CHANDIGARH ROAD
LUDHIANA-141010, PUNJAB
T: +91-161-2228943-48
F: +91-161-2601 048
E: secretarial.lud@vardhman.com

Ref. VTXL:SCY:SEP:2019-20 **Dated: 6-Sep-2019**

BSE Limited, 1st Floor, New Trading Ring, Rotunda Building, P.J Towers, Dalal Street,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**

Dear Sir,

SUB: ANNUAL REPORT (F.Y. 2018-19) OF THE COMPANY, NOTICE CONVENING 46TH ANNUAL GENERAL MEETING, BOOK CLOSURE DATES & E-VOTING INFORMATION

Pursuant to applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that the 46th Annual General Meeting ('AGM') of the members of the Company will be held on Monday, 30th September, 2019 at 03:00 p.m. at Registered Office of the Company, Vardhman Premises, Chandigarh Road, Ludhiana-141010, Punjab, India.

The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 20th September, 2019 to Monday, 30th September, 2019 (both days inclusive) for the purpose of AGM and dividend. The dividend, if declared at the Annual General Meeting, will be paid or warrants thereof despatched within a week from the conclusion of the Annual General Meeting.

Further, the Company has fixed Monday, 23rd September, 2019 as the cut-off date to ascertain the eligibility of members entitled to cast their vote electronically on all the resolutions to be passed at the AGM. The same cut-off date would also ascertain the members, who do not cast their vote electronically and wish to cast their vote physically at the ensuing AGM. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide the e-voting facility. The e-voting schedule is as under:

Commencement of e-voting	September 27, 2019 (09:00 am onwards)
End of e-voting	September 29, 2019 (upto 05:00 pm)

Vardhman
Delivering Excellence. Since 1965.

VARDHMAN TEXTILES LIMITED

CHANDIGARH ROAD
LUDHIANA-141010, PUNJAB
T: +91-161-2228943-48
F: +91-161-2601 048
E: secretarial.lud@vardhman.com

Pursuant to Regulation 34(1) of the Listing Regulations, please find enclosed the Annual Report (F.Y. 2018-19) alongwith the Notice convening the 46th AGM of the Company. The said documents are also available on the website of the Company at www.vardhman.com.

Kindly note and display the notice on your notice board for the information of the members of your exchange and general public.

Thanking you,

Yours faithfully,
For VARDHMAN TEXTILES LIMITED

(SANJAY GUPTA)
Company Secretary

Vardhmān

Delivering Excellence. Since 1965.

Powering **Business.** Empowering **Sustainability.**

Vardhman Textiles Ltd.

Annual Report **2018-19**

Inside the

Our Products

Formulating Strategic Priorities

Corporate Overview

Statutory Reports

Financial Statements

Notice

For more details visit

www.vardhman.com

Or

Scan

A purposeful effort in the right direction goes a long way.

For us at Vardhman, a sustainable future is not some fervent wish we hope might come true. It is a vision we have nurtured, and every step we take and strategy we make has been done with this in mind. We have been consistently powering our business, be it in terms of scaling up our manufacturing, creating a robust performance or increasing our footprints. And this, in turn, has been playing a pivotal role in empowering our future in a way that can be sustained for decades to come!

Vardhman at a Glance

Vardhman Textiles Limited (Vardhman), is one of India's largest integrated textile manufacturers, driving sustainable growth through excellence.

Vardhman is the flagship company of the Vardhman Group, among the leading textile conglomerates of the country. Headquartered in Ludhiana, Vardhman was set up in 1965, today emerging as an integrated textile powerhouse, manufacturing yarns, fabrics, acrylic fiber, sewing threads, garments and alloy steel. Our comprehensive business model further helps us achieve better operational efficiencies and better margins with greater product quality.

Our Core business Verticals

Yarns

Fabrics

Acrylic Fibre

Garments

Sewing Thread

Our strategic business vertical

Alloy Steel

Vision

"Rooted in Values, Creating World Class Textiles."

Mission

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

Values

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

Five

Decades of industry experience

Largest

Spindles count in the country

Largest

Manufacturer of hand knitting yarn in India

Leading

Manufacturer and exporter of cotton yarn and fabric in India

19,308

Employee strength as on 31st March, 2019

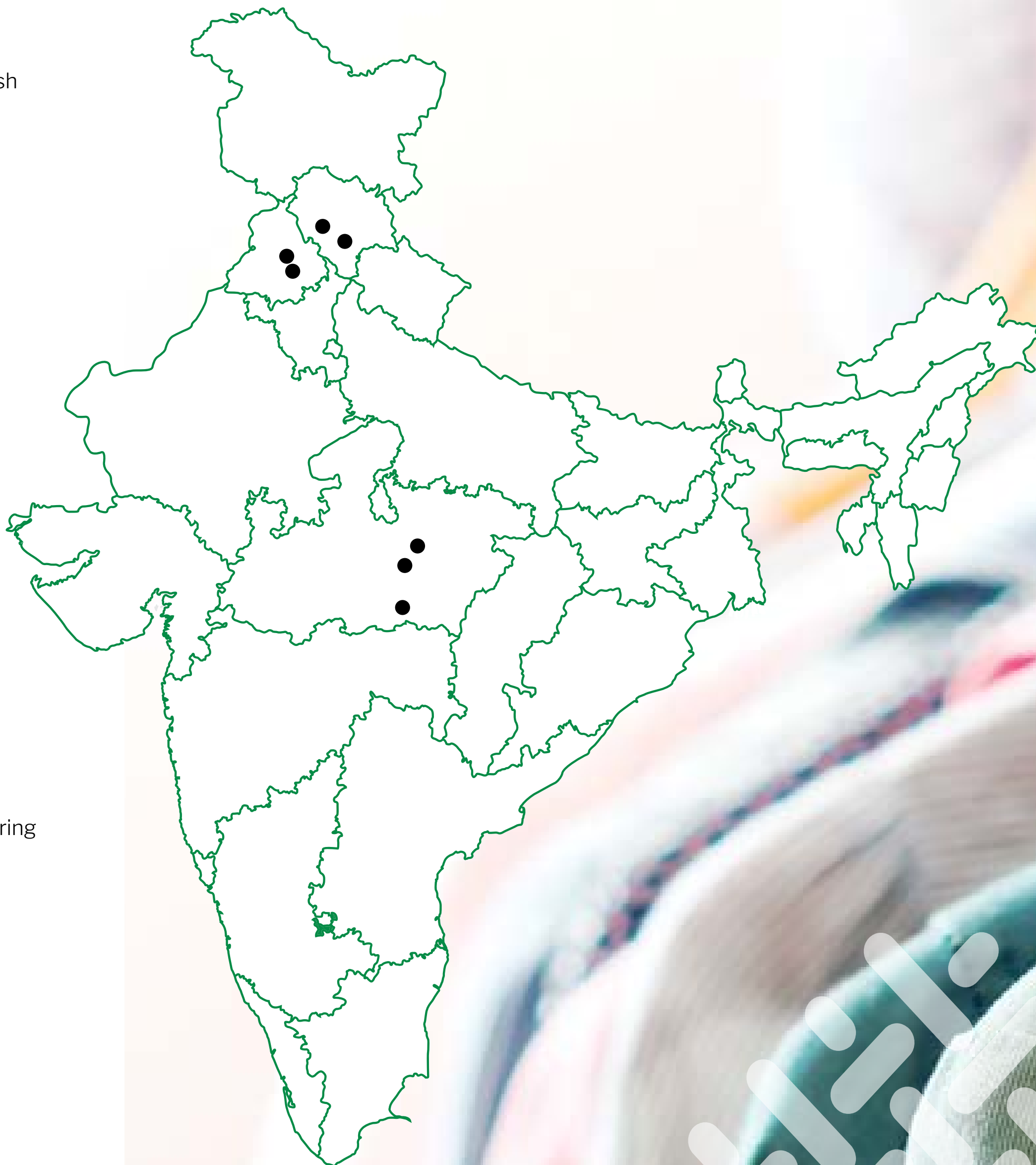
62.15%

Promoter stake as on 31st March, 2019

Our Presence

Yarn & Dyeing Units

Ludhiana, Punjab
Malerkotla, Punjab
Baddi, Himachal Pradesh
Mandideep, Madhya Pradesh
Satlapur, Madhya Pradesh



Fabric Units

Baddi, Himachal Pradesh
Budhni, Madhya Pradesh

25

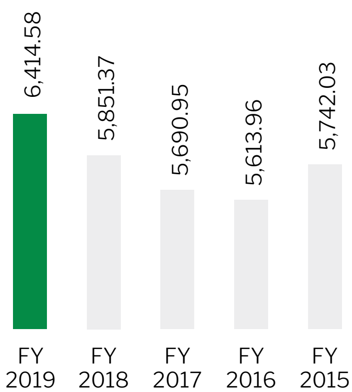
State-of-the art manufacturing facilities

58

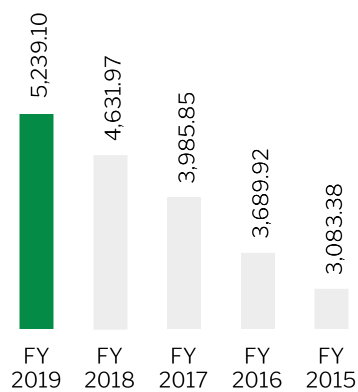
Countries we are present across the globe

Performance Highlights

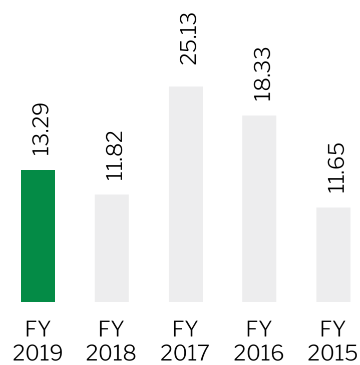
Revenue (₹ in crore)



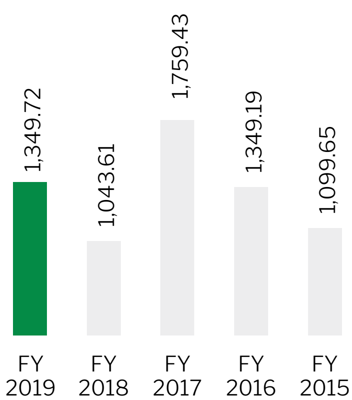
Net Worth (₹ in crore)



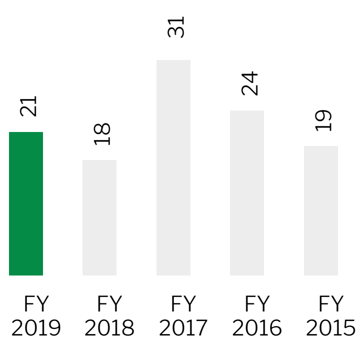
Return on Net Worth (₹ in crore)



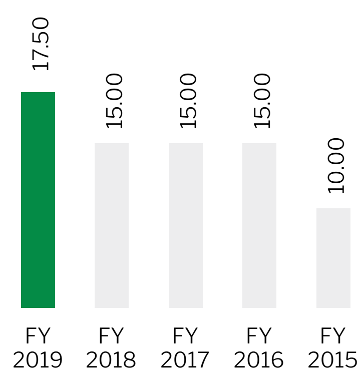
EBITDA (₹ in crore)



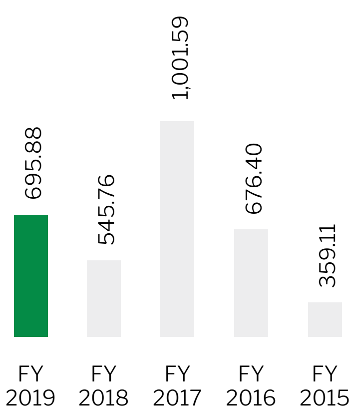
EBITDA Margin (%)



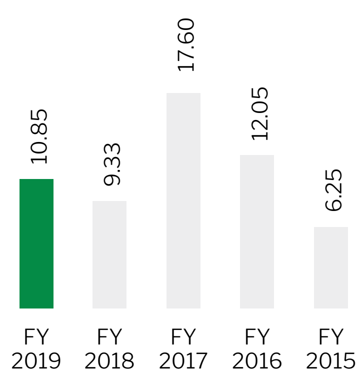
Dividend per share (₹)



PAT (₹ in crore)

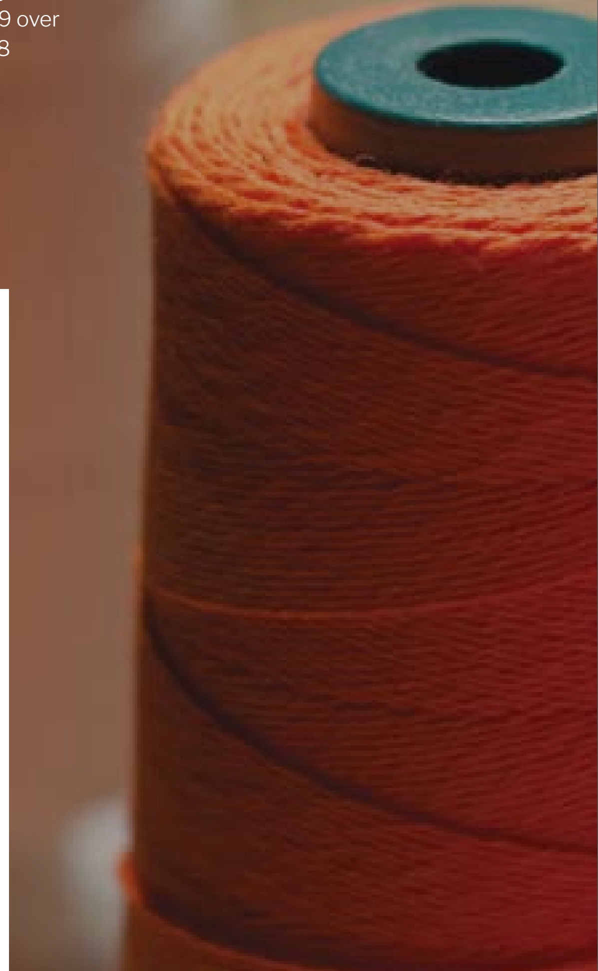


PAT Margin (%)



Our Products

Yarn



Vardhman, today, has emerged as a leading producer of premium quality yarns, offering a broad range of specialized greige and dyed yarns in cotton, polyester, acrylic and a variety of blends. Our state-of-the-art plants equipped with modern technology, customer-driven innovation model and relentless focus on excellence, have made us one of the largest exporters of cotton yarn to some of the growing markets of EU, USA and the Far East.

7.5%

Growth in yarn sales in FY 2018-19 over FY 2017-18

Yarn Portfolio

Specialty Yarns

- Slubs
- Cellulosic
- Vortex Yarns
- Special Blended Fibres
- Sustainable Yarns

Acrylic, Fancy & Hand Knitting Yarns

- Grey Acrylic
- Dyed Acrylic
- Fancy Spun Yarns
- Fancy Structured Yarn
- Hand Knitting Yarns

Dyed Yarns

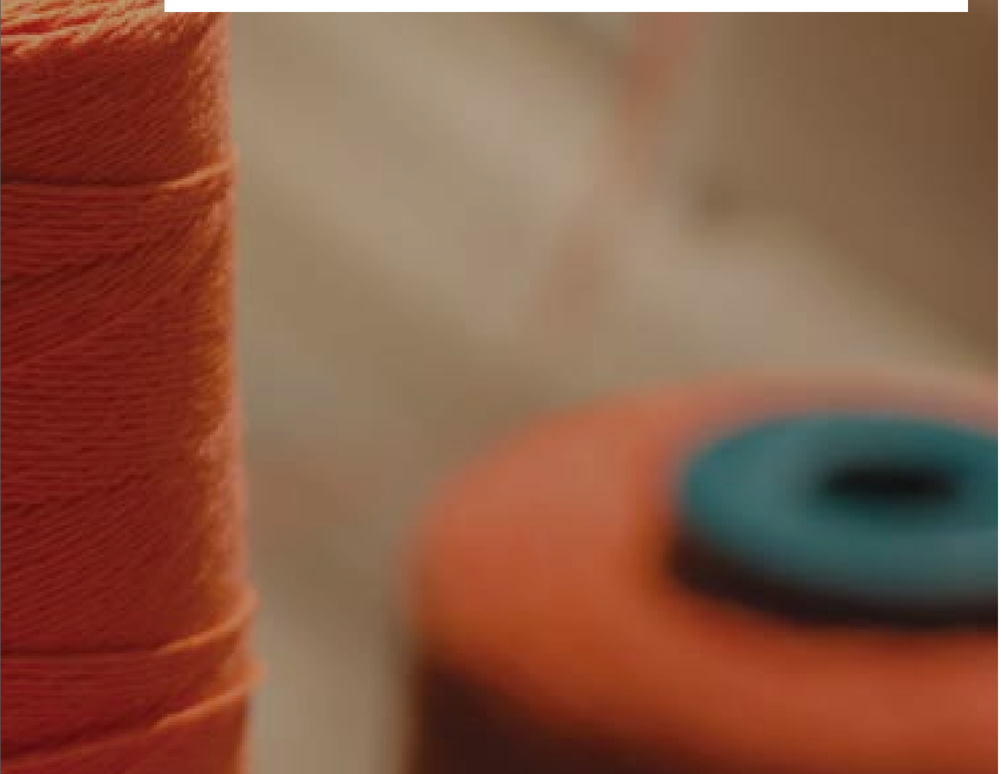
- Packaged Dyed Yarns
- Mélange / Heather Yarns (Brand Rangoli)
- Gassed Mercerised

Grey Yarns

- Polyester Cotton
- Core Spun Yarns

Highlights FY 2018-19

- The Company is undertaking expansion of its yarn manufacturing capacity by putting up three units at M.P. location. During F.Y. 2018-19, one unit was set-up. Total expansion comprises of 100000 spindles (approx.) using world class technology. This will increase the yarn manufacturing capacity by 70 TPD (approx.).
- In F.Y. 2018-19, we have modernised approx. 75000 spindles with latest Ring frame Technology and approx. 1000 spindles of old Speed frame have also been modernised using latest technology.
- All our cotton lines are now fully contamination controlled as we have installed best in segment imported Contamination Removal Equipment.
- Now, all our Yarn is 100% Uster Q-3 Processed. We were upgrading old technology from last 4-5 years and finally we have upgraded all our capacities to Uster Q-3 and Contamination Sorters.



Continued focus

On automation and further diversification of customer base

High Flexibility

In manufacturing of yarn in terms of composition and quality

Wide

Range of yarn manufactured as per clients' requirement

35%

Of total yarn production exported during the year

11 lakhs

Spindle Capacity as on 31st March, 2019

588 mt

Yarn produced per day

₹ 3,947 crore

Revenue from Yarn segment during FY 2018-19

Our Products (continued)

Fabrics

One of the few vertically integrated fabric suppliers in India, we are engaged in production of fabrics for both tops and bottoms in the apparel segment catering to large number of retailers in USA, Europe and Asia amongst others. Our dedicated product design and wide variety of in-house yarns helps us fulfil our customer expectations while also meeting the growing demand for quality fabrics across the globe.

Fabrics Portfolio

- Three main range of product mix:-
  - Piece dyed – solid dyed, white and RFD (ready for dyed)
  - Print - Reactive, Discharge, Pigment
  - Yarn dyed - Check, Stripe, Fil-a-fil, Chambrey
- Product mix with respect to fibre type 100% cotton, Cotton Stretch, Polycotton, Viscose, Modal, Tencel, Cotton-Nylon and many other blends
- Capability Portfolio in weaving including Plain, Twill, Dobby and Jacquard

Proprietary finish brands

- Velegante
- Preprensa
- Worry Free
- Liquid Finish
- P4 Finish
- Stay White & Fresh
- Gr&De

Highlights FY 2018-19

- Weaving looms increased from 1,276 to 1,482 during the year.
- Commissioned 3rd processing line in Vardhman Fabrics, Budhni with additional capacity of 21 lakh meters per month raising overall process capacity up to 146 lakh meters per month.
- Along with capacity addition, product mix being enriched by building capacity of higher share of stretch, value added finish, value added weave like Dobby, Jacquard, using special fibre.
- Print capacity increased to 16 lakh meters per month from 12 lakh meters per month, establishing print quality in market as quality supplier.
- Modification of old technology of Auro Textiles, Baddi, for becoming energy efficient & de-bottlenecking to increase capacity from 45 lakh meters per month to 54 lakh meters per month.
- Relevant balancing of utility in terms of boiler, thermic heat has been done.
- In Vardhman Fabrics, Budhni capacity of ETP, STP, RO & MEE increased to make it 100% ZLD.
- Focus on sustainability to become member of ZDHC (zero discharge of hazardous chemicals).

