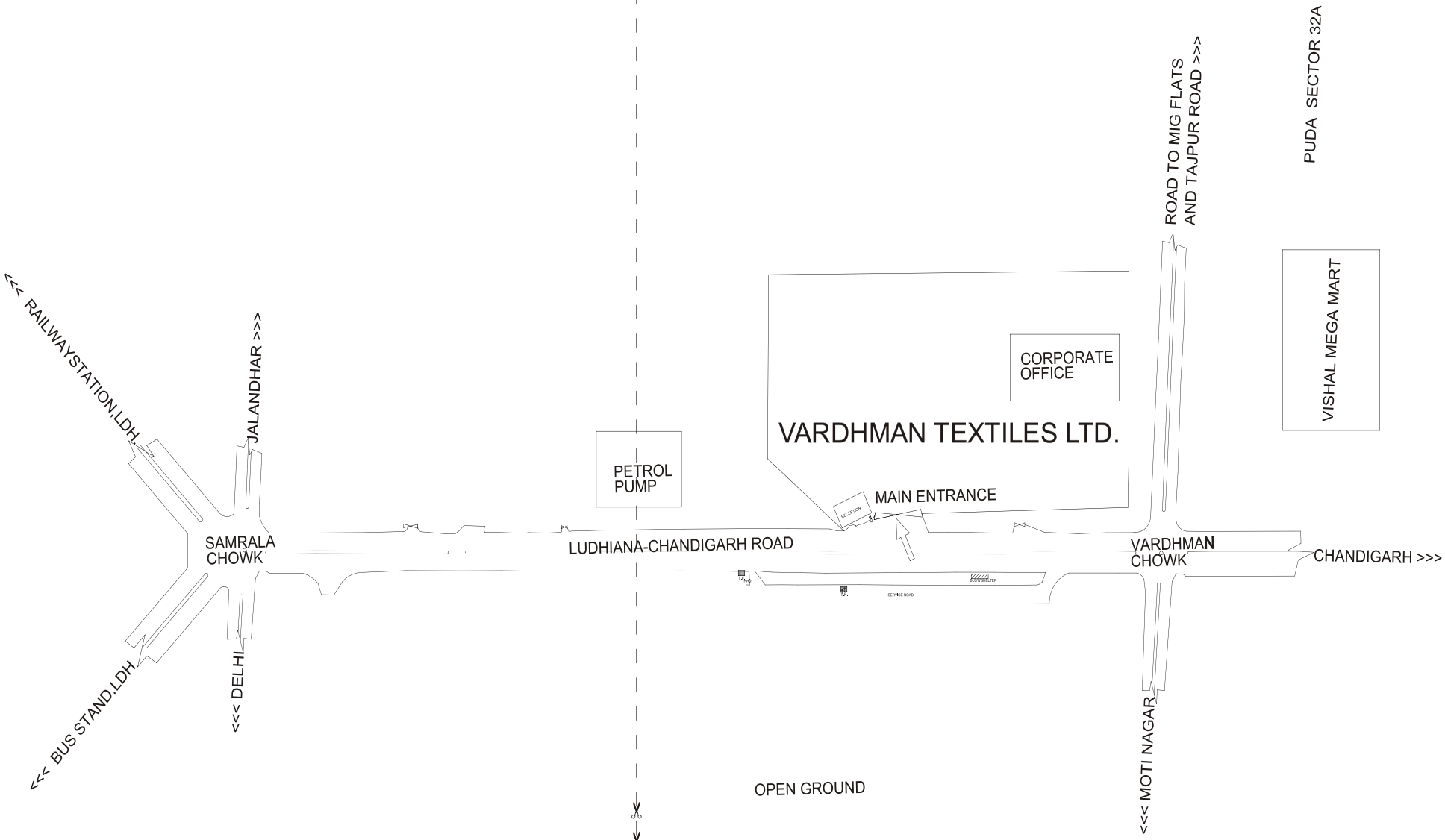
Signed this ..... day of ..... 2016.

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
LUDHIANA-CHANDIGARH ROAD
VARDHMAN TEXTILES LTD.
CORPORATE OFFICE
MAIN ENTRANCE
RECEPTION
SERVICE ROAD
OPEN GROUND
VARDHMAN CHOWK
CHANDIGARH >>>
ROAD TO MIG FLATS AND TAJPUR ROAD >>>
<<< MOTI NAGAR
VISHAL MEGA MART
PUDA SECTOR 32A