5.2 lakh meters

Fabric weaved per day

131 mmpa

Production of Processed Fabric during FY 2018-19

Leading

Producer of fabrics in India

7.84%

YoY growth in processed fabric volume during FY 2018-19

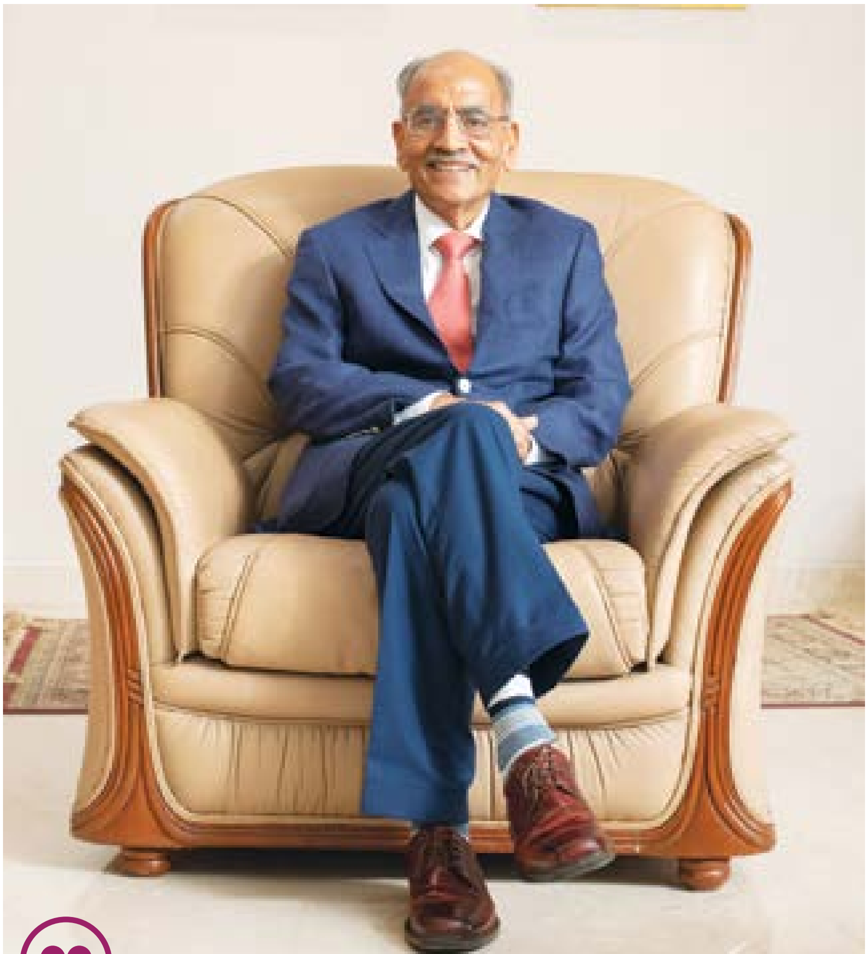
₹ 2,396 crore

Revenue from fabric segment during FY 2018-19

Brands we serve

GAP, UNIQLO, H&M, M&S, C&A, TARGET, KOHL'S, Walmart Save money. Live better., jcpenney, s.Oliver, Raymond, ARROW, Allen Solly, VAN HEUSEN, LOUIS PHILIPPE, BIG BAZAAR

Chairman's Message



The year went by on a positive note and the Company performance, helped by favourable factors was in line with our expectations.

Dear Shareholders,

It gives me immense pleasure to present the Annual Report 2018-19 for Vardhman Textiles Limited. The year went by on a positive note and the Company performance helped by favourable factors, was in line with our expectations. Such factors have cyclical trend, which keep on changing from favourable to extreme unfavourable as we have been facing in the current financial year with domestic prices of cotton far above the international prices and much reduced exports of yarn, leading to very difficult situation for the textile industry.

Today we are witnessing increased impact of economic environmental uncertainty on business performance driven by natural factors as well as manmade crisis due to political consideration in some countries . The natural factors include integration of textile value chain, smaller delivery cycle, one stop solution and focus on cost competitiveness through technology and economies of scales etc. The ever growing importance of preferential tariff treatment to some suppliers like Bangladesh and Vietnam in large consuming markets like EU as well as new markets like South Korea also has led to greater tariff/entry barriers to India. At domestic front also, we are witnessing significant reduction in import tariff especially on finished products while protection available to the domestic textile producers against cheap imports in sync with GST implementation has come down.

The geopolitical situation emerged out of USA-China trade war was supposed to generate positive outcomes for Indian textile industry, however the same could not materialize and whatever small business moved out of China, Vietnam and Bangladesh captured a significant part of the same. Being a textile material supplier, we did not suffer much and were able to sustain our performance in FY 2018-19. The negative impact of reduced exports of yarn to different countries, especially China, has started reflecting on Indian Textiles Industry. Also, the substantial gap between international cotton prices and domestic cotton prices has raised serious viability issues for Indian textile companies especially in export market which do have consequential impact on domestic market also. We hope that Govt. is seized of the current developments and adequate policy decisions and measures will be taken to address the concerns of the Industry. We have strong commitment to textile industry and we do expect that sooner the industry will move to high growth trajectory.

Looking inward, we can say with some satisfaction that factors such as vertical integration, operational efficiency and modernisation initiatives helped us in diversifying business risk while allowing us to continue with our core competence. Looking forward especially keeping in view the current business environment, our focus will be on cost control, resource optimization and approach would be circumspective after having expanded our capacities both in Yarn and Fabric and to relook at our strategy to avail of the opportunities being opened up in the country with the Govt's pledge to raise the country's GDP to USD 5 Trillion . Meanwhile, we constantly strive to improve operational efficiency, increase internal well-being and actively contribute to our community while reducing environmental footprint to sustain our business for the long-term.

We are also eager to contribute towards the society and community around us. Our corporate social responsibility initiatives were focused around improving the well-being and quality of life of the people by serving the underserved communities of the Country.

Going forward, we remain committed to create innovative and improved products that are perfectly tuned to people's daily needs. We are also committed to create a sustainable world by continuing our commitment towards eco-friendly practices.

Regards,

Shri Paul Oswal
A fellow shareholder

Message from Management

We have embraced these challenges and have proactively transformed ourselves into a company that can quickly mitigate any foreseeable risks.

Suchita Jain
Vice-Chairperson and
Joint Managing Director

With our strategies in place, we will further capitalise on the opportunities that come our way and continue to create value for all our stakeholders both in short-term and long-term.

Neeraj Jain
Joint Managing Director

Dear Shareholders,

With digitization and globalization happening at a rapid speed, the concept of borders, industries and companies have been changing. In textile and apparel industry, traditional demarcation between apparel, retail and textile has been diminishing. As a result, at Vardhman we strive to ensure that we thrive in this era of rapid change through building on our strategies for sustained future.

The year that went by was marked by many challenges right from weather-related impacts on cotton crop production to price fluctuations. We have embraced these challenges and have proactively transformed ourselves into a company that can quickly mitigate any foreseeable risks. Our brand positioning in the market along with the cost effective manufacturing capability has enabled us to withstand these challenges.

During the year, we have achieved revenues of ₹ 6,414.58 crore, a growth of 9.63% over previous year. In addition, our PAT grew from ₹ 545 crore in FY 2017-18 to ₹ 695.88 crore in FY 2018-19, while our PAT Margin stood at 11% in FY 2018-19. As regards return of profit to our shareholders, the Board of Directors of the Company has recommended a dividend of ₹ 17.50 per equity share as against ₹ 15.00 per equity share in previous year.

The year ahead is full of challenges for the entire domestic textile industry. Yarn export from India is much lower as compared to previous periods because of trade war going on between US and China. As a result, India is in a overcapacity situation which is resulting in much lower profitability. The domestic prices of cotton are quite high as compared to international prices diminuting the export viability. The local industry may also witness closing of some capacities.

With our strategies in place, we will further capitalise on the opportunities that come our way and continue to create value for all our stakeholders both in short-term and long-term. We would also like to thank all our stakeholders for their continued support and trust in the growth of the organization.

Regards,

Suchita Jain
Vice-Chairperson and
Joint Managing Director

Neeraj Jain
Joint Managing Director

6,414.58

Revenue from operations (₹ in crore)

11%

PAT Margin

Formulating Strategic Priorities

An Integrated Business

Vardhman is a prominent player in the textile manufacturing industry possessing contemporary technologies with larger capacity, constituting everything from fibre to garments. Our capability positions us to offer consistent quality, versatile products and flexible production at a marked competitive advantage. Further, we have two captive thermal power plants situated at Madhya Pradesh providing in house generated electricity.

Investments in R&D

Our investments in R&D enables us to build a portfolio that takes into consideration the demand of the customers as well as cost advantage. At Vardhman, our R&D centre situated at all our manufacturing units, works towards development of new products along with improvement in the existing production process and quality of products.

Upgradation made in R&D of Yarn Business:-

- We have modernized old obsolete R & D Testing equipments with latest equipments.
- Major Investments were made on Upgradation of EYC's and Contamination sorter to provide better contamination controlled yarn to our customers.

Vardhmān

Delivering Excellence. Since 1965.

Strong Brand Equity

We are amongst very few players in the industry to possess an experience of over five decades. Over the years, we have created strong relationships with our partners and suppliers by executing our business strategies that have transcended into sustainable growth. While doing so, we also focus on further enhancing the quality and performance of our products, thereby establishing a position of competitive advantage.

Inventory Management

We maintain adequate inventory to ensure continuous supply of quality yarn. We possess state-of-the-art storage and testing facilities that are strategically placed to provide supply advantages.

Raw Material Procurement

Vardhman group is one of the largest consumers of cotton in India. At Vardhman, we have developed well-planned strategy to obtain cotton during the peak marketing period for our annual consumption. For this, we have a dedicated sourcing team that purchases cotton on spot basis. Initially, the cotton fields are surveyed to estimate the overall supply and the team then monitors major cotton producing regions to determine the optimum sourcing mix. Further, our right quality raw material procurement policy helps us to source cotton that is best-fit to our product standards.

Preferred Choice of Vendors and Customers

Being a major buyer, with sizeable financial resources and strong reputation, we enjoy the position of a preferred buyer. In addition, we have also emerged as the preferred choice of customers as we continue to maintain and improve the quality of our product, adapt to the changing needs and requirements of the customers and offer diversified portfolio under one stop shop.

People Centric Management

Failure or success of an organisation is largely dependent on its people, who play a vital role in writing its growth story. We, at Vardhman, continue to nurture our employees as a long-term management resource while also motivating them to facilitate improvement in Company's performance. A number of training and development programs are also undertaken to enhance management, sales & marketing, production and technology capabilities, and specialized skills, and to better equip employees to address the ever-changing business environment.

Sustainability at Core

Vardhman as a responsible corporate entity, emphasises on putting continuous efforts towards quality value addition and constructive contribution in the development of society.

We believe that marginalized sections of society should also enjoy the right to education, quality healthcare facilities, and safe & hygienic living conditions. Our aim is to leave a positive impact on the society and help improve the lives of these people.

Our focus areas include

- Education
- Healthcare
- Rural Development
- Environment

Outside view of Government High School, Giaspura (Pb)

Education

A child's right to quality education is as basic as is the freedom to play and grow. Education is one such tool that can help reshape the society and rewrite one's destiny. A country with a developing economy like ours needs more and more visionaries, entrepreneurs and creative minds who have the zeal and passion to achieve their objectives and serve the nation. To give an opportunity to learn, grow and succeed in life to the under-privileged children of our society, we strive to offer support to facilitate their education.

In FY 2018-19, we constructed several School Building Blocks equipped with separate toilets for boys and girls and clean drinking water in Government Schools of Himachal Pradesh, Madhya Pradesh and Punjab. Financial Aid was offered to Nobel Foundation – an NGO that works for the primary education of Slum Children. Four Meritorious students in Odisha were also sponsored by the Group.

Not restricting our support to formal education, due importance is given to vocational training and art. We sponsored a music festival in Gujarat, organized by SAPTAK School of Music to promote Art & Culture. Nirdosh, a school for mentally challenged children in Ludhiana, Punjab was offered financial assistance to empower differently abled students. A summer camp organized for 300 students of Government Schools in Ludhiana was also funded.

Classroom view of Government High School, Giaspura (Pb)

Government Senior Secondary School, Kasabad (Pb)

Key Highlights for FY 2018-19

04 States Covered (Punjab, MP, Orissa, HP)

More than **13,204** Students benefitted

20 Schools covered

21 Toilet Blocks constructed

65 Classrooms blocks constructed

15 Computer Systems provided

10 RO Systems installed

1500 Student Desks provided

Sustainability at Core

Healthcare

Availability and accessibility to Healthcare facilities have a great impact on the lives of people. Patients in small cities often rush to bigger cities owing to unavailability of latest equipment or experts. We, at Vardhman aim at providing these equipment to health institutions where they can benefit a large number of people especially the marginalized sections of society. Government Hospitals have been provided with growth for best-in-class treatment facilities for economically deprived patients.

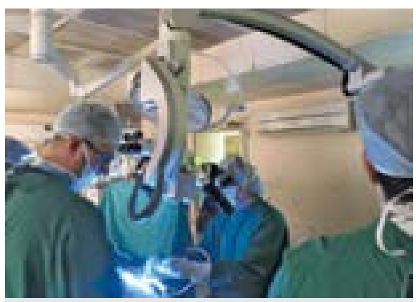
On one hand, while we put great emphasis on generating awareness about health issues, personal hygiene and healthy living conditions etc., our focus never dwindles from ensuring that there's continuous development of health institutions in the vicinity of our manufacturing units located in the states of Punjab, Himachal Pradesh and Madhya Pradesh. Regular health check-ups and blood donation camps are organized besides other initiatives to improve the health indicators of people.

In FY 2018-19, Grants were given to Christian Medical College & Hospital (CMCH) Ludhiana, Digestive Disease Care Foundation (DDCF), Postgraduate Institute of Medical Education and Research (PGIMER) Chandigarh, Dayanand Medical College & Hospital (DMCH) Ludhiana, St. Joseph Hospital, MP and Red Cross Society among others.

Inauguration of Echocardiography unit at Civil Hospital, Ludhiana (Pb)

Medical equipment including Paediatric Ventilators, Hydraulic OT tables, Echocardiography Machine, Defibrillator, Multipara monitors, Colour Doppler ultrasound machine, Ortho fracture table C-arm, Stryker Ortho drill machine, Cell Counter, LDR Hydraulic BEDS, X Ray Machine 500 MA, Electric Tourniquet for Ortho surgery and Pulse oximeters etc. were provided to Civil Hospital Ludhiana besides upgrading of OPDs and ICUs to enhance the infrastructure of the hospital.

Mother & Child Hospital, Ludhiana (Pb)



Surgical Equipment provided to CMCH Ludhiana (Pb)

A number of other initiatives were undertaken by the Group, including the construction of canteens, toilets, kitchen, laundry and providing ambulances, stretchers etc. to Government Hospitals.

8

Health Camps organized

9

Villages Covered

1,600

Villagers Examined

Medical Equipment & Other Support

3

States (MP, HP & Punjab)

7

Health Institutions

1,82,052

Beneficiaries

₹ 5.42 Cr.

Worth of medical equipments provided

Sustainability at Core

Rural Development

Without developed villages, we cannot dream of a developed India. In accordance with this ideology, we strive to provide hygenic living conditions, safe drinking water, access to nearby cities and emergency healthcare facilities in villages in the vicinity of our units.

Solar Lights installed in Budhni (MP) region

One of the handpump installed in a village, Budhni (MP)

In FY 2018-19, to ensure availability of safe drinking water to villagers, we installed bore wells and hand pumps in Devgaon, Pilikarar & Holipura villages of Budhni. 25 Solar lights were installed on Budhni- Rehti state highway besides construction of Bus shelters in the Budhni region.

To empower farmers, we are running Project Pragati under Better Cotton Initiative. In FY 2018-19, 80 villages and about 14,000 farmers were benefited under this project. We additionally supported Cotton Development & Research Association (CITI-CDRA) for conducting research and promoting Extra Long Staple (ELS) cotton in Madhya Pradesh (M.P.)

Key Highlights for FY 2018-19

11

Bus Shelters constructed

25

Solar lights installed

3,000

Villagers Benefitted

Environment

Our World begins with our surroundings, but there's a bigger picture when we see the planet as a whole. Just as our immediate surroundings influence our health and well-being, the same applies to the health of our planet. Our constant emphasis is on keeping the things clean at our homes and workplace, but our responsibility towards the planet is much wider.

At Vardhman, we ensure that mother Earth is not suffocated owing to our actions. We make a judicious use of natural resources and strive to re-cycle and re-use most of them. It is one of our Sustainability Goals to draw as less as possible and replenish as much as possible.

In FY 2018-19, we developed a 1.5 km long green belt in five villages including Bhatolikalan & Katha in Baddi region. For enhancing the scenic beauty, weed removal, kerb stoning, dressing & levelling, etc. was also carried out.

Besides our emphasis on planting more trees, Vardhman also supported practices like doing away with stubble burning and for the same, a farmer of Tran Taran village, S. Gurbachan Singh was provided financial support to spread awareness among the villagers about climate/environment change and harmful impact of burning stubble. Sri Aurobindo Ashram-Delhi was also provided financial aid for promoting Organic farming in village Ramagarh Talla, District Nanital, Uttrakhand.

Green Belt developed in Baddi

Key Highlights for FY 2018-19

5

Villages covered

1.5 KM

Area Green belt developed

1500

Saplings planted

Enhanced roadside, Baddi (HP)

Profile of the Board of Directors

Mr. Shri Paul Oswal, aged 77 years, is the Chairman and Managing Director of our Company. He holds a Masters degree in Commerce (Gold Medalist) from Panjab University, Chandigarh. He has an experience of more than 52 years in Textiles Industry. Under his leadership Vardhman Group has achieved manifold growth in its textile business. Keeping in view his contribution to the Trade and Industry, he has been conferred with Padma Bhushan award by the Govt. of India.

Mrs. Suchita Jain, aged 51 years is the Vice-Chairperson and Joint Managing Director of our Company. She holds a degree in Masters in Commerce from Panjab University, Chandigarh. She is having experience of more than 26 years in Textile Industry. She was instrumental in starting Fabric manufacturing (both grey and processed).

Mr. Neeraj Jain, aged 52 years, is the Joint Managing Director of our Company. He holds a Bachelor's Degree in Commerce and is a qualified Chartered Accountant as well. He has an experience of more than 27 years with the Group in finance and yarn business.

Mr. Prafull Anubhai, aged 81 years is an Independent Director of our Company. He holds a Bachelor's Degree in Commerce and is B. Sc (Economics Honours) from London University. He is a Business Consultant having experience of more than 46 years. He is associated with educational and research institutions like Indian Institute of Management (IIM, Ahmedabad). He is the Chairman of the Board of Management of the Ahmedabad University.

Mr. Sachit Jain, aged 53 years, is the Non-Executive Director of our Company. He holds a Degree in B.Tech (Electrical) from IIT, New Delhi and MBA (Gold Medalist) from IIM (Ahmedabad). He has also studied Financial Management from Stanford, USA. He had started his professional career with Hindustan Lever in 1989 before he joined Vardhman Group. He has a rich Experience of over 29 years in Textile and Steel Industry.

Mr. Darshan Lal Sharma, aged 70 years, is the Non-Executive Non-Independent Director of our Company. He holds a Bachelor's Degree in Science (Engineering) and is an MBA from Punjab Agricultural University as well. He has an experience of more than 44 years as a Business executive in Textile Business.

Dr. Subash Khanchand Bijlani, aged 76 years, is an Independent Director of our Company. He holds a Degree in Bachelor's of Science in Technology (Mechanical Engineering) from University of Manchester Institute of Science and Technology, U.K., Post Graduate Diploma in Computer Management, Mumbai University, Post Graduate Diploma in Finance Panjab University and Doctorate in Management (D.M.) from Maryland, USA. He has industrial and business experience of more than 54 years.

Mr. Ashok Kumar Kundra, aged 76 years, is an Independent Director of our Company. He holds a Master's Degree in Economics from Panjab University, Chandigarh and PhD from School of International studies, Jawahar Lal Nehru University. He joined Indian Administrative Services (IAS) in 1966 and retired in 2003. He has over 46 years of experience in Central Govt. ministries and various departments in the State of Panjab.

Mr. Devendra Bhushan Jain, aged 76 years, is one of the Independent Directors of our Company. He holds a Bachelor's degree in Sciences (B.Sc.) and has experience in the field of marketing.

Mr. Rajendra Mohan Malla, aged 66 years, is one of the Independent Directors of our Company. He holds Master's Degree in Commerce, Master's Degree in Business Administration (Finance) and CAIIB. He is an eminent Banker having rich experience in Banking and Finance field.

Dr. Parampal Singh, aged 46 years, is one of the Independent Directors of our Company. He holds Master's Degree in Science (Hons. – Microbiology), Master's Degree in Business Administration (Marketing) and Ph.D. in Marketing.

Mrs. Harpreet Kang, aged 45 years, is one of the Independent Directors of our Company. She holds Master's Degree in Journalism from College of Humanities, Punjab Agricultural University, Ludhiana. She has also done an Advance Business Program in International Business and International Marketing from Harvard University, USA.

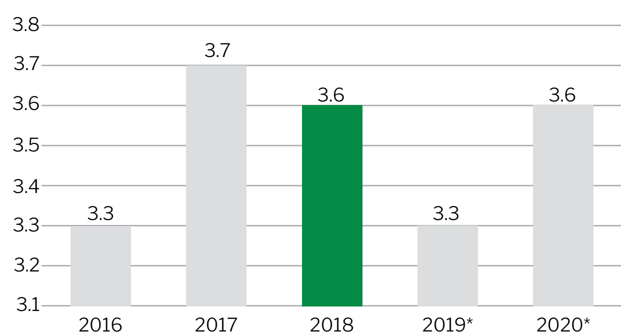
Management Discussion and Analysis

Global Economy

The global economy showed a mild GDP growth deceleration to 3.6 percent in 2018 from 3.7 percent in 2017. In 2017, economic activity was accelerating in almost all regions of the world. With the escalation of the US and China trade war, credit tightening in China, macroeconomic stress in Argentina and Turkey, disruptions to the auto sector in Germany, and financial tightening alongside the normalization of monetary policy in the larger advanced economies have all contributed to a significantly weakened global expansion, especially in the second half of 2018. The condition is expected to ease with US Federal Reserve signaled a more accommodative monetary policy stance but element of uncertainty will remain in the markets till conclusion of US-China trade deal.

These headwinds are expected to continue into first half of 2019, softening it further to 3.3 percent in 2019 before it strengthens back to 3.6 percent in 2020. The growth in GDP acceleration will be supported by significant monetary policy accommodation by major economies, due to reducing inflationary pressures despite growing at near potential. The growth rebound will be further supported by recovery in developing economies, where growth is projected to increase from 4.4 percent in 2019 to 4.8 percent in 2020. (*Source: IMF, World economic outlook April 2019*)

GDP Growth Rate (in percent)



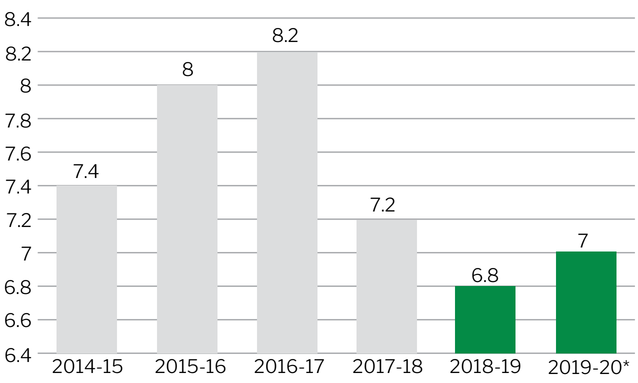
(*Source: IMF*)

Indian Economy

India continues its growth in FY 2019, albeit at slightly lower rate than the previous year. Growth slowed from 7.2 percent in the fiscal year 2018 to 6.8 percent in the fiscal year 2019 on account of weaker agricultural output and consumption growth curtailed by higher global oil prices and lower government expenditure. Food grain production was slightly below the harvest in the previous year, mainly due to shortfall in cereals and pulses. Growth in Industry increased to 7.7 percent, in the year under review, owing to improvement in manufacturing, construction and utilities. However, government consumption slowed due to tightening finance.

Nevertheless, growth is anticipated to be 7 percent in FY 2020 as the policy rates are cut and farmers receive income support, boosting domestic demand. The GDP rate is expected to pick-up with recovery in agriculture and better domestic demand.

Annual GDP Growth Rate (in percent)



(*Source: Ministry of Statistics and Programme Implementation*)

*Estimated

Global Textile Industry

The global textile market is valued at US$ 925.3 billion in 2018 and is anticipated to grow at a CAGR of 4.24 percent between 2019-2025. The growth is achieved on the back of high demand of apparels, especially in the developing markets including India, China, Bangladesh and Mexico, owing to rise in population. Product innovation along with increase in number of retail outlets and usage of e-commerce in the developing economies has marked a positive growth trend for this industry.

Recently, there were some obstacles that the industry had to go through due to recent political occurrences like trade war between US and China.

Asia pacific, including China and India, emerged as the largest regional markets in 2018 owing to increased consumption of apparels and garments. The Middle East & Africa (MEA) region is anticipated to witness revenue growth at a CAGR of 4.19 percent from 2019 to 2025 due to continuous product innovations in apparels application segment.

Indian Textile Industry

The Indian textile and apparel market is growing at a CAGR of 10 percent from FY 2006 to FY 2019 and is estimated to be US$ 100 billion in 2018-19. India accounts for second largest share in the global textile export and has a huge production and manufacturing base for the raw materials required in the textile industry.

The textile industry significantly contributed towards growth of the economy in terms of its domestic share and exports. Out of the total industry output of the country, the textile industry itself claims 7 percent of contribution and has a 2 percent contribution towards the GDP of the country. Textile industry is a source of employment for about 45 million people. Globally, India holds a share of 6 percent in the textiles and apparels industry.

The domestic prices of cotton have increased substantially as compared to global prices. which is negatively affecting the competitiveness of the textile industry in export markets. This in turn put pressure on the domestic markets also.

India's Export Story (Figures in ($ bn))

(*Source: Ministry of Commerce, Compiled by BS Research Bureau*)

*2018-19 is Estimated

Government Initiatives

Amended Technology Upgradation Fund Scheme (ATUFS): Through ATUFS, the Ministry of Textiles aims to augment investment, productivity, quality, employment, exports and import substitution in the textile industry. The government also plans to provide credit linked capital investment subsidy (CIS) under the amended TUFS to promote 'Make in India' with 'Zero effect and Zero defect' in manufacturing. The total investment in the projects is around ₹ 24,338.75 crore.

Scheme for Integrated Textile Parks: The scheme has been extended from 2017 to 2020 with the objective of building 65 textile parks in India. In 2014-2018, around 20 new textile parks have been sanctioned with an investment of upto ₹ 6,834 crores generating employment for approx. 65,000 people.

Scheme for Capacity Building in Textile Sector (SCBTS): The scheme was introduced with an objective of providing a demand driven and placement oriented skilling programme to create jobs in the organized textile sector and to promote skill upgradation in the traditional sectors. The outlay of the scheme is of ₹ 1,300 crores (US$ 202.9 million) from 2017-18 to 2019-20.

Silk Samagra - Integrated Skill Development Scheme (ISDS): The textile industry employs around 45 million of people. In order to enhance their skills, Union Minister of Textiles introduced Integrated Skill Development Scheme (ISDS). The objective is to transform the unskilled manpower to skilled workforce in various sectors like Garment, Knitting, Processing, Manmade & Synthetic fibres and other unorganised textile sector including traditional sectors like Jute, Silk, Handloom, Handicraft & Carpet by running the certified skill development programme in these sub-sectors across the country. The scheme targets of training 10 lakh persons (9 lakh persons in organised & 1 lakh persons in traditional sectors) over a period of 3 years (2017-2020).

Global and Domestic Cotton Scenario

World cotton production in the cotton year 2018-19 is estimated to be lower by about 4 percent at about 25.88 million tons against 26.95 million tons in the previous cotton year 2017-18. Major Cotton producing countries like India, USA, Pakistan, Australia and Turkey are estimated to produce a lower cotton crop in the year 2018-19 as compared to the previous year with exception of China which is estimated to have more or less same size of cotton crop. The reduction in the global cotton crop is partially off-set by growth in the Brazilian cotton which is estimated to produce about 2.67 million tons which is 33 percent more as compared to the previous year.

World cotton consumption for the year 2018-19 is expected to be marginally lower at 26.63 million tons, as compared to 26.71 million tons in previous year (decrease of about 0.30 percent).

World cotton consumption was highest during the years 2006-07 & 2007-08 at about 27 million tons. Due to higher cotton prices and volatility in cotton prices in 2010-11, world cotton consumption dropped to 22.67 million tons in the year 2011-12. Since then it has been increasing because of the preference of the consumers towards cotton; on account of being a natural fiber, comfort reasons as well as consumer awareness towards sustainability and bio- degradability of the cotton. China is likely to remain the largest consumer of the cotton with consumption of about 8.74 million tons followed by India which is estimated to consume about 5.4 million tons of the cotton in the year 2018-19.

International trade of the cotton in the year 2018-19 is estimated to be about 9.02 million tons against 8.9 million tons in the 2017-18. Despite the trade war between the US and China, international trade has marginally gone up. USA remained the largest exporter of cotton in the world followed by Brazil. Record high crop in the Brazil is driving exports to higher levels. In the year 2018-19, Brazil has surpassed India as second largest cotton exporter in the world.

Import dependent countries, such as Vietnam and Bangladesh, are also set to reach their highest level of imports from international market. Despite of almost 50 percent reduction in the Australian crop, Australian cotton exports are marginally lower from the last year. Increased exports from the West African countries also increased the world exports level in the year 2018-19.

World cotton outlook 2019-20:

World cotton production is projected to increase by about 5.4 percent to 27.29 million tons in the year 2019-20 which will be second highest ever level, world highest cotton crop was produced in the year 2011-12 at 27.7 million tons. Higher cotton production is projected in almost all leading cotton producing countries including US, China, Pakistan and Brazil.

Despite of the trade uncertainties amid the trade war between the US and China, world cotton consumption is projected to be at 27.27 Million tons for the year 2019-20 which will be record highest ever. Forecasted consumption level is slightly above the record highest cotton consumption recorded in the year 2006-07 and 2007-08 at about 27 million tons.

Cotton consumption is projected to increase in countries like China, India, Bangladesh, Vietnam etc. Chinese cotton consumption is likely to grow by almost 2.4 percent over the last year. Consumer preference towards the sustainable fiber mainly cotton is also likely to boost the demand of cotton in 2019-20.

However, presently ongoing trade war between two major economies has created an environment of uncertainty across the world textile industry. Much lower demand has been witnessed in the world textile market which is putting pressure on the prices and margins of the textile mills.

In Million Tons

Particulars	2017-18	2018-19	2019-20	Change in 2018-19 over 2017-18	Change in 2019-20 over 2018-19
Beginning Stock	17.49	17.68	16.94	1.09 percent	-4.19 percent
Production	26.95	25.88	27.29	-3.97 percent	5.45 percent
Imports	8.93	9.24	9.74	3.52 percent	5.37 percent
Total Supply	44.44	43.56	44.23	-1.98 percent	1.54 percent
Consumption	26.71	26.63	27.27	-0.30 percent	2.42 percent
Exports	8.93	9.17	9.74	2.69 percent	6.22 percent
Total Use	26.71	26.63	27.27	-0.30 percent	2.42 percent
Ending Stocks	17.68	16.94	16.88	-4.19 percent	-0.35 percent
China Stock	8.28	7.48	6.86	-9.66 percent	-8.29 percent
Stock to Consumption	66 percent	64 percent	62 percent		

(*Source: USDA*)

Indian Cotton Scenario 2018-19

India's textile industry is mainly cotton based, therefore, it plays a major role in the Indian Economy. Indian Govt. announced increase of about 28 percent over the last year in the 'Minimum Support Price' (MSP) for the seed cotton over for the year 2018-19. The increase in the MSP for seed cotton, higher market prices in the year 2017-18 and better profitability in the cotton crop over the competitive crops in the country induced the farmers to sow more cotton. The area under cotton cultivation in the year 2018-19 in India was about 12.2 million hectares.

Despite of good area under cotton cultivation, cotton output in India is estimated to be 312 lakh Indian size bales of 170 kgs in 2018-19, which is significantly lower than last year crop of 365 lakh bales mainly because of lower cotton yields resulting from the poor monsoon and drought like conditions in the major cotton producing regions during the year 2018-19. This made the farmers to uproot the cotton plant leaving no scope of third and fourth picking.

The consumption is projected to be 315 lakh bales against the 319 lakh bales consumed in last year. The consumption is estimated to remain stable as mills focus on manufacturing blended yarns and fabrics with a higher percentage of synthetic fibre to offset the cotton price volatility.

The export of cotton is estimated to be 46 lakh bales in 2018-19 against the 69 lakh bales in 2017-18. The volume of cotton export declined over last year as the cotton price remained high for most of the season. The imports are likely to be at 31 lakh bales.

With lower cotton crop size and stable cotton consumption, ending stocks of the Indian cotton is projected to be at 15 lakh bales only which is almost 50 percent lower than the ending stocks of 28 lakh bales in last year i e 2017-18.

Particulars	**Quantity in lakh Bales of 170 kgs**	
	2017-18	**2018-19**
Opening stock	36	33
Production	365	312
Imports	15	31
Total supply	**416**	**376**
Mill Consumption	275	276
Consumption by SSI	29	27
Non- Mill Use	15	12
Exports	69	46
Total Demand	**388**	**361**
Closing Stock	**28**	**15**

(*Source: Cotton Association of India*)

Indian cotton for the year 2019-20 is projected to be increased mainly because of higher planting intentions of the cotton farmers and higher yields expected in the year 2019-20 as Indian metrology department and other weather forecasting agencies have forecasted near normal monsoon for the India for the year 2019-20. If the near normal monsoons happens in the year 2019-20, then Indian crop size for the year 2019-20 is likely to be more as compared to the crop year 2018-19.

Company Overview

Vardhman Textiles Limted is one of the leading textile manufacturer of India having its presence across a wide spectrum, from manufacturing yarns to fabric. Vardhman is one of the leading manufacturer and exporter of cotton yarn in India. The Company expanded its product offerings and entered into strategic alliance with leading global textile players to gain access to state-of-the-art technologies.

Financial Review

During the year under review, the Company experienced healthy growth on YoY basis in revenue and profitability on account of growth in downstream industry and robust inflow of orders. In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018, the Company is required to provide details of significant changes (i.e. change of 25 percent or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefore. Table 1 provides a summary of the financial parameters along with key ratios affecting the Company.

Table 1: Summary of Key financial Parameters and ratios

Particulars	FY 2019	FY 2018	YOY percent
Revenue (₹ In crore)	6,414.58	5,851.37	9.63
EBIDTA (₹ In crore)	1,349.72	1,043.61	29.33
PAT (Rs. In crore)	695.88	545.76	27.51
EBIDTA Margin (percent)	21	18	16.67
Debtors Turnover Ratio (Days)	43	45	(4.33)
Inventory Turnover (Days)	139	132	5.25
Interest Coverage Ratio (Times)	9.39	9.13	2.88
Current Ratio (Times)	7.27	6.40	13.54
Debt Equity Ratio (Times)	0.43	0.49	(13.29)
Net Profit Margin (percent)	10.85	9.33	16.31
Return on Net Worth (percent)	13.28	11.78	12.73

Return on Net Worth increased primarily on account of increase in net profits attributable to higher operating profits during the financial year 2018-19.

Outlook

As reported earlier, the Company had planned to undertake a capex of ₹ 1,400 crore (approx.) by 2020. This capex involved, on the yarn side, setting-up of about 100000 spindles and on the fabric side, setting-up of 3rd processing line at Budhni and about 275 looms. During the FY 2018-19, the Company has added 200 looms (approx.) and has implemented 3rd processing line at Budhni apart from implementation of 16300 spindles. A capex of ₹ 800 crore has been incurred by the Company during the year 2018-19. The remaining capex shall be done during the year 2019-20.

Business Responsibility Report

About Vardhman

Vardhman Textiles Limited (VTXL) is the flagship company of Vardhman Group with diverse operations across sectors. Vardhman's humble beginning dates back to 1965 when the Group started its first manufacturing unit at Ludhiana in the state of Punjab with 6000 spindles and is today one of the largest textile companies of India manufacturing Cotton Yarns & Fabrics with a capacity of over 1.1 million spindles, constituting about 2% of the country's yarn production, 1,482 looms for weaving of fabrics and 146 lakh meters per month of fabric processing capacity.

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

About This Report

The Securities and Exchange Board of India (SEBI) as per its (Listing Obligations and Disclosure Requirements) Regulations, 2015 has mandated the inclusion of a "Business Responsibility Report" (BRR) as part of Company's Annual Report for top 500 listed entities based on market capitalization at the Bombay Stock Exchange Ltd. (BSE) and the National Stock Exchange of India Ltd. (NSE). The reporting framework is based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)' released by the Ministry of Corporate Affairs, Government of India, in July 2011 which contains 9 Principles and Core Elements for each of those 9 Principles. Following is the Business Responsibility Report of our Company based on the format suggested by SEBI. Detailed Business Responsibility Report for 2018-19 (available at: www.vardhman.com) is based on the 9 Principles enshrined in the NVGs.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	:	L17111PB1973PLC003345
2.	Name of the Company	:	Vardhman Textiles Limited
3.	Registered address	:	Vardhman Premises, Chandigarh Road, Ludhiana- 141010.
4.	Website	:	www.vardhman.com
5.	E-mail id	:	secretarial.lud@vardhman.com
6.	Financial Year reported	:	2018-19
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	:	Textiles, NIC Code 131
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	:	Yarn and Fabric
9.	Total number of locations where business activity is undertaken by the Company		
	(a) Number of International Locations (Provide details of major 5)	:	The Company has 2 liaison offices at Hong Kong and Bangladesh
	(b) Number of National Locations	:	17
10.	Markets served by the Company – Local/State/National/International	:	National / International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR): ₹ 57.48 crore
2. Total Turnover (INR): ₹ 6,414.58 crore
3. Total profit after taxes (INR): ₹ 695.88 crore
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 1.75%
5. List of activities in which expenditure in 4 above has been incurred: Refer to Summary of CSR initiatives on page 58-62

SECTION C: OTHER DETAILS

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

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

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

SECTION D: BR INFORMATION

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

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

1. DIN Number: 00340459
2. Name: Mr. Neeraj Jain
3. Designation: Joint Managing Director

(b) Details of the BR head

S. No.	Particulars	Details
1.	DIN number	00340459
2.	Name	Neeraj Jain
3.	Designation	Joint Managing Director
4.	Telephone number	0161-2228943
5.	Email id	neerajjain@vardhman.com

PRINCIPLE - 1
Corporate Governance for Ethics, Transparency and Accountability

PRINCIPLE - 2
Sustainability of Products & Services across Life-cycle

PRINCIPLE - 3
Employee Well-being

PRINCIPLE - 4
Stakeholder Engagement

PRINCIPLE - 5
Human Rights

PRINCIPLE - 6
Protection and Restoration of the Environment

PRINCIPLE - 7
Responsible Advocacy

PRINCIPLE - 8
Supporting Inclusive Growth and Equitable Development

PRINCIPLE - 9
Providing Value to Customers and Consumers

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

Sr. No.	Questions	P1 Ethics, Transparency & Sustainability Accountability	P2 Sustainability in life-cycle of products	P3 Employee Well Being	P4 Stakeholder engagement	P5 Promotion of human rights	P6 Environment Protection	P7 Responsible Advocacy	P8 Inclusive Growth	P9 Customer Value
1.	Do you have policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national /international standards? If yes, specify?	NA	Y ISO 14001:2015 OHSAS 18001:2007	Y OHSAS 18001:2007	Y OHSAS 18001:2007	Y OHSAS 18001:2007	Y ISO 14001:2015 OHSAS 18001:2007	N	Y	N
4.	Is it a board approved policy? If yes, has it been signed by MD /owner /CEO /appropriate Board Director?	Y, BOD	Y, CEO	Y, BOD	Y, BOD	N	Y, CEO	N	Y, BOD	N
5.	Does the Company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	N	Y	N
6.	Indicate the link for the policy to be viewed online	Refer Below								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have an in-house structure to implement the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy to address stakeholders' grievances related to the policy?	Y	Y	Y	Y	Y	Y	N	Y	Y
10.	Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	N	Y	Y	N	Y	Y	N	N	N

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

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

3. Governance related to BR

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

Annually

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

Yes. The hyperlink for viewing the same is https://www.vardhman.com/user_files/investor/Vardaman%20BRR%20For%20Webside.pdf. It is published annually in the Annual Report.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Corporate Governance for Ethics, Transparency and Accountability

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

The composition of the Board of Directors of the Company is governed by the Companies Act, 2013 and SEBI Regulations 2015. As on March 31, 2019, the Company has 12 directors on its Board (including the Chairman), of which 7 are independent, 3 are non-independent, 2 are non-executive non-independent directors.

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

Code of Conduct: Vardhman has its Code of Conduct which extends to all directors and senior employees of Vardhman which aims at maintaining highest standards of business conduct in line with the Ethics of the Company, provides guidance in difficult situations involving conflict of interest & moral dilemma and ensures compliance with all applicable laws. All senior employees have to read and understand this code and agree to abide by it.

The Code of Conduct is available at the Company's website link https://www.vardhman.com/investor-desk#!company_information under the title '**Policies- Code of Conduct**.'

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

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

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

The Sustainable Business Model and the framework driving towards identifying and implementation of strategies that add value to the lives of numerous people linked, directly or indirectly, with the organization is a core strength of Vardhman. The image of Vardhman Group and its position in the society has been developed by proactively and effectively fulfilling our responsibility towards the world around us. The three facets of sustainability namely – social, environmental and economic play a pivotal role in formulating our plan of action. A blueprint developed in compliance with national and international standards for the industry, emphasising on initiatives towards sustainable growth and development maps our journey.

The s works with a long-term perspective, objectivity and apt understanding of the impact of choices made. Vardhman's Sustainability Drive, backed with innovation, is one of several initiatives to broaden the perspective towards Sustainable development.

Responsible Sourcing of Raw Material

Cotton is a natural fibre grown in the farms. Cultivating cotton involves skill as well as preparation. Testing soil for fertility, climatic conditions, geographic factors etc. is crucial to the production of this natural fibre. What is more challenging is to retain the fertility of the land where it is produced and ensure quality of the yield with every produce.

To combat these challenges, initiatives like Better Cotton Initiative, Organic Cotton, Fair-trade Cotton, Cotton made in Africa, Recycled Cotton, Artificial fibres etc. are on-going with the goal to improve the yield, introduce modified cultivating practices, reduce production cost, minimize the use of harmful pesticides and inorganic fertilizer, conserve natural resources like soil and water, provide decent working conditions and the right price of produce to the farmers.

Rural Development

The spirit of India lies in its villages and without the development of rural India, the growth of the country can only be partial. Project Pragati is one of the primary rural development programs run under Better Cotton Initiative under which several villages have been adopted and thousands of farmers trained to increase the yield. The project not only offers livelihood to people in these villages but also an opportunity to connect with mainstream economy. Women and childcare is also an aspect of this project and every year we aim at bringing further improvements under this initiative. We constantly strive to offer healthcare facilities, education, hygienic living conditions and ample opportunities to people living in villages.

For encouraging and promoting the cultivation of Extra Long Staple (ELS) cotton in Madhya Pradesh (M.P.) which in turn would empower farmers, financial contribution was made to the Cotton Collaborative Project of Confederation of Indian Textile Industry - Cotton Development & Research Association (CITI-CDRA) to conduct research and identify better practices to increase the yield of ELS.

As a part of several sustainable cotton programs, run by global stakeholders, Vardhman consciously ensures that more than 15% of cotton sourcing is done from the sustainable cotton programs.

Better Cotton Initiative

BCI is an approach to make cotton a sustainable commodity. The initiative aims at ensuring optimum use of resources, profitability for the producers and maintaining soil's fertility. The quality of cotton fibre relies highly on the crop management practices as contamination at initial level can prove to be harmful. This initiative caters to the agricultural, social, environmental and economic aspects besides promising prosperity to the textile industry.

Global standards, practices adopted by BCI farmers help

- minimizing the harmful impact of crop protection practices
- promoting water stewardship
- caring for health of the soil
- enhancing biodiversity and using land responsibly
- caring for and preserving fibre quality
- promoting decent work
- operating an effective management system

Project Pragati

While BCI came into being in 2010, the adoption of villages by Vardhman started as early as 2003. Researchers and experts from Junagarh University and Krishi Vigyan Kendras were engaged to educate farmers about cultivating cotton crop long before BCI was formed. Punjab Agriculture University also came forward for the cause. In 2015, the initiative was given a proper framework and project Pragati was launched. The implementation of BCI's crop management practices was first done in Gujarat. Starting with one Producer Unit (PU), 9 villages, 1758 farmers and 3787 hectares of land, this project witnessed significant growth over the years.

Year	2015	2016	2017	2018
Producer Unit	1	3	3	3
Villages	9	47	48	51
Farmers	1758	8327	9456	10047
Learning Groups	47	223	252	268
Land	3787 hectares	14719 hectares	15973 hectares	18254 hectares
Licence	1 year	3 year	Undergoing	Undergoing
Production of BCI Bales	23,000	60,000	75,000 - 80,000	85,000 – 90,000

The activities implemented under this project are:

1. Creating awareness among the farmers and training them on various subjects like sowing techniques and optimum use of water etc.
2. Testing soil to understand the actual requirement of fertilizers/pesticides for the land.
3. Field demonstrations to show the difference between the yield from conventional methods and BCI methods.
4. Training the farmers to use personal protective equipment (PPE) to prevent any hazardous effect of pesticides.
5. Involving women in mainstream economy and spreading awareness about the importance of education, child labour etc.
6. Keeping the environment clean and green by planting trees and painting the walls with beautiful messages in villages.
7. Distributing cotton bags to farmers to reduce contamination while picking the crop in fields.

Organic Cotton

Other than BCI, we source organic cotton that is grown without using any chemical fertilizers or pesticides, on land where the use of chemicals is abandoned for at least three years and from plants which have not been genetically modified. We have Organic Yarn certifications such as

- GOTS (Global Organic Textile Standard)
- OCS (Organic content Standard)
- GRS (Global Recycle Standard)

Recycled and Manmade Fibres

Cotton, Polyester and other fibres are recycled to minimize the waste. In addition to the fibres purchased from outside, we have processed more than 1350 tons of waste in FY 2018-19 to create recycled products.

Quality	In Metric Tons	Basic Value (In Lac)
Organic	Approx. 11000	Approx. 12500
BCI	Approx. 28800	Approx. 35000
Recycled Cotton	Approx. 2	1.3
Recycled Polyester	Approx. 2000	Approx. 2230

Artificial fibres like Lenzing Modal and Tencil are renewable fibres made with an efficient close-loop technology. These fibres have negligible impact on environment as compared to their alternatives. Committed to sustainable forestry, these fibres are made with green technology and mark themselves as the future of textile industry. Major benefits of these manmade fibres are:

1. These fibres are made with wood pulp from trees which have the potential to rejuvenate themselves.
2. No chemical fertilizers or artificial irrigation facility required.
3. The raw material is sourced from sustainably managed semi-natural forests which become home to bio-diversity.
4. Low Chemical and Carbon footprint.
5. Fully biodegradable and compostable fibre.
6. Enhanced durability and lifetime of product.
7. Minimal Waste.

Water

Water being a resource without which life cannot survive on Earth, remains our major priority in terms of sustainability measures undertaken by us. To ensure proper treatment of waste water and its safe discharge, we monitor the effluent quantities and keep them well-within the standards set by Central and State Pollution Control Boards.

Water Treatment

We have 2 Effluent Treatment Plants (ETPs) and 8 Sewage Treatment Plants (STPs) which utilize advanced technology to annually treat about 2.65 million KL and 0.9 million KL of water respectively. The treated water is recycled and reused, saving about 2.25 million KL of fresh water annually. 3.29 million KL of effluent from three units - Auro Textiles 1, Auro Textiles 2 and Auro Dyeing – is sent to Common Effluent Treatment Plant (CETP) for treatment at Baddi location.

Water Recycle and Reuse

99% Water Recovery and Zero Chemical Treatment: At our largest integrated facility at Budhni, we have installed a Zero Liquid Discharge (ZLD) System with an Effluent treatment capacity of 11000 KLD. This treatment plant at Vardhman Fabrics, Budhni works solely on Bio-oxidation process. Despite the fact that there is no chemical treatment performed, the COD and BOD removal efficiency of the plant is 90-92% & 96-98% respectively. 6000 KLD of this biologically treated effluent is recycled through RO & MEE for reuse in the process. Rest of the ETP treated water is utilized for Green Belt Development. The recovery rate through RO & MEE is 99.0% and MEE recovered salt is disposed of at government authorized TSDF.

We have put to use 100% of our STP treated water at all our units. Along with meeting the prescribed standards of treated water, we have started using all of the STP treated water in plant operations, irrigation and horticulture. 36% of the process water is reused in fabric processing and acrylic washing. It is our constant endeavor to improve this figure by continuously monitoring and researching on potential water saving opportunities.

Water Recharge

It is our earnest desire to replenish ground water and we have been continously investing in water conservation initiatives. Since 2005, we are working on ground water recharge and have till now installed 52 Rain Water Harvesting Systems (RWH) within our premises. These rain water harvesting systems have the capacity to recharge 1.75 million KL water annually.

Energy Conservation

We keep investing in energy-efficient technologies and renewable energy to improve energy security. With an emphasis on green energy and alternative sources of energy, we have successfully achieved a downward trend in energy consumption per unit of produce. In 2018-19, total energy consumption per unit of produce was 8.30 Kwh/kg.

Electricity is a major requirement for the industry and so is looking for measures to make optimum use of electric energy. With an approach for “Less input, more output”, we constantly strive to minimize the energy consumption and maximize the output.

Energy Saving Measures implemented during 2018-19
• Replacement of high pressure compressors with energy efficient lower pressure compressors.
• Replacement of screw compressors with new centrifugal compressors.
• Replaced 36W & 28W conventional fluorescent tube fittings with 18W LED tube fittings.
• Reducing the speed of fans in Humidification plant.
• Installation of energy efficient pumps and motors in H-plant.
• Replacement of old/defective distribution 11KV/433V transformers.
• Laying of additional LT cables for reducing voltage drop.
• Installation of timer on LED fixtures on looms.
• Replacement of conventional tape with energy efficient ones in ring frame machines.
• Installation of VFDs at Fongs dyeing machines and suction fans of Ring Frames.
• Reducing compressed air requirement by eliminating leakage points.

Renewable Energy

Two major initiatives towards green energy undertaken by us are:

- **Biogas plants**

  For solid waste management and generation of energy from renewable sources, we have established Biogas plants with a total capacity of 7MT/day at two of our locations – Auro Textiles, Baddi and Vardhman Fabrics, Budhni. Altogether, both plants have a capacity to generate 120 kg/day of biogas from organic waste. This gas is put to use at canteens and mess facilities for cooking, while the residual is used as manure for horticulture.

- **Composting**

  The composting system set up at Ludhiana for kitchen waste generates manure and is used for management of green areas at our premises.

Solar Power

The ongoing project of installation of 8.75 MW of solar energy is expected to generate around 170 million KWh of green power. The installation of 7.5 MW ground mounted and 1.25 MW roof mounted solar panels will enhance the share of green energy in our energy mix. As of now, solar powered kitchen automation equipment has been installed in four of our units. Along with saving on LPG, we utilize solar energy in water heaters at several of our hostels and residential campuses.

Air

Climate change, emissions of greenhouse gases, depletion of ozone etc. are indicators of the deteriorating quality of air. As fashion industry is responsible for 10% of global greenhouse emissions, we execute our responsibility towards restricting emissions by enhancing the energy efficiency of our processes as well as investing in low-carbon technologies. Over the years, a focused drive to improve the efficiencies of our operations has resulted in managing emissions to a significant extent. Some major initiatives taken are:

- Reduction in GHGs: Practices are adopted to reduce the emission of greenhouse gases such as Methane, water vapour, Nitrous oxide etc.
- Sequestration: Trees, plants and other forms of vegetation play a great role in reducing the Carbon dioxide levels. For effective sequestration of Carbon dioxide, we promote afforestation, tree plantation and planting of any kind of vegetation. Saplings are distributed free of cost and development of green belt around our units is a regular practice.

Plantation of trees and developing green belt remains our focus every year. Not only we maintain green areas within our premises, but also take the responsibility of generating awareness in masses about the need of planting more and more trees. Our employees are equally inclined for the cause and we have, till date, planted over 4 lakh trees to combat air pollution.

Principle 3: Employee Well-being

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

1. Total number of employees. – 25,715 (including contractual manpower)
2. Total number of employees hired on temporary/ contractual/casual basis. - 3422
3. Number of permanent women employees. – 5393 (does not include 423 contractor female employees)
4. Number of permanent employees with disabilities- 31
5. Do you have an employee association that is recognized by management. – No
6. What percentage of your permanent employees is members of this recognized employee association? – N.A.
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

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

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
   - (a) Permanent Employees- 82.62%
   - (b) Permanent Women Employees- 86.98%
   - (c) Casual/Temporary/Contractual Employees- 85.78%
   - (d) Employees with Disabilities- 64.29%

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

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

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

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

Principle 4: Stakeholder Engagement

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

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

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

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

Principle 5: Human Rights

We subscribe fully to the basic tenets of human rights as defined in our Constitution. We adhere to the human rights principle of dignity of workforce regardless of the nation, location, language, religion, ethnic origin or any other status of an individual.

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

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

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

Principle 6: Protection and Restoration of the Environment

1. Vardhman has implemented stringent standards and policies for Environment, Health and Safety in all its manufacturing units.

2. Changes in climatic conditions, issues like global warming and degradation of environment owing to over exploitation of resources are threats to the existence of life on the planet. These challenges, however, are seen as opportunities to create sustainable products and manufacturing mechanisms at Vardhman. We invest heavily in developing future-ready technology and innovative solutions to minimize the strain textile industry puts on the environment. Alternative energy, optimum consumption and replenishment of natural resources are some of the initiatives to back our goal of sustainable development. A dedicated team has been deployed to devise and implement strategies to manage the environmental risks. In our endeavor to protect and restore environment, following steps have been initiated:

    a) Treatment of industry effluent : We have established independent ETPs in major units and at other units, the effluent is treated at CETPs.

    b) Zero Liquid discharge (ETP, RO, MEE) system is installed at one of our units to recycle all the treated water and make it fit for use in industry process.

    c) Sewage Treatment Plants have been installed for the treatment of domestic sewage at all the sites.

    d) Treated ETP and STP water is consumed in process, gardening and flushing.

    e) Disposal of hazardous solid waste generated at the units is done only through CPCB/SPCB authorized disposal facilities.

    f) Ground water recharge through Rainwater Harvesting Systems.

    g) Passing the boiler flue gases through filter bags, ESP's or scrubber units.

    These steps help in the reduction of raw water consumption, emission of greenhouse gases, generation of solid waste, effluent and other hazardous substances. Initiatives like these are effective in reducing the impact of industry on our natural resources and environment.

3. We accord first priority to the safety of human lives. Visitors as well as employees are given security instructions before entering the premises to ensure workplace safety and minimize the probability of accidents.

4. All the hazardous waste generated is stored and maintained as per the statutory requirement. Each unit has facilities for proper management of e-waste, spent oil and ETP sludge. The disposal of such waste is carried out through CPCB/SPCB authorized recyclers.

5. We have not registered ourselves under any project for Clean Development mechanism but have undertaken several initiatives at our own level for clean, eco-friendly and sustainable growth.

    Clean Technology: By decomposing food waste generated from colonies, canteens, hostels etc., we have been meeting our cooking gas requirements through bio-gas plants at two of our locations – Auro Textiles, Baddi and Vardhman Fabrics, Budhni. These plants are capable of generating 120 kg/day of bio-gas. Solar water heaters have been installed at our hostels and campuses while Solar Kitchen Automation equipment is being used for cooking in four of our units.

    Energy Conservation: Optimum utilization of resources as a principle is ingrained in all the processes at Vardhman. Energy conservation initiatives for reduction in power consumption and wastage, and increasing efficiency are at place.

    Reduction in water usage: Treatment of wastewater and its utilization in gardening, process activities, flushing etc. results in reduction in the amount of usage of fresh water. For a limited natural resource like fresh water, conservation is a primary responsibility of the human kind. We make our contribution by regular metering, monitoring and controlling its consumption at all our sites.

    Water Conservation: Our 52 Rainwater harvesting systems, ground water recharge initiatives and similar provisions allow us to conserve water. We have a capacity to recharge 1.75 million KL of water to the ground annually.

Reduction in Office waste: Our initiative to reduce waste generation at our offices include using jet hand dryers in washrooms to minimize usage of tissue rolls, printing on both sides of paper and generating awareness in employees to shift to paperless office model.

Reduce Food waste: Aaga system, an organic composter, is used to compost food waste from canteens, hostels and mess facilities. This compost is used as manure in the green belt development inside the premises.

Awareness Programs: To spread awareness about environmental protection measures, every year we celebrate Earth Day, Environment Day, Environment Week and Water Saving Week. The activities held during such programs include Tree Plantation, Drawing Competition, Slogan Competition, Speech Competition etc.

Plantations: Plantation drives are carried out every year by us. To increase the green area around our factories, we have till date planted about 4 lakh saplings in MP and HP region.

Environment and Safety Certifications: All units of the Company are ISO 14001:2015 and ISO 45001:2018 certified. The process of documentation and audit for upgrading OHSAS 18001:2007 to ISO 45001:2018 has since been initiated.

6. The emissions at our units are within the permissible limits of State and Central Pollution Control Boards.

7. Vardhman has not received any legal notices for causing any environmental issues. Company's EHS policy is available on the website at the link https://www.vardhman.com/user_files/investor/EHS%Policy.pdf

Principle 7: Responsible Advocacy

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

a. Confederation of Indian Industries (CII);

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

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

d. Confederation of Indian Textile Industry (CITI);

e. Texprocil

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

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

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

Principle 8: Supporting Inclusive Growth and Equitable Development

Through CSR (Corporate Social Responsibility) initiatives as well as an ingrained mechanism for sustainable development in core business activities, Vardhman supports the principles of inclusive growth and equitable development. The Company has in effect, a detailed CSR policy monitored by a CSR committee appointed by the Board of Directors. CSR initiatives at Vardhman are developed with a key emphasis on promoting education, offering advanced healthcare facilities, contributing to rural development, conservation of environment etc. The areas of emphasis are covered in Schedule VII of the Companies Act, 2013.

A number of CSR programs are pursued within close proximity to our units to enable supervision and maximize the impact of these developmental activities. While we equally participate in offering services for national causes, an emphasis is laid on ensuring that the intended effect of the initiatives taken is received. Programs under this principle are developed and executed by:

a) In-house teams

Our in-house teams remains vigilant and active for spreading awareness and coming into contact of small and marginalized farmers and local communities.

b) Trusts

Community development initiatives are performed by inducing trusts and organizations dedicated for the cause. Close monitoring for the optimum utilization of resources invested helps in ensuring positive outcome from such drives. In the state of Punjab, Gujarat, Himachal Pradesh and Madhya Pradesh, we have trusted members that carry out developmental activities as per the directions of the Board.

c) **Other organizations**

For healthcare, education and such other benefits to reach the masses, we collaborate with public and private organizations like hospitals, schools etc. These initiatives aim at presenting underprivileged sections of society with the right to quality healthcare facilities and opportunity to learn and grow.

Women Empowerment and the Right to Equal Opportunity

Offering an equal opportunity to women employees; allowing them to share the responsibility of development of the nation is critical to the working culture at Vardhman. We see women as a human resource that if utilized to its optimum potential can contribute a great deal to the development of nation and therefore, take initiatives to support women's participation in our workforce. However, bringing out women who never had a job before is not easy to come and requires tireless efforts. We reach out to them, counsel their families, offer favourable working conditions and healthy lifestyle in order to connect them to mainstream economy.

Impact Assessment

Vardhman, in order to ensure that the benefit of CSR initiatives reaches the people who need to be supported, internally performs an impact assessment at the end of each financial year. This assessment helps us in understanding the efficacy of the programs in terms of delivering desired benefits to the community and gaining insights for improving the design and impact of future initiatives.

Contribution in CSR (2018-19)

Area	Initiatives
Promoting Education	**Infrastructure**
	• To improve the school environment, existing infrastructure and facilitate learning, we offered financial aid for the construction of Vardhman Block with 12 classrooms and 2 toilets at Govt. Sr. Sec. School, Kasabad, Ludhiana. The total amount allotted for this ongoing project is ₹ 182 lakh. • With a similar intent, classrooms and toilets for Primary School, Bhattian-Khanna were constructed as the existing infrastructure was deemed unsafe by PWD. The project cost was ₹ 4 lakh. • Construction of another Vardhman Block was initiated at Govt. High School, Lohara, Ludhiana with 15 Classrooms & toilets. The amount allotted for this ongoing project is ₹ 194 lakh. • Another ongoing project is construction of 16 well-equipped classrooms and toilets along with requisite furniture to Govt. Excellence Higher Secondary School, Obedullaganj, Madhya Pradesh at a project cost of ₹ 275.25 lakh. • 100 student's desks in various Govt. Schools near Vardhman Fabrics, Budhni are being provided at a cost of ₹ 3.70 lakh. • In Sri Aurobindo Public School, Baddi, the parking is being refurbished and new Basket Ball & Badminton Courts along with a Library being constructed at a cost of ₹ 37.47 lakh. • At Government Middle School, Giaspura, Ludhiana, an investment of ₹ 2.5 Crores was made for the construction of classroom block with along with separate toilets for boys & girls. • Construction of 10 Classrooms & 2 Toilets at Government Senior Secondary School, Sekhewal involving a cost of ₹ 175 lakh.
	Primary Education
	• Financial aid of ₹ 20 lakh was provided to OELP (Organisation for Early Literacy Program) for implementation of Five Model Learning Centres in Govt. Primary Schools for demonstrating high quality classroom practice to teachers and students through exposure based training. • Nobel Foundation was provided with financial assistance of ₹ 5 lakh to provide primary education to the children living in slum areas.
	Differently Abled Children

Area	Initiatives
	• To encourage formal education and proper care of mentally challenged children, a sum of ₹ 5 lakh was granted to Nirdosh School, Ludhiana.
	Scholarships and Grants
	• The sponsorship of 4 students of Auro-Mira Vidya Mandir School, Kechla, Odisha was continued as an initiative to prevent the deserving students from droping out of studies owing to financial crisis. • As an appreciation and an attempt to promote classical music, a musical festival organised by the SAPTAK School of Music, Gujarat was sponsored.
	Summer Camp
	• Vardhman co-sponsored the Summer Camp of 300 students of Government Schools with an aim to develop skills in extra-curricular activities.
Promoting Sports	**Infrastructure**
	• To encourage Sports in the country, indoor Badminton Hall at police lines, Ludhiana is being constructed at a cost of ₹ 120 lakh.
	Sponsorships
	• Shooting World Cup organised by the National Rifle Association of India was sponsored with a contribution of ₹ 50 lakh. • Financial support was provided to the participant representing India in Kickboxing Championship held from 10- 19 May 2018 in Mexico.
Promoting Art and Culture	• With an aim to preserve the Heritage of Ludhiana city and promote cultural activities, a project for the construction and renovation of the Main Entrance of Guru Nanak Dev Bhawan at a cost of ₹ 23.5 lakh has been undertaken by the company.
	• A grant of ₹ 15 lakh was provided to organize a gathering of eminent authors and scholars at Bhopal Literature Festival.
	• Financial assistance of ₹ 1.5 lakh was provided to the Society for Culture and Environment, Chandigarh for organizing Military Literature Festival.
Promoting Livelihood	• Financial support of ₹ 7.5 lakh provided to Sri Aurobindo Ashram-Delhi to promote Organic farming in village Ramagarh Talla, District Nanital (Uttarakhand).
Rural Development	**Infrastructure**
	• Bus stops constructed at Budhni Bridge and Budhni - Rehti State Highway near Pilikarar Village, Budhni, Madhya Pradesh and to illuminate this State Highway, 25 Solar Street lights were installed at a total cost of ₹ 14 lakh.
	Drinking Water
	• Handpumps and Borewells installed in Devgaon, Pilikarar and Holipura villages of Budhni to provide safe drinking water at a cost of ₹ 7 lakh.
	Research and Development
	• For encouraging and promoting the cultivation of Extra Long Staple (ELS) cotton in Madhya Pradesh (M.P.) financial contribution of ₹ 10 lakh was made to the Cotton Collaborative Project of Confederation of Indian Textile Industry - Cotton Development & Research Association (CITI-CDRA) to conduct research on practices to increase the yield of ELS.
PM relief Fund	• Financial aid of ₹ 15 lakh for Rehabilitation of Kerala Flood victims was made through Prime Minister's National Relief Fund.

Area	Initiatives
Promoting Healthcare	**Medical Equipment**
	• Medical Equipment including echocardiography machine, Defibrillator and Colour Doppler ultrasound machine worth ₹ 75 lakh provided to Lord Mahavira Civil Hospital, Ludhiana. • Paediatric Auto Reflector Machine provided to Early Intervention Clinic J.P Hospital Bhopal, MP at a cost of ₹ 9.14 lakh. • Hasrat Haleema Charitable Hospital Malerkotla provided with Digital X-Ray Machine, Defibrillator and Cell Counter at a cost of ₹ 18 lakh. • In order to support the Neurosurgery Department of Christian Medical College (CMC), Ludhiana, installation of sophisticated brain surgery equipment and upgradation of the ICU in Neurosurgery Department was carried out involving a total cost of ₹ 3 Crores.
	Infrastructure
	• Provided OTIS elevator at a cost of ₹ 12 lakh to Shree Durga Mata Charitable Dispensary, Ludhiana. • Basic amenities like furniture, fan, benches, were provided and toilets etc. were constructed in Government Ayurvedic Hospital, Mandideep at a cost of ₹ 8 lakh. • District (Govt.) Hospital, Hoshangabad, Budhni, MP provided with equipment worth ₹ 41 lakh
	Equipment and Infrastructure
	Infrastructural enhancement project undertaken at St. Joseph Hospital, Hoshangabad, Budhni, MP, at a cost of ₹ 75 lakh involving - • Construction of Canteen, Toilets etc. • Waiting area for Patients & Attendants • Ambulance • Two Paediatric Ventilators
	Health Check-up Camps
	• Organized medical health check-up camps in 5 nearby villages of Budhni.
	Grants
	• Grant of ₹ 25 lakh was provided to Digestive Disease Care Foundation (DDCF), a registered non-profit voluntary organisation set up to eradicate Hepatitis B & C among BPL families. • Grant of ₹ 25 lakh provided to Haematology Department of CMC, Ludhiana for Cancer Treatment of financially weaker section of society. • Financial support of ₹ 50 thousand provided to Red Cross Society, Nalagarh, Baddi for Trauma Patients.
Protecting Environment	• Financial assistance of ₹ 2 lakh was provided to a farmer Sardar Gurbachan Singh of Tarn Taran Village, to make the villagers aware about the environmental impact of burning crop stubbles and discontinuing this hazardous practice.
Environmental Sustainability	• An initiative to enhance the aesthetics of approach road and develop a green belt at Baddi, HP was undertaken at a cost of ₹ 39.38 lakh.

At all our units, we strive to continuously engage with surrounding communities and offer aid by understanding the problems being faced. Regular meetings and surveys are carried out to gauge the needs, priorities and expectations of local community. Initiatives to be adopted are designed and delivered in a transparent manner, considering the inputs from the residents of the locality.

The Company's CSR policy is available online on its website at the following link: https://www.vardhman.com/investor-desk#!company_information with the title '**Policies-CSR and Amended CSR Policy 11.03.2016**'

Principle 9: Providing Value to Customers and Consumers

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

We take care of the expectations of our customers as well as other stakeholders. We implement practices to safeguard our environment and society. We consistently work to improve customer satisfaction and deliver value proactively by anticipating changes in customer's needs.

1. Pending customer complaints at the end of the financial year were of a routine nature and constituted 2-3 % for yarn and fabric business.

2. We disclose all the information on our labels in compliance with the legal requirements so as to enable customers to make an informed decision.

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

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

Directors' Report

Dear Members,

The Directors of your Company have pleasure in presenting their 46th Annual Report of the business and operations of the Company along with the Audited Financial Statements for the year ended 31st March, 2019.

1. FINANCIAL RESULTS:

The financial performance of your Company for the year ended 31st March, 2019 is as under:-

(₹ in crore)

Particulars	STANDALONE		CONSOLIDATED	
	2018-19	2017-18	2018-19	2017-18
Revenue from operations (Net)	6,414.58	5,851.37	6,877.92	6,248.27
Other Income	218.20	185.06	222.72	197.35
Profit before Depreciation, Interest & Tax (PBDIT)	1,349.72	1,043.62	1,432.41	1,117.82
Interest and Financial expenses	117.84	114.32	119.65	118.19
Profit before Depreciation and Tax (PBDT)	1,231.88	929.30	1,312.76	999.63
Depreciation	241.48	228.55	254.02	240.00
Profit before Tax (PBT)	990.40	700.75	1,058.74	759.63
Provision for Tax - Current	242.91	147.58	264.01	165.01
- Deferred Tax (Net of Adjustment)	51.61	7.41	54.18	2.18
Profit after tax (PAT)	695.88	545.76	740.55	592.44
Other Comprehensive Income	0.19	1.70	(0.56)	1.60
Total Comprehensive Income for the period	696.07	547.46	739.99	594.04
Earnings per share (₹)				
- Basic	121.13	96.41	129.45	106.56
- Diluted	119.97	95.45	128.19	105.48

2. Financial Analysis and Review of Operations:

Production & Sales Review:

During the year under review, your Company has registered Revenue from Operations of ₹ 6,414.58 crore as compared to ₹ 5,851.37 crore in the previous year. The export of the Company (FOB value) increased from ₹ 2,211.43 crore to ₹ 2,539.71 crore showing an increase of 14.84% over the previous year. The business wise performance is as under:-

a) Yarn:

The production of Yarn increased marginally from 2,04,091 MT to 2,04,729 MT during the year 2018-19.

b) Fabric:

During the year, the production of grey fabric increased from 175.24 million meter to 188.34 million meter. The production of processed fabric increased from 122.55 million meter to 130.96 million meter.

STANDALONE:

Profitability:

The Company earned profit before depreciation, interest and tax of ₹ 1,349.72 crore as against ₹ 1,043.62 crore in the previous year. After providing for depreciation of ₹ 241.48 crore (Previous Year ₹ 228.55 crore), interest of ₹ 117.84 crore (Previous Year ₹ 114.32 crore), provision for current tax of ₹ 242.91 crore (Previous Year ₹ 147.58 crore), deferred tax (net of adjustments) of ₹ 51.61 crore (Previous Year ₹ 7.41 crore), the net profit from operations after comprehensive income worked out to ₹ 696.07 crore as compared to ₹ 547.47 crore in the previous year.

The balance available for appropriation after adding balance in surplus account is ₹ 3,854.47 crore. Out of this, a sum of ₹ 86.17 crore and ₹ 13.32 crore has been utilised towards dividend and corporate dividend tax thereon respectively and an amount of ₹ 31.87 crore has been transferred to Debenture Redemption Reserve and a sum of ₹ 3,723.12 crore is proposed to be carried as surplus to the Balance sheet.

Resources Utilisation:

a) **Fixed Assets:**

The Net Block as at 31st March, 2019 was ₹ 3,058.84 crore as compared to ₹ 2,506.77 crore in the previous year.

b) **Current Assets:**

The current assets as on 31st March, 2019 were ₹ 4,192.38 crore as against ₹ 4,201.33 crore in the previous year. Inventory level was at ₹ 2,442.13 crore as compared to the previous year level of ₹ 2,116.51 crore.

CONSOLIDATED:

Profitability:

The Company earned profit before depreciation, interest and tax of ₹ 1,432.41 crore as against ₹ 1,117.82 crore in the previous year. After providing for depreciation of ₹ 254.02 crore (Previous Year ₹ 240.00 crore), interest of ₹ 119.65 crore (Previous Year ₹ 118.19 crore), provision for current tax of ₹ 264.01 crore (Previous Year ₹ 165.01 crore), deferred tax (net of adjustments) of ₹ 54.18 crore [Previous Year ₹ 2.18 crore], the net profit from operations after comprehensive income worked out to ₹ 739.99 crore as compared to ₹ 594.04 crore in the previous year.

The balance available for appropriation after adding balance in surplus account is ₹ 4,079.64 crore. Out of this, a sum of ₹ 84.67 crore and ₹ 18.67 crore has been utilised towards dividend and corporate dividend tax thereon respectively, an amount of ₹ 31.87 crore and ₹ 0.90 crore has been transferred to Debenture Redemption Reserve and Statutory Reserve respectively, a balance of ₹ 3,943.53 crore is proposed to be carried as surplus to the Balance sheet.

Resources Utilisation:

a) **Fixed Assets:**

The Net Block as at 31st March, 2019 was ₹ 3,188.59 crore as compared to ₹ 2,618.40 crore in the previous year.

b) **Current Assets:**

The current assets as on 31st March, 2019 were ₹ 4,680.99 crore as against ₹ 4,545.60 crore in the previous year. Inventory level was at ₹ 2,610.25 crore as compared to the previous year level of ₹ 2,256.64 crore.

FINANCIAL CONDITIONS & LIQUIDITY:

The Company enjoys a rating of "AA+/Stable" from Credit Rating Information Services of India (CRISIL) for long term borrowings and "A1+" for short term borrowings respectively. Management believes that the Company's liquidity and capital resources should be sufficient to meet its expected working capital needs and other anticipated cash requirements. The position of liquidity and capital resources of the Company is given below:-

(₹ in crore)

Particulars	2018-19	2017-18
Cash and Cash equivalents:		
Beginning of the year	65.20	38.22
End of the year	37.43	65.20
Net cash provided (used) by:		
Operating Activities	446.65	90.05
Investing Activities	(226.93)	(160.14)
Financial Activities	(247.49)	97.07

3. Management Discussion and Analysis Report:

Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34(2)

(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of this Annual Report.

4. Dividend:

The Board of Directors in its meeting held on 9th May, 2019 has recommended dividend of ₹ 17.50/- per share on the fully paid up Equity Shares of the Company.

5. Investor Education and Protection Fund (IEPF):

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government after the completion of seven years from the date of transfer to the Unpaid Dividend Account of the Company. The shareholders whose dividends have been transferred to the the IEPF Authority can claim their dividend from the Authority. The unclaimed or unpaid dividend relating to the financial year 2011-12 is due for remittance in the month of October, 2019. to Investor Education and Protection Fund established by the Central Government.

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

The details of these shares is also provided on the website of the Company at www.vardhman.com.

6. Consolidated Financial Statement:

In accordance with the Companies Act, 2013 & Indian Accounting Standards (Ind AS) 110 on 'Consolidated Financial Statements' read with Ind AS 111 on 'Joint Arrangements' and Ind AS 112 on 'Disclosure of Interest in other entities', the Audited Consolidated Financial Statements are provided in the Annual Report.

7. Subsidiaries, Joint Ventures and Associate Companies:

The Company does not have any material subsidiary. The details of the financials of the subsidiary and associate companies for the year 2018-19 are as follows:-

VMT Spinning Company Limited (VMT)

This 100% subsidiary of your Company is engaged in the business of manufacturing cotton and blended yarn. During the Financial Year 2018-19, VMT recorded Revenue from operations of ₹ 232.89 crore against ₹ 223.74 crore in the previous year. The Net Profit of the Company after comprehensive income worked out to ₹ 18.52 crore as compared to ₹ 1.78 crore in the previous year.

VTL Investments Limited (VTL)

This 100% subsidiary of your Company is engaged in the business of investment. The earnings of the company mainly comes from the dividend/interest earned on its investments and profits made on sale of investments. During the Financial Year 2018-19, VTL recorded Revenue from operations of ₹ 5.88 crore against ₹ 11.13 crore in the previous year. The Net Profit of the company worked out to ₹ 4.49 crore as compared to ₹ 10.24 crore during the previous year.

Vardhman Acrylics Limited (VAL)

This subsidiary of the Company is engaged in the business of manufacturing of Acrylic Fibre. Presently, the Company holds 70.74% shares in this subsidiary. During the Financial Year 2018-19, VAL recorded Revenue from operations of ₹ 391.97 crore against ₹ 326.97 crore in the previous year. The Net Profit of the Company after comprehensive income worked out to ₹ 33.65 crore as compared to ₹ 38.47 crore in the previous year.

Vardhman Nisshinbo Garments Company Limited (VNGL)

This subsidiary of the Company was a Joint Venture with Nisshinbo Textiles Inc., Japan for manufacturing men's shirts. During the year, your Company purchased the entire stake of its Joint Venture partners i.e. 49%. As such VNGL became a 100% subsidiary of the Company w.e.f. 23rd January, 2019. The Revenue from operations of the Company was ₹ 72.54 crore as compared to ₹ 59.81 crore in the previous year. The Company earned a Net profit of ₹ 1.29 crore as against ₹ 0.34 crore in the previous year.

Vardhman Yarns and Threads Limited (VYTL)

Vardhman Yarns and Threads Limited, Joint Venture with American & Efird Global, LLC (A&E), is an Associate of the Company. It is engaged in the business of threads manufacturing and distribution. Presently, the Company holds 11% stake in VYTL. A&E is the second largest player in threads manufacturing and distribution across the world. During the year under review, the Revenue from Operations were ₹ 851.13 crore as against ₹ 812.84 crore in the previous year registering an increase of 4.71%. The Net Profit for the year after comprehensive income worked out to ₹ 84.61 crore as compared to ₹ 84.43 crore during last year registering an increase of 0.21%.

Vardhman Special Steels Limited

Vardhman Special Steels Limited (VSSL) is an Associate of the Company. The Company holds 27.15% shares of VSSL. During the year, the Revenue from Operations of the company was ₹ 1,120.78 crore as compared to ₹ 877.89 crore in the previous year. The Net Profit for the year after comprehensive income worked out to ₹ 22.02 crore as compared to ₹ 24.74 crore in the previous year.

Vardhman Spinning & General Mills Limited

Vardhman Spinning & General Mills Limited (VSGM) is an Associate Company of the Company. The Company holds 50% shares of VSGM. It is a trading Company dealing in the business of Cotton and Fibre. During the year, the Company has not traded any goods. The Company has a total Income of ₹ 1.70 lakhs as against ₹ 0.65 lakhs in the previous year.

8. Directors:

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

Independent Directors: Mr. Prafull Anubhai, Dr. Subash Khanchand Bijlani and Mr. Ashok Kumar Kundra, were appointed as Independent Directors of the Company by the Members in their Annual General Meeting held on 24th September, 2014 for a term of consecutive five years till the conclusion of 46th Annual General Meeting. Since their term expires at the ensuring Annual General Meeting, the Board of Directors in its meeting held on 9th May, 2019 recommended their re-appointment for the consideration of the Members of the Company at the ensuring Annual General Meeting for a term of five consecutive years in case of Mr. Prafull Anubhai and three consecutive years in case of Dr. Subash Khanchand Bijlani and Mr. Ashok Kumar Kundra.

Additional Director: During the year, Mrs. Harpreet Kaur Kang was appointed as an Additional Director of the Company w.e.f. 6th February, 2019.

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 which includes the criteria for determining qualifications, positive attributes, independence of a director and other matters as provided under Section 178(3) of the Companies Act, 2013.

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

Familiarization programmes for Board Members:

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

The Familiarization Programme for Board members may be accessed on the Company's website at the link: https://www.vardhman.com/user_files/investor/familarisation.pdf

Annual Evaluation of the Board Performance:

The meeting of Independent Directors of the Company for the calendar year 2018 was held on 12th November, 2018 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.

9. Key Managerial Personnel (KMP):

In compliance with provisions of Section 203 of the Companies Act, 2013, following are the KMPs of the Company as on 31st March, 2019:

S.No.	Name	Designation
1.	S.P. Oswal	Chairman & Managing Director
2.	Rajeev Thapar	Chief Financial Officer
3.	Sanjay Gupta	Company Secretary

10. Number of Board Meetings:

During the year under review, the Board met seven (7) times and the intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013. The details of Board Meeting are set out in Corporate Governance Report which forms part of this Annual Report.

11. Auditors and Auditors Report:

Statutory Auditors:

At the Annual General Meeting held on 22nd September, 2017, Deloitte Haskins & Sells, LLP, Chartered Accountants (Firm registration No. 117366W/W-100018) ('Deloitte') were appointed as Statutory Auditors of the Company to hold office till the conclusion of 49th Annual General Meeting of the Company.

Further, the Statutory Auditors of the Company have submitted Auditors' Report on the accounts of the Company for the accounting year ended 31st March, 2019.

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 its meeting held on 12th May, 2018 for the financial year 2018-19.

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, 2019. This Report is self-explanatory and requires no comments. The Report forms part of this report as **Annexure II**.

Cost Auditor:

The Company is maintaining the Cost Records, as specified by the Central Government under section 148(1) of Companies Act, 2013.

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 2019-20. However, as per the 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 2019-20 is placed for ratification by the Members.

12. Audit Committee & Vigil Mechanism:

Composition of Audit Committee:

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

Vigil Mechanism:

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

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

The Policy on Vigil Mechanism and whistle blower policy as approved by the Board may be accessed on the Company's website at the link: https://www.vardhman.com/user_files/Investor/20b9bcdbd2cc01fde3e8e7d392d93573769de1941436265078.pdf

13. Corporate Governance:

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

14. Corporate Social Responsibility (CSR):

Vision & Core areas of CSR: Your Company is committed to and fully aware of its Corporate Social Responsibility (CSR), the guidelines in respect of which were more clearly laid down in the Companies Act, 2013. The Company's vision on CSR is that the Company being a responsible Corporate Citizen would continue to make a serious endeavor for a quality value addition and constructive contribution in building a healthy and better society through its CSR related initiatives and focus on education, environment, health care and other social causes.

CSR Policy: The Corporate Social Responsibility (CSR) Policy of the Company indicating the activities to be undertaken by the Company, as approved by the Board, may be accessed on the Company's website at the link: https://www.vardhman.com/user_files/investor/d622b1cc8d626fabfcecf09e145cb1b4e9f4884761436264563.pdf

During the year, the Company has spent ₹ 12.21 crore on CSR activities.

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

15. Business Responsibility Report (BRR):

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

16. Dividend Distribution Policy (DDP):

As per Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the top 500 listed companies are required to formulate a DDP. Accordingly, a DDP was adopted to set out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company. The policy is enclosed as **Annexure IV** to the Board's report and is also available on the Company's website at the link: https://www.vardhman.com/user_files/investor/Dividend%20Policy.pdf

17. Risk Management:

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

The Risk Management policy may be accessed on the Company's website at the link: http://www.vardhman.com/user_files/a4c0a8b00e407cd507553ea7db7f06e89de1272a1436265025.pdf.

18. Internal Financial Controls:

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

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

19. Particulars of Contracts or Arrangements made with Related Parties:

All contracts/arrangements/transactions entered into by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable .

The Policy on dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: https://www.vardhman.com/user_files/investor/96c45534e3ab096d9bc682f8eebade0344f915151436264609.pdf.

Your Directors draw attention of the members to Note 46 to the standalone financial statement which sets out related party disclosures.

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

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

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

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

22. Annual Return:

Pursuant to the provisions of Section 134(3)(a) of Companies Act, 2013, the web address of the Annual Return of the Company is https://www.vardhman.com/user_files/investor/MGT-9%202018-19.pdf

23. Human Resources /Industrial Relations:

Human resource is considered as the most valuable of all resources available to the Company. The Company continues to lay emphasis on building and sustaining an excellent organization climate based on human performance. The Management has been continuously endeavoring to build high performance culture on one hand and amiable work environment on the other hand. As on 31st March, 2019, the Company employed around 19,308 employees on permanent rolls.

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

24. Particulars of Employees and Related Disclosures:

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

A statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in Rule 5 (2) and 5 (3) 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 the 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**.

25. Material Changes and Commitment, if any, Affecting the Financial Position of the Company occurred between the end of the Financial Year to which this Financial Statements relate and the date of the report:

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

26. 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, 2019 and of the profit of the Company for the year ended on 31st March, 2019;

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

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

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

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

27. General Disclosures:

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

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

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

3. Significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

4. Change in nature of Business of Company.

5. No fraud has been reported by the Auditors to the Audit Committee or the Board.

6. There is no Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016.

   Further, your Directors state that the Company has complied with the provisions relating to constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and there was no complaint filed under the said Act.

28. Vardhman Textiles Limited Employee Stock Option Plan, 2016:

The Company has granted options to its employees under Vardhman Textiles Limited Employee Stock Options Plan, 2016 (hereinafter referred as ESOP Plan). As per the terms of the plan, the Company can grant a maximum of 6,36,518 options to eligible employees from time to time. One option entitles the holder to apply for one equity share of the Company in terms of ESOP Plan. During the financial year 2018-19, 37,900 equity shares were alloted to the eligible employees. So, the paid up equity share capital of the Company stood increased to ₹ 57,47,81,600 as on 31st March, 2019.

The ESOP Plan of the Company is being implemented in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014 and the resolution passed by the shareholders approving the said plan. A certificate received from the Auditors of the Company in this regard would be available at the Annual General Meeting for the inspection by the Members.

The details as required to be disclosed are put on the Company's website and may be accessed at https://www.vardhman.com/user_files/investor/ESOP%20Disclosure%202018-19.pdf

29. Acknowledgement:

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

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

FOR AND ON BEHALF OF THE BOARD

Place : Ludhiana
Dated : 09.05.2019

(S.P. Oswal)
Chairman & Managing Director

Index of Annexures

(Forming part of Board Report)

Annexure No.	Particulars
I	Nomination & Remuneration Policy approved by the Board.
II	Secretarial Audit Report in form no. MR-3 for FY 2018-19.
III	CSR Activities – Annual Report FY 2018-19.
IV	Dividend Distribution Policy.
V	Conservation of energy, technology absorption, foreign exchange earnings and outgo.
VI	Particulars of employees and related disclosures.

Annexures to the Directors' Report

ANNEXURE- I

Nomination & Remuneration Policy of the Company:

1. Preface:

In terms of the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, this policy on Nomination and Remuneration of Directors and Senior Management has been formulated by the Committee and approved by the Board of Directors in their meeting held on 7th August, 2014.

Upon the recommendations of Nomination and Remuneration Committee, the Board of Directors of 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:-

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

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

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

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

e) To devise a policy on Board diversity.

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- II

FORM MR-3

Secretarial Audit Report

For the Financial Year Ended 31st March, 2019

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

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

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Vardhman Textiles Limited ("the Company") for the financial year ended on 31st March, 2019 according to the provisions of:

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

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

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings

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

(a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

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

(d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- Not Applicable during the Audit period;

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

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

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents)

Regulations, 1993 regarding the Companies Act and dealing with client;

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

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- Not Applicable during Audit Period

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

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

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

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act (if any).

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 member's views are captured and recorded as part of the minutes if any.

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 company has not taken any decision/action which having a major bearing on the company's affairs in pursuance of the above referred laws, rules regulations, guidelines, standards etc. referred to above

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

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

Place: Ludhiana
Date: 08.05.2019

LIST OF LABOUR LAWS AND ENVIRONMENTAL LAWS WHICH HAVE BEEN VERIFIED DURING AUDIT PERIOD

List of Labour Laws

Factories Act, 1948

Industrial Disputes Act, 1947

The Payment of Wages Act, 1936

The Minimum Wages Act, 1948

Employee's State Insurance Act, 1948

The Payment of Bonus Act, 1972

The Contract Labour (Regulation and Abolition) Act, 1970

The Apprentices Act, 1961

List of Environmental Laws

Environment (Protection) Act, 1986

The Public Liability Insurance Act, 1991

Water (Prevention and Control of Pollution) Act, 1974

Air (Prevention and Control of Pollution) Act, 1981

Hazardous Waste (Management, Handling and Trans boundary Movements) Rules, 2008

Annexure:-A

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

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

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

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

Place: Ludhiana
Date: 08.05.2019

ANNEXURE- III

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2018-19:

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	₹ 941.69 crore
4.	Prescribed CSR Expenditure	₹ 18.83 crore
5.	**Details of CSR spent during the year:**	
	Total amount spent for the financial year	₹ 12.21* crore
	Amount unspent, if any	₹ 13.12 crore for the year 2018-19
	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 ₹ 12.21* crore in the Financial year 2018-19 on activities as provided in Annexure A. Out of unspent amount of ₹ 13.12 crore for F.Y. 2018-19, an amount of ₹ 8.27 crore will be spent on the ongoing projects over a period of time. The balance unspent amount of ₹ 4.85 crore will be spent on certain identified projects to be considered for approval by the CSR Committee in its next meeting.
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

*includes an amount of Rs. 6.50 crores spent against CSR projects for FY 2015-16.

Annexure:-A

Annual Report on Corporate Social Responsibility (CSR) activities for financial year 2018-19

SL. No.	CSR Project or activity identified	Projects or programs 1. Local area or other 2. Specify the state and district where project or program was undertaken	Amount outlay (Budget) project or program wise	Amount spent on the projects or programs subheads — Direct Expenditure on Projects/ Programs (including overheads)	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency
A)	**Promoting Education**					
	Construction of classroom block, toilets including furniture and other facilities to Government School Kasabad, Lohara, Bhattian and Giaspura at Ludhiana.	Ludhiana, Punjab	601.36	182.18	316.76	Through implementing agency
	Construction of classroom block, toilets including furniture and other facilities to Government School Obedullaganj and Govt. Middle School Patel Nagar, Mandideep.	Raisen, MP	324.13	49.25	96.52	Through implementing agency
	Provided financial assistance to OELP (Organisation for Early Literacy Program) for implementation of five Model Learning Centres in Govt. primary schools for demonstrating high quality classroom practice to teachers, education workers and students through exposure based training.	Ajmer, Rajasthan	20	4.96	4.96	Direct
	Provided financial assistance to Nirdosh School working for the mentally challenged children in Ludhiana.	Ludhiana, Punjab	5	5	5	Direct
	Provided financial assistance to the Nobel Foundation providing primary education to the children living in the slum areas in Ludhiana.	Ludhiana, Punjab	5	5	5	Direct
	Provided financial assistance for sponsorship to SAPTAK Musical Festival organised by the SAPTAK SCHOOL OF MUSIC, Gujarat.	Ahemdabad, Gujarat	3	3	3	Direct
	Sponsoring education fees for four Students of Auro-Mira Vidya Mandir School, Kechla, Odisha.	Koraput, Orisha	1.34	1.34	1.34	Direct
	Provided financial assisstance to Sri Aurobindo Public School, Budhni, MP.	Sehore, MP	59.9	30	30	Direct
	Provided basic amenities such as computer systems, student desks, teaching material and also construted toilets in various Govt. Schools of Malerkotla region.	Sangrur, Punjab	17.44	5.32	16.49	Through implementing agency
	Contruction of boundary wall, toilets, Kitchen shed, activity hall and other basic facilities in various Government Schools of Budhni region, MP.	Sehore, MP	55.91	23.83	23.83	Through implementing agency
	Contruction of classroms, toilets, handwashing area and other basic facilities in various Government Schools of Baddi region, HP	Solan, HP	107.29	6.51	71.91	Through implementing agency
	Construction of classroom block with separate toilets for boys & girls. (rooms also include a science lab & a computer lab) at Government High School, Giaspura, Ludhiana.	Ludhiana, Punjab*	250	251.35	251.35	Through implementing agency
	Construction of Classrooms & Toilets at Government Senior Secondary School at Sekhewal, Ludhiana.	Ludhiana, Punjab*	75	76.35	76.35	Through implementing agency

Annexure:-A

Annual Report on Corporate Social Responsibility (CSR) activities for financial year 2018-19 (Contd..)

SL. No.	CSR Project or activity identified	Projects or programs 1. Local area or other 2. Specify the state and district where project or program was undertaken	Amount outlay (Budget) project or program wise	Amount spent on the projects or programs subheads	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency
			Direct Expenditure on Projects/ Programs (including overheads)			
B)	**Healthcare**					
	Provided medical equipments to Civil Hospital, Ludhiana and to Shri Durga Mata Charitable Hospital, for improving healthcare facilities.	Ludhiana, Punjab	87	72.09	72.09	Through implementing agency
	Provided financial assisstance to fund created for treatment of poor patients suffering from cancer in Christian Medical College & Hospital, Ludhiana.	Ludhiana, Punjab	25	25.66	25.66	Direct
	Provided financial assisstance to the Neurosurgery Department of Christian Medical College & Hospital (CMC), Ludhiana through: 1) purchase of State of the art equipment for sophisticated brain surgeries, 2) Upgradation of the ICU in the Neurosurgery Department.	Ludhiana, Punjab*	300	300	300	Direct
	Grant to Digestive Disease Care Foundation (DDCF), a registered non-profit voluntary organisation set up to eradicate Hepatitis B & C among Below Poverty Line (BPL) families.	Ludhiana, Punjab*	25	25	25	Direct
	Provided medical equipments to Hajrat Haleema Charitable Hospital and Civil Hospital, Malerkotla, for improving healthcare facilites.	Sangrur, Punjab	61.10	3.53	35.60	Through implementing agency
	Construcion of hospital canteen, toilets and boundary wall and also provided two paediatric ventilators and an Ambulance to St. Joseph Hospital, Hoshangabad, MP.	Hoshangabad, MP	75.00	17.56	17.56	Through implementing agency
	Provided medical equipments and other facilites such as Mechanized Kitchen, Laundry Services, Auto Analyser & Stretchers to District (Govt.) Hospital, Hoshangabad, MP.	Hoshangabad, MP	41.00	11.56	11.56	Through implementing agency
	Provided medical equipments and other basic amenities like furniture, fans, benches and construction of toilets in Govt. Ayurvedic Hospital, Mandideep.	Raisen, MP	8.00	5.83	5.83	Through implementing agency
	Organised Health check-up camp for villagers of nearby villages of Mandideep.	Raisen, MP	3.44	3.28	3.28	Through implementing agency
	Provided Paediatric Auto Reflector Machine to Early Intervention Clinic, J.P Hospital Bhopal, MP.	Bhopal, MP	9.14	3.65	3.65	Through implementing agency
	Provided medical equipment to Govt. Hospital (FRU) Nalagarh & Community Health Centre, Baddi, HP.	Solan, HP	35.00	5.35	30.29	Through implementing agency

Annexure:-A

Annual Report on Corporate Social Responsibility (CSR) activities for financial year 2018-19 (Contd..)

SL. No.	CSR Project or activity identified	Projects or programs 1. Local area or other 2. Specify the state and district where project or program was undertaken	Amount outlay (Budget) project or program wise	Amount spent on the projects or programs subheads	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency
			Direct Expenditure on Projects/Programs (including overheads)			
C)	**Promoting Nationally Recognised Sports**					
	Supported Kabaddi Association of Baddi to promote nationally recognised sports.	Solan, HP	0.70	0.70	0.70	Through implementing agency
	Provided financial assistance for sponsorship of Shooting World Cup organised by the National Rifle Association of India.	Delhi	50.00	50.00	50.00	Direct
	Construction of Indoor Badminton Hall at police lines, to promote sports spirit among youth of Ludhiana.	Ludhiana, Punjab	120.00	0.13	0.13	Through implementing agency
D)	**Promoting Art & Culture**					
	Construction and renovation of Guru Nanak Dev Bhawan- Main Entrance Gate, Ludhiana.	Ludhiana, Punjab	23.50	1.51	1.51	Through implementing agency
	Supported Bhopal Literature Festival to promote local art and cultutre in the society.	Bhopal, MP	15.00	8.41	8.41	Through implementing agency
E)	**Environment**					
	Planted trees and developed a green belt on AKVN Land near Vardhman Yarns, Satlapur.	Raisen, MP	27.60	2.06	24.24	Through implementing agency
	Planted trees and other plants on road sides including cleaning, dressing and landscaping of area in Baddi, HP.	Solan, HP	39.38	5.59	5.59	Through implementing agency
	Supported villagers of Rangarh Talla, District Nainital to promote organic farming.	Nainital, Uttrakhand	7.50	7.50	7.50	Direct
F)	**Rural Development**					
	Provided safe drinking water to villagers by installing Handpumps and borewell. Also provided solar lights in villages Devgoan, Pilikarar & Holipur, Budhni.	Sehore, MP	22.00	3.08	13.56	Through implementing agency

Annexure:-A

Annual Report on Corporate Social Responsibility (CSR) activities for financial year 2018-19 (Contd..)

SL. No.	CSR Project or activity identified	Projects or programs 1. Local area or other 2. Specify the state and district where project or program was undertaken	Amount outlay (Budget) project or program wise	Amount spent on the projects or programs subheads	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency
			Direct Expenditure on Projects/Programs (including overheads)			
	Contribution to Cotton Collaborative Project of Confederation of Indian Textile Industry - Cotton Development & Research Association (CITI-CDRA) for promoting Extra Long Staple (ELS) cotton in Madhya Pradesh (M.P.).	Bhopal, MP	10.00	10.00	10.00	Direct
G)	**Prime Minister's Relief Fund**					
	Donation to Prime Minister's Relief Fund for the Rehabilitation of Kerala Flood victims.	Kerala	15.00	15.00	15.00	Direct
	Total		**2525.73**	**1221.58**	**1569.67**	

* These amounts have been spent against projects for FY 2015-16.

ANNEXURE- B

Responsibility Statement

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

Date: 8th May, 2019
Place: Ludhiana

S.P Oswal
Chairman & Managing Director

A.K. Kundra
Chairman of CSR Committee

ANNEXURE- IV

Dividend Distribution Policy

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

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

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

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

A. Parameters for Declaration of Dividend

1. Internal / Financial Factors:

1.1. Expansion plans

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

1.2 Cost of borrowings

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

1.3 Operating cash flow of the Company

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

1.4 Return on invested capital

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

1.5 Corporate Actions

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

2. External Factors:

2.1 Macroeconomic conditions

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

2.2 Statutory Compulsions

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

B. Utilisation of Retained Earnings

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

C. Parameters for Various Classes of Shares

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

D. Periodic Review

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

E. Disclosure of Policy

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

ANNEXURE- V

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

Steps taken for Conservation of Energy:

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

Consequent to the Energy Conservation measures taken, the Company was able to save 66.94 lac KWH units of electricity thereby making a saving of ₹ 4.05 crore during the financial year 2018-19.

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 crore)

Particulars	(2018-19)	(2017-18)
Capital	5.04	6.29
Recurring	0.79	0.85
Total	5.83	7.14
Total R & D expenditure as a Percentage of Turnover	0.09%	0.12%

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 three 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:

- Export of yarns diversified into new Products & Markets with continuous growth.
- Continuous focus on export of Value Added Products.
- Continuously enhanced the sale of more environment friendly yarns.

Total Foreign Exchange earned and used:

(₹ in crore)

Particulars	(2018-19)	(2017-18)
a) Earnings (FOB value of Exports, commission earned)	2,539.71	2,211.43
b) Outgo (CIF value of Imports and expenditure in foreign currency)	797.42	811.71

ANNEXURE- VI

Particulars of employees and related disclosures:

Details pertaining to remuneration as required under section 197(12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 are as under:

Sr. No.	Name of Director/ KMP and Designation	Remuneration for Directors/ KMP for the Financial Year 2018-19 (Amount in ₹)	% Increase in Remuneration in the Financial Year 2018-19	Ratio of Remuneration of each Director/ KMP to Median Remuneration of Employees
1.	S.P. Oswal Chairman & Managing Director	18,83,24,674	24.01	537.30
2.	Suchita Jain Vice- Chairperson & Joint Managing Director	1,85,34,315	10.46	52.88
3.	Neeraj Jain Joint Managing Director	1,78,62,392	7.55	50.96
4.	Sachit Jain* Non- Executive Non- Independent Director	16,14,403	N.A.	4.61
5.	D.L. Sharma Non- Executive Non- Independent Director	-	-	-
6.	Prafull Anubhai Non- Executive Independent Director	5,15,000	35.53	1.47
7.	A.K. Kundra Non-Executive Independent Director	6,65,000	33.00	1.90
8.	D.B. Jain Non-Executive Independent Director	3,95,000	51.92	1.13
9.	R.M. Malla Non-Executive Independent Director	2,75,000	61.76	0.78
10.	S.K. Bijlani Non-Executive Independent Director	2,35,000	-7.84	0.67
11.	Parampal Singh** Non-Executive Independent Director	2,40,000	N.A.	0.68
12.	Harpreet Kaur Kang*** Additional Director	35,000	-	0.10
13.	Rajeev Thapar Chief Financial Officer	61,48,831	8.95	17.54
14.	Sanjay Gupta**** Company Secretary	19,08,524	N.A.	5.44

Note:

* Mr. Sachit Jain resigned from the post of Joint Managing Director of the Company w.e.f. 12th May, 2018.

** Dr. Parampal Singh was appointed as an Independent Director of Company w.e.f. 27th November, 2017.

*** Mrs. Harpreet Kaur Kang was appointed as an Additional Director of Company w.e.f. 6th February, 2019.

**** Mr. Sanjay Gupta was appointed as a Company Secretary (KMP) w.e.f. 1st June, 2017.

2. The median remuneration of employees of the Company during the financial year was ₹ 3,50,500
3. In the financial year, there was an increase of 7.69% in the median remuneration of employees.
4. There were 19,308 permanent employees on the rolls of Company as on March 31, 2019.
5. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year 2018-19 was 9.26% whereas the increase in the managerial remuneration for the same financial year was 13.53%.
6. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Details pertaining to remuneration as required under section 197(12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

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

Sr. No.	Name of employee	Designation/ Nature of duties	Remun-eration (in ₹ lac)	Quali-fication	Age (Years)	Experience (Years)	Date of Employment	Particulars of last employment
1.	Mr. S.P. Oswal	Chairman & Managing Director	1,883.24	M. Com	76	52	08.10.1973	Chairman & Managing Director (Vardhman Spinning and General Mills Limited)
2.	Mrs. Suchita Jain	Vice-Chairperson & Joint Managing Director	185.34	M. Com	51	26	30.03.2005	N.A.
3.	Mr. Neeraj Jain	Joint Managing Director	178.62	B. Com, CA	52	27	31.03.2010	N.A.

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

Sr. No.	Name of employee	Designation/ Nature of duties	Remun-eration (in ₹ lac)	Quali-fication	Age (Years)	Experience (Years)	Date of Employment	Particulars of last employment
	Mr. Sachit Jain*	Joint Managing Director	16.14	B. Tech, MBA	53	29	13.06.1994	Executive Director (VMT Spinning Co. Limited)

* Mr. Sachit Jain resigned from the post of Joint Managing Director of the Company w.e.f 12th May, 2018.

c. A statement showing details of Top Ten Employees in terms of remuneration drawn:

Sr. No.	Name	Age	Designation	Gross Remuneration (₹ in lakhs per annum)	Nature of Employment	Qualification	Experience	Date of joining	Previous Employment (Company Name)	No. of Equity Shares held on 31.03.2019
1.	S.P. Oswal	76	Chairman & Managing Director	1,883.24	Regular	M.Com	56	08.10.1973	-	5,97,591
2.	Suchita Jain	51	Vice-Chairperson & Joint Managing Director	185.34	Regular	M.Com	26	30.03.2005	-	2,44,424
3.	Neeraj Jain	52	Joint Managing Director	178.62	Regular	B.Com, CA	27	31.03.2010	-	2,200
4.	B.K. Choudhary	67	Director (Operations)	78.07	Regular	B. Sc., M.com, MBA	46	23.12.1985	Usha Alloys & Steels Ltd.	4,000
5.	I.J. Dhuria	65	Director (Materials)	73.63	Regular	B. Sc. (Hons.), MBA	41	05.10.1989	Modi Spinning & Weaving Mills Ltd.	2,650
6.	TC Gupta	58	Chief General Manager (Operations)	72.96	Regular	B. Tech (Textiles)	37	24.05.1993	Modern Syntex Ltd.	1,200
7.	IMJS Sidhu	70	President & Director In-Charge	70.75	Regular	B. Text.	48	03.03.1981	Shree Bhawani Cotton Mills Ltd.	3,000
8.	Dinesh K Sindwani	58	Director (Corporate Services)	70.11	Regular	B. Com, CA	34	01.04.2015	Hero Steels Ltd.	Nil
9.	K.K. Lahiri	61	Chief General Manager (Operations)	67.25	Regular	B.Text., M.Text. (IIT), Dip. In Mgmt.	36	11.04.1986	Rama Fabrics	Nil
10.	Rajeev Thapar	50	CFO	61.49	Regular	B. Com (Hons.), CA	30	01.06.1990	S.C. Vasudeva & Co.	410

Note: Except Mr. S.P. Oswal & Mrs. Suchita Jain, none of the above employees is related to any Director of the Company.

Details pertaining to remuneration or commission received from Holding or Subsidiary of the Company as required under Section 197(14) of the Companies Act, 2013 :

Sr. No.	Name of Director	Name of Subsidiary Company	Amount (₹ in lakhs)
1.	Neeraj Jain	VMT Spinning Co. Ltd.	25.36

Corporate Governance Report

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

1. COMPANY'S PHILOSOPHY:

- Faith in bright future of Indian textiles and hence continued expansion in areas "which we know best".
- Total customer focus in all operational areas.
- Products to be of best available quality for premium market segments through TQM.
- Zero defect implementation.
- Global orientation targeting – 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, 2019

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

Category	Name of Directors
Promoter Directors	# S.P. Oswal- Chairman & Managing Director # Suchita Jain- Vice-Chairperson & Joint Managing Director # Sachit Jain-Non-Executive Director
Executive Non-Independent Director	Neeraj Jain- Joint Managing Director
Independent Directors	Prafull Anubhai A.K. Kundra D.B. Jain S.K. Bijlani Parampal Singh R.M. Malla Harpreet Kaur Kang
Non- Executive Non- Independent Director	D.L. Sharma

Relationship Inter-se:

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

ii. Board Meetings:

During the financial year 2018-2019, the Board met 7 (Seven) times on the following dates:

- 11th May, 2018
- 12th May, 2018
- 13th August, 2018
- 8th October,2018
- 12th November, 2018
- 6th February, 2019
- 25th March, 2019

iii. Attendance of the Directors at the Board Meetings during the year and at last Annual General Meeting of the Company and also the number of other Directorship/Chairmanship in Indian Public Limited Companies and names of other Listed Entities where the person is director and category of directorship therein are as follows:-

Name of Director	No. of Board meetings attended	Attendance at last AGM	Total No. of Director-ships in other Companies	Names of other Listed Entities where the person is director	Category of Directorship in other listed entities	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	7	Vardhman Acrylics Limited	Non-Executive Director	-	3	-
				Vardhman Holdings Limited	Executive Director			
Sachit Jain	2	No	4	Vardhman Holdings Limited	Non-Executive Director	2	-	-
				Vardhman Special Steels Limited	Executive Director			
				Vardhman Acrylics Limited	Non-Executive Director			
Suchita Jain	7	Yes	7	Vardhman Holdings Limited	Non-Executive Director	1	-	-
				Vardhman Special Steels Limited	Non-Executive Director			
Neeraj Jain	6	Yes	5	-	-	-	-	-
D.L. Sharma	6	No	9	Vardhman Acrylics Limited	Non-Executive Director	2	-	-
Prafull Anubhai	7	Yes	2	Gruh Finance Limited	Non-Executive Director	3	-	2
				Unichem Laboratories Limited	Non-Executive Director			
A. K Kundra	7	No	2	Punjab Alkalies & Chemicals Limited	Non-Executive Director	-	-	-
D.B. Jain	7	No	6	-	-	-	-	-
R.M. Malla	7	No	7	IOL Chemicals & Pharmaceuticals Limited	Non-Executive Director	4	-	1
				Bharat Financial Inclusion Limited	Non-Executive Director			
				Central Depository Services (India) Limited	Non-Executive Director			
				Waree Technologies Limited	Non-Executive Director			
S.K. Bijlani	5	No	1	-	-	1	-	-
Parampal Singh	6	No	-	-	-	-	-	-
Harpreet Kaur Kang*	1	No	-	-	-	-	-	-

* Mrs. Harpreet Kaur Kang was appointed as an Additional Director of Company w.e.f. 6th February, 2019.

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

3. BOARD COMMITTEES:

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

Name of Committee	Composition	Terms of Reference
Audit Committee	Prafull Anubhai (Chairman) A.K. Kundra D.B. Jain D.L. Sharma S.K. Bijlani	• 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) Regulations, 2015.
Nomination and Remuneration Committee	Prafull Anubhai (Chairman) S.P. Oswal A.K. Kundra D.L. Sharma	• The role of the Nomination and Remuneration Committee is as per Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. • Formulated and recommended Nomination and Remuneration Policy. • The Nomination & Remuneration Policy includes policy on Director's appointment and remuneration including the criteria for determining qualifications, positive attributes, independence of a Director and other matters as provided under Section 178(3) of the Companies Act, 2013. • Nomination and Remuneration Policy of the Company forms part of the Board Report as **Annexure I**.
Corporate Social Responsibility Committee	A.K. Kundra (Chairman) D.L. Sharma Neeraj Jain Sachit Jain	• 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: https://www.vardhman.com/user_files/investor/d622b1c8d626fabfcecf09e145cb1b4e9f4884761436264563.pdf • Recommends expenditure to be incurred for CSR activities/project and ensures effective monitoring of CSR policy of the Company from time to time. • The Annual Report on CSR activities undertaken by the Company forms part of the Board Report as **Annexure III.**
Stakeholder's Relationship Committee	A.K. Kundra (Chairman) D.L. Sharma Sachit Jain	• The Committee reviews and ensures redressal of investor grievances. • The Committee noted that during the year the Company received 23 complaints from the investors and the same had been duly resolved by the Company. There is no pendency in respect of shares received for transfer during 2018-2019 except those that are disputed/ sub-judice.

Name of Committee	Composition	Terms of Reference
Risk Manangement Committee	Prafull Anubhai (Chairman) Neeraj Jain D. K. Sindwani Rajeev Thapar	• The Risk Manangement Policy of the Company aims to maximise opportunities in all activities and to minimise adversity. • The Risk Manangement 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 Manangement policy may be accessed on the Company's website at the link: https://www.vardhman.com/user_files/investor/a4c0a8b00e407cd507553ea7db7f06e89de1272a1436265025.pdf

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

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

Board Committees	**Audit**	**CSR**	**Nomination & Remuneration**	**Stakeholders' Relationship**
Meetings held	**4**	**4**	**4**	**1**
S.P. Oswal	N.A.	N.A.	3	N.A.
Sachit Jain	N.A.	0	N.A.	1
Suchita Jain	N.A.	N.A.	N.A.	N.A.
Neeraj Jain	N.A.	4	N.A.	N.A.
D.L. Sharma*	3	2	0	1
Prafull Anubhai	4	N.A.	4	N.A.
A. K Kundra	4	4	4	1
D.B. Jain	4	N.A.	N.A.	N.A.
R.M. Malla	N.A.	N.A.	N.A.	N.A.
S.K. Bijlani	2	N.A.	N.A.	N.A.
Parampal Singh	N.A.	N.A.	N.A.	N.A.
Harpreet Kaur Kang	N.A.	N.A.	N.A.	N.A.

N.A.- Not a member of the Committee.

* Mr. D.L. Sharma was appointed as a member of Nomination & Remuneration Committee w.e.f. 6th February, 2019.

iii. Meeting of Independent Directors:

A meeting of Independent Directors of the Company for the calendar year 2018 was held on 12th November, 2018 to evaluate the performance of Non-Independent Directors of the Company, Chairman of the Company and the Board as a whole.

Performance Evaluation

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

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

Pursuant to the provisions of the Companies Act, 2013, Listing Regulations and as per the Nomination, Appointment and Remuneration Policy, the Board of Directors/Independent Directors/Nomination & Remuneration Committee ("NRC") (as applicable) had undertaken an evaluation of the Board's own performance, the performance of its Committees and of all the individual Directors including the Chairman of the Board of Directors based on various parameters relating to roles, responsibilities and obligations of the Board, effectiveness of its functioning, contribution of Directors at meetings and the functioning of its Committees.

Familiarisation programme for Independent Directors

The details of the Familiarisation Programme conducted for the Independent Directors of the Company are available on the Company's website at the link: https://www.vardhman.com/user_files/investor/familarisation.pdf

iv. Core Skills/ Expertise/ Competence of the Board of Directors:-

The Board comprises of highly qualified members who possess required skills, expertise and competence that allow them to make effective contributions to the Board and its Committees.

The following skills/ expertise/ competencies have been identified for the effective functioning of the Company and are currently available with the Board:

- Industry Experience
- Strategic Planning
- Leadership
- Operational experience
- Financial Expertise
- Administrative Experience.

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 2018-19 is as given below:

(in ₹ Lakhs)

Name	S.P. Oswal	Suchita Jain	Neeraj Jain	Sachit Jain*
Designation	Chairman & Managing Director	Vice-Chairperson & Joint Managing Director	Joint Managing Director	Joint Managing Director
Salary	47.55	54.00	48.00	5.55
Perquisites & Allowances	35.69	40.56	46.56	4.38
Retirement Benefit	5.71	6.78	6.06	0.66
Commission	1,794.29	-	-	-
Performance Linked Incentives	-	84.00	78.00	5.55

*Mr. Sachit Jain resigned from the position of Joint Managing Director of the Company w.e.f. 12th May, 2018

Performance Linked Incentives are decided by the Nomination & Remuneration Committee based on the profits calculated at the end of Financial Year.

The tenure of office of the Managing Director & Joint Managing Directors is for 5 years from their respective dates of appointment and can be terminated by either party by giving 3 months notice in writing. There is no separate provision for payment of severance fees.

None of the Directors has been granted any stock options except Mr. Neeraj Jain, who has been granted 20,000 Options. He has exercised 6000 options till date.

ii) Non-Executive Directors:

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

The Non-Executive Directors are paid sitting fees @ Rs. 35,000/- per Board Meeting and @ Rs. 30,000/- per Committee Meeting. The detail of sitting fees paid to the Directors during the Financial Year 2018-19 is given hereunder: -

Name of Director	Sitting Fee (₹)
1. Prafull Anubhai	5,15,000
2. A.K. Kundra	6,65,000
3. D.B. Jain	3,95,000
4. R.M. Malla	2,75,000
5. S.K. Bijlani	2,35,000
6. Parampal Singh	2,40,000
7. Harpreet Kaur Kang*	35,000

* Mrs. Harpreet Kaur Kang was appointed as an Additional Director of Company w.e.f. 6th February, 2019.

5. SHAREHOLDING DETAILS OF DIRECTORS AS ON 31st MARCH, 2019:

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

S.No.	Name of Director	Number of Shares Held
1.	S.P. Oswal	5,97,591
2.	Suchita Jain	2,44,424
3.	Neeraj Jain	2,200
4.	D.L. Sharma	6,203

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

6. GENERAL BODY MEETINGS:

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

Meeting	Day, Date and Time of the Meeting	Venue	No. of Special Resolutions
45th Annual General Meeting for the Financial year ended 31st March, 2018.	Thursday, 27th September, 2018 at 11.00 A.M	Regd. Office, Chandigarh Road, Ludhiana- 141010.	5
44th Annual General Meeting for the Financial year ended 31st March, 2017.	Friday, 22nd September, 2017 at 09.00 A.M.	Regd. Office, Chandigarh Road, Ludhiana- 141010.	1
43rd Annual General Meeting for the Financial year ended 31st March, 2016.	Monday, 5th September, 2016 at 09:00 A.M.	Regd. Office, Chandigarh Road, Ludhiana- 141010.	1

ii. Postal Ballot

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 2019-20.

7. DISCLOSURES:

i. There was no materially significant related party transaction that may have any potential conflict with interest of the Company at large. Transactions with related parties are disclosed in Note No. 46 to the Financial Statements. The policy on dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: https://www.vardhman.com/user_files/investor/96c45534e3ab096d9bc682f8eebade0344f915151436264609.pdf

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

iii. The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism and Whistle Blower Policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The policy on "Vigil Mechanism and Whistle Blower" may be accessed on the Company's website at the link: https://www.vardhman.com/user_files/investor/20b9bcdbd2cc01fde3e8e7d392d93573769de1941436265078.pdf

iv. The Company has complied with all the applicable requirements specified in Regulation 17 to 27 and 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

v. The Board of Directors of the Company has adopted (i) the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and (ii) the Code of Conduct, as required under SEBI (Prohibition of Insider Trading) Regulations, 2015.

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

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

viii. Further, the Company has complied with all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The Company may also take up the non-mandatory requirements of the Regulations in due course of time.

ix. As on March 31, 2019, there was no outstanding GDRs/ADRs/Warrants or any convertible instruments.

x. During the year 2018-19, the Company had managed the foreign exchange risk and commodity price risk and hedged to the extent considered necessary. The Company enters into forward contracts and options contracts for hedging foreign exchange exposures against exports and imports. Further, the Company also enters in commodity forward contracts for hedging commodity price risk exposures on cotton purchase. The details of foreign currency exposure are disclosed in the Note No. 37 to the Financial Statements.

Exposure of the Company to commodity risk is as follows:

Commodity Name	Exposure in INR towards the particular commodity	Exposure in quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
Cotton	16,340 million	133.55 million kgs	-	-	-	2.71%	

xi. The Company has no material subsidiary. The policy for determining 'material' subsidiary is available at Company's website at the link http://www.vardhman.com/user_files/investor/Policy%20for%determining%20Material%20Subsidiaries.pdf

xii. During the year, the Company has not raised any funds through preferential allotment or qualified institutional placement.

xiii. A certificate from a company secretary in practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority forms part of this Report.

xiv. There is no such instance where the Board has not accepted any recommendation of any committee of the Board which is mandatorily required.

xv. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm / company of which statutory auditor is part is Rs. 86,90,470.

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)	**46th Annual General Meeting:**		
	Date	:	30th September, 2019
	Time	:	3:00 p.m.
	Venue	:	Regd. Office, Vardhman Premises, Chandigarh Road, Ludhiana-141 010
ii)	**Financial Calendar 2019-20 (Tentative)**		
	First Quarter Results	:	August, 2019
	Second Quarter Results	:	November, 2019
	Third Quarter Results	:	February, 2020
	Annual Results	:	May, 2020
iii)	**Dates of Book Closur**	:	20th September 2019 to 30th September 2019 (both days inclusive)
iv)	**Dividend payment date**	:	Within 30 days after declaration.
v)	**Listing**	:	The securities of the Company are listed on the following Stock Exchanges: - 1. BSE Limited, Mumbai (BSE), 1st Floor, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, Fort, Mumbai-400 001. 2. National Stock Exchange of India Limited (NSE), "Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai."

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

vi) Stock Code:

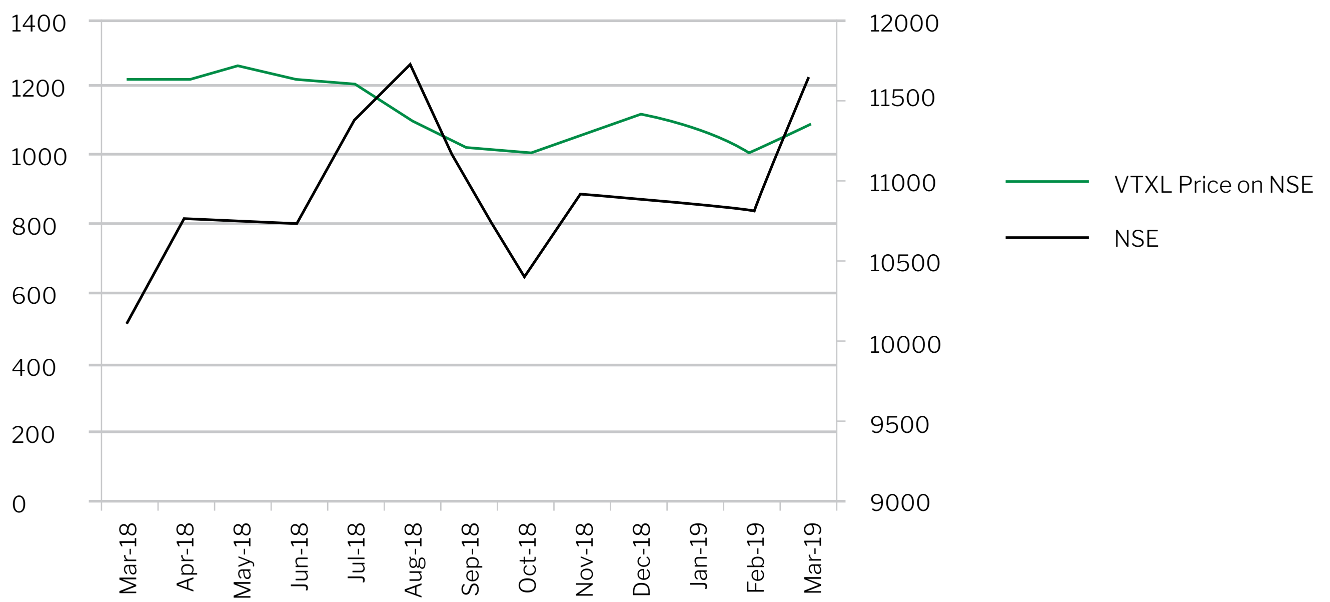
- BSE Limited, Mumbai : 502986
- National Stock Exchange of India Limited : VTL

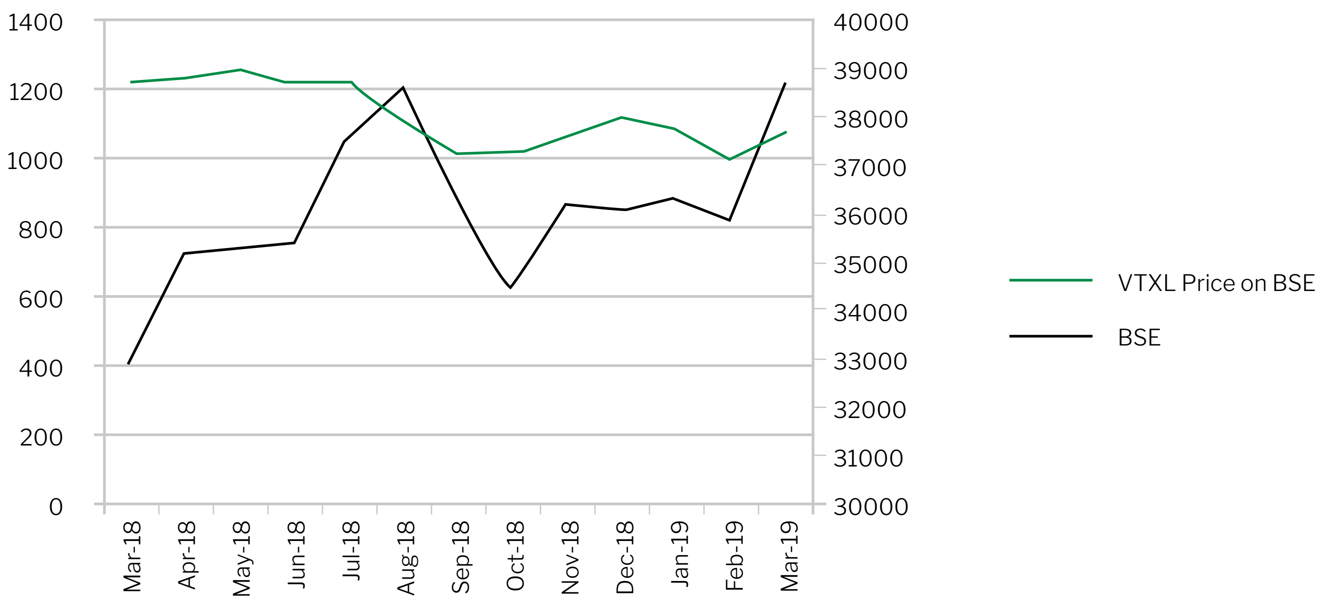
vii) Stock Market Data:

The month-wise highest and lowest and closing stock prices of NSE vis-a-vis BSE during the financial year 2018-19 is given below: -

Financial Year 2018-19	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	1,288.90	1,172.50	1,226.70	0.37	1,288.00	1,174.45	1,228.20	0.61
May	1,299.70	1,184.80	1,253.70	2.20	1,288.00	1,180.15	1,254.30	2.13
June	1,435.05	1,190.35	1,219.95	-2.69	1,425.00	1,188.15	1,216.70	-3.00
July	1,241.05	1,182.80	1,211.15	-0.72	1,241.95	1,184.60	1,223.55	0.56
August	1,241.00	1,081.70	1,100.10	-9.17	1,240.05	1,087.25	1,104.35	-9.74
September	1,124.95	970.00	1,015.65	-7.68	1,128.00	970.00	1,012.15	-8.35
October	1,082.00	920.00	1,010.60	-0.50	1,094.00	922.00	1,005.75	-0.63
November	1,104.90	992.00	1,059.85	4.87	1,104.95	993.85	1,063.80	5.77
December	1,125.00	1,012.00	1,114.10	5.11	1,124.95	1,007.00	1,114.50	4.77
January	1,137.00	1,041.10	1,077.30	-3.29	1,139.85	1,045.00	1,080.30	-3.07
February	1,093.00	950.55	1,008.45	-6.39	1,107.00	950.10	999.75	-7.46
March	1,116.00	1,010.20	1,088.15	7.90	1,106.00	1,012.90	1,078.80	7.91

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





ix) Information regarding Dividend Payment:

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

Dividends remaining unpaid/unclaimed up to the financial year 2010-11 has been transferred to the Investors Education and Protection Fund (IEPF). The unclaimed or unpaid dividend relating to the Financial Year 2011-12 is due for remittance in the month of October, 2019 to IEPF.

The IEPF Rules mandate companies to transfer shares of Members whose dividends remain unpaid/unclaimed for a continuous period of seven years to the demat account of IEPF Authority. In accordance with the said IEPF Rules, the Company had sent notices to all the Members whose shares were due to be transferred to the IEPF Authority and simultaneously published newspaper advertisement. Thereafter, the shares of these Members were transferred to the IEPF and necessary e-form(s) in this regard were filed with MCA.

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

x) Registrar & Transfer Agent:

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

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

xi) Share Transfer System:

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

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

xii) Distribution of Shareholding as on 31st March, 2019 :

RANGE	Shareholders		Shares	
No. of Shares	Numbers of total Holders	% to Total Holders	Numbers of shares Held	% to Total Shares
Upto 500	20,035	91.89	18,18,084	3.17
501-1000	914	4.19	6,52,286	1.13
1001-5000	641	2.94	12,93,506	2.25
5001-10000	98	0.45	7,12,780	1.24
10001-20000	40	0.18	5,37,067	0.93
20001-30000	12	0.06	2,99,381	0.52
30001-50000	15	0.07	5,71,093	0.99
50001 and above	48	0.22	5,15,93,963	89.77
Total	**21,803**	**100**	**5,74,78,160**	**100**

xiii) Dematerialisation of shares:

As on 31st March, 2019, 98.63% of the capital comprising 5,66,94,345 shares, out of total of 5,74,78,160 shares, were dematerialized.

xiv) Stock Options:

The Company has granted options to its employees under Vardhman Textiles Limited Employee Stock Options Plan, 2016 (hereinafter referred as ESOP Plan). As per the terms of the ESOP Plan, the Company can grant a maximum of 6,36,518 options to the eligible employees from time to time. One option entitles the holder to apply for one equity share of the Company in terms of ESOP Plan. During the financial year 2018-19, 37,900 equity shares were alloted to the eligible employees. So, the paid up equity share capital of the Company stood increased to ₹ 57,47,81,600 as on 31st March, 2019.

xv) Plant Location:

- Arihant Spinning Mills
  Industrial Area,
  Malerkotla-148 023.
- Anant Spinning Mills
  New Industrial Area,
  Mandideep-462 046.
- Arisht Spinning Mills
  Sai Road, Baddi,
  Distt. Solan (H.P.)- 173 205.
- Auro Spinning Mills
  Sai Road, Baddi,
  Distt. Solan (H.P.)- 173 205.
- Auro Dyeing (Unit –I & II)
  Sai Road, Baddi,
  Distt. Solan (H.P.)- 173 205.
- Auro Weaving Mills
  Sai Road, Baddi,
  Distt. Solan (H.P.) - 173 205.
- Auro Textiles (Unit-I & II)
  Sai Road, Baddi,
  Distt. Solan (H.P.)- 173 205.
- Mahavir Spinning Mills (Textile Division) (Unit-I & II)
  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,
  Chandigarh Road,
  Ludhiana-141 010.
- Vardhman Fabrics
  Budhni, Distt. Sehore (M.P.) - 466 445.
- Vardhman Fabrics (Power Division)
  Budhni, Distt. Sehore (M.P.) - 466 445.
- Vardhman Yarns
  Satlapur, Distt. Raisen (M.P.) - 462 046.
- Vardhman Yarns (Power Division)
  Satlapur, Distt. Raisen (M.P.) - 462 046.

xvi) 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)

xvii) List of credit ratings:

The Company has obtained rating from CRISIL Limited during the financial year 2018-19. There has been no revision in the credit ratings during the financial year 2018-19. List of all credit ratings obtained by the Company during the year are as follows:

Particulars	Rating during FY 2018-19
Long Term Bank Facilities	CRISIL AA+/Stable
Short Term Bank Facilities	CRISIL A1+
Non-Convertible Debentures	CRISIL AA+/Stable
Commercial Papers	CRISIL A1+

Chairman & Managing Director's Declaration

A. 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, 2019.

Place: Ludhiana
Dated: 9th May, 2019

S.P. Oswal
Chairman & Managing Director

B. I, S.P. Oswal, Chairman & Managing Director of Vardhman Textiles Limited, on behalf of the Board of Directors of the Company, hereby confirm that the Independent Directors of the Company fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the Management.

Place: Ludhiana
Dated: 9th May, 2019

S.P. Oswal
Chairman & Managing Director

Certificate from Practising Company Secretaries

This certificate is issued pursuant to Clause 10 (i) of Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is to certify that on the basis of documents verified by us and explanations given to us by the Company, we hereby certify that none of the following directors on the Board of Vardhman Textiles Limited ('the Company') have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any other Statutory Authority:

S.No.	Director Identification Number	Name of Director
1.	00121737	Mr. S.P. Oswal
2.	00746409	Mr. Sachit Jain
3.	00746471	Mrs. Suchita Jain
4.	00340459	Mr. Neeraj Jain
5.	00727581	Mr. D.L Sharma
6.	00040837	Mr. Prafull Anubhai
7.	00154024	Mr. A.K. Kundra
8.	06911676	Mr. D.B. Jain
9.	00136657	Mr. R.M. Malla
10.	01040271	Dr. S.K. Bijlani
11.	07995388	Dr. Parampal Singh
12.	03049487	Mrs. Harpreet Kang

FOR **Ashok K Singla & Associates**
Company Secretaries,

Ashok Singla
Proprietor
Membership No. 2004
Certificate of Practice No. 1942

Date: 09th May 2019
Place: Ludhiana

CORPORATE GOVERNANCE CERTIFICATE

To the Members of
Vardhman Textiles Limited

Independent Auditor's Certificate On Corporate Governance

1. This certificate is issued in accordance with the terms of our engagement letter dated August 29, 2018.

2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Vardhman Textiles Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

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

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2019.

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Rajesh Kumar Agarwal
Partner
(Membership No. 105546)

Place: Gurugram
Date: May 9, 2019

Financial Statements

Independent Auditor's Report

To The Members of **Vardhman Textiles Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Vardhman Textiles Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Uncertain income-tax positions – Refer to Notes 2.14, 2.17.1.4, 38 and 39 to the standalone financial statements The Company has material uncertain income-tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes. For the current year ended March 31, 2019, we believe there is a higher risk relating to ongoing income-tax litigation matters amounting to ₹ 273.39 crores. The amounts involved are significant and the application of accounting standard to determine the amount, if any, to be provided as a liability or disclosed as a contingent liability, is inherently subjective. This includes assumptions relating to the likelihood and/or timing of cash outflows from the business and the pending decision of Appropriate Authority. Due to the level of significant judgment involved, the above matter has been identified as a key audit matter.	**Principal audit procedure:** Our audit approach was combination of test of controls and substantive procedures which included the following: • Evaluated the Company's processes and controls over litigations operated by Management through regular meetings with the Chief Financial Officer and Head - Direct Taxation and review of Board and audit committee meeting minutes. • Performed testing of design and it's operating effectiveness of the control established by the Management on the review of litigation and contingent liabilities. • Involved our internal direct tax specialists to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal direct tax specialists also considered the legal precedence and other rulings in evaluating management's position on these uncertain income-tax positions.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Business Responsibility Report, Director's Report including annexures to the Director's Report and Corporate Governance Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, 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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

    g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

    In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

    h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer to Note 38(a) to the standalone Ind AS financial statements;

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer to Note 38 (f) to the standalone Ind AS financial statements;

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company – Refer to Note 48.4 to the standalone Ind AS financial statements

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rajesh Kumar Agarwal
Partner
(Membership No. 105546)

GURUGRAM, MAY 9, 2019

Annexure "A" to the Independent Auditor's Report of Vardhman Textiles Limited

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Vardhman Textiles Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, 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 March 31, 2019, based on the criteria for internal financial control over financial reporting 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 **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rajesh Kumar Agarwal
Partner
(Membership No. 105546)

GURUGRAM, MAY 9, 2019

Annexure B to the Independent Auditor's Report of Vardhman Textiles Limited

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the registered sale deeds and transfer deeds / conveyance deeds and the confirmations received by us from "ICICI Bank Limited and IDBI Bank Limited" (custodians) on behalf of term and consortium lenders for the credit facility extended to the Company against immovable properties whose title deeds have been pledged as security for obtaining credit facility and the same are held in the name of Company.

We report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, except the following:

Particulars of Land and Building	Carrying value as at March 31, 2019 (₹ in Crore)	Remarks
Freehold land located at Chandigargh admeasuring 1170.56 square meters.	4.37	Pending registration in the name of Company

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals other than for stock lying with third parties and/or goods in transit for which confirmation have been obtained/subsequent receipts have been verified in most of the cases. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.

(iii) According to the information and explanations given to us, the Company has granted unsecured loans to two bodies corporate, covered in the register maintained under Section 189 of the Companies Act, 2013, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(c) There is no overdue amount remaining outstanding as at the year-end.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, customs duty, goods and services tax, cess and other material statutory dues applicable to it with the appropriate authorities. According to the information and explanation given to us and the records of the company examined by _ us, in our opinion, the company is regular in depositing the undisputed statutory dues including provident fund, employee's state insurance, income tax, goods and service tax and other material statutory dues as applicable with the appropriate authorities. Also refer to the note 38 (e) in the financial statement regarding management assessment on certain matters relating to the provident fund.

(b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, customs duty, goods and services tax, cess and other material statutory dues applicable in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of excise duty, sales tax, value added tax, service tax and income-tax which have not been deposited as on March 31, 2019 on account of disputes are given below and there are no dues of customs duty as on March 31, 2019 on account of disputes

Nature of statue	Nature of dues	Forum where dispute is pending	Period	Amount*	Amount paid under protest	Amount unpaid
					(₹ in Crores)	
Central excise laws	Excise duty	Supreme court	2005	0.04	-	0.04
		CESTAT	2009-2013	2.17	-	2.17
		Upto commissioner (appeals)	2001-2017	2.74	0.17	2.57
Service tax laws	Service tax	High court	2007-2009	1.12	-	1.12
		CESTAT	2005-2011	0.08	0.01	0.07
		Upto commissioner(appeals)	2008-2011	0.00	-	0.00
Sales tax laws	Central Sales tax	Upto commissioner(appeals)	2009-2010	0.06	-	0.06
	State sales tax	High court	2006-2007	1.21	-	1.21
		Appellate boards	2006-2007	0.51	0.20	0.31
		Upto commissioner(appeals)	2005-2006	0.02	-	0.02
Income-tax laws	Income-tax	ITAT	2001-2012	141.42	120.21	21.21
		Upto commissioner(appeals)	2014-2017	59.70	-	59.70

*Amount as per demand orders including interest and penalty wherever quantified in the order.

The following matters, which have been excluded from the above table, have been decided in favor of the Company but the department has preferred appeals at higher levels. The details are given below:

Nature of Statue	Nature of Dues	Forum where dispute is pending	Period	Amount*	Amount paid under protest	Amount unpaid
					(₹ in Crores)	
Income-tax laws	Income-tax	ITAT	2012-2014	87.65	18.80	68.85

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks, government and dues to debenture holders.

(ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised. During the year, the Company has not raised any money by way of initial public offer/ further public offer (including debt instruments).

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the CARO 2016 is not applicable.

(xiii) In our opinion and according to the information and explanations given fo us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause 3 (xvi) of CARO 2016 is not applicable to the Company.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/ W-100018)

Rajesh Kumar Agarwal
Partner
(Membership No. 105546)

Place: Gurugram
Date: May 9, 2019

Balance Sheet as at March 31, 2019

(All amounts in ₹ crore, unless otherwise stated)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3A	3,057.24	2,503.04
(b) Capital work-in-progress	3A	273.63	105.08
(c) Intangible assets	3B	1.60	3.73
(d) Financial assets			
(i) Investments	4	749.57	787.96
(ii) Loans	5	0.72	0.59
(iii) Others financial assets	6	8.98	8.97
(e) Other non-current assets	7	85.00	85.26
Total Non-current assets		**4,176.74**	**3,494.63**
Current assets			
(a) Inventories	8	2,442.13	2,116.51
(b) Financial assets			
(i) Investments	9	337.56	804.04
(ii) Trade receivables	10	762.82	727.32
(iii) Cash and cash equivalents	11	37.43	65.20
(iv) Bank balances other than above	11A	3.43	3.11
(v) Loans	12	34.59	45.21
(vi) Other financial assets	13	58.39	23.99
(c) Current tax assets(net)	14	100.10	99.07
(d) Other current assets	15	415.93	316.88
Total Current assets		**4,192.38**	**4,201.33**
TOTAL ASSETS		**8,369.12**	**7,695.96**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	57.48	57.43
(b) Other equity	17	5,181.62	4,574.53
Total Equity		**5,239.10**	**4,631.97**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	1,071.35	1,195.55
(ii) Other financial liabilities	19	4.48	0.65
(b) Provisions	20	10.86	7.04
(c) Deferred tax liabilities (Net)	21	297.47	235.60
(d) Other non-current liabilities	22	20.40	22.18
Total Non-current liabilities		**1,404.56**	**1,461.02**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	868.68	805.51
(ii) Trade payables	24		
(a) total outstanding dues of micro enterprises and small enterprises		4.08	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		236.28	246.93
(iii) Other financial liabilities	25	535.63	421.20
(b) Provisions	27	2.79	4.82
(c) Current tax liabilities (net)	14	6.55	9.45
(d) Other current liabilities	26	71.45	115.07
Total Current liabilities		**1,725.46**	**1,602.98**
TOTAL EQUITY AND LIABILITIES		**8,369.12**	**7,695.96**
See accompanying notes to the standalone financial statements	1 - 48		

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors

Rajesh Kumar Agarwal
Partner

Sanjay Gupta
Company Secretary
Membership No:-4935

Rajeev Thapar
Chief Financial Officer

Suchita Jain
Vice Chairman and
Joint Managing Director
DIN:00746471

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

Place : Gurugram
Date: May 09, 2019

Place : Ludhiana
Date: May 09, 2019

Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in ₹ crore, unless otherwise stated)

	Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I	Revenue from operations	28	6,414.58	5,851.37
II	Other income	29	218.20	185.06
III	**Total Income (I+II)**		**6,632.78**	**6,036.43**
IV	**Expenses :**			
	Cost of materials consumed	30	3,264.50	3,180.52
	Purchases of stock-in-trade	31	50.08	33.63
	Changes in inventories of finished goods,work-in-progress and stock-in-trade	32	1.73	(48.01)
	Employee benefits expense	33	519.86	479.63
	Finance costs	34	117.84	114.32
	Depreciation and amortization	3A & 3B	241.48	228.55
	Other expenses	35	1,446.89	1,347.04
	Total Expenses		**5,642.38**	**5,335.68**
V	**Profit before tax (III-IV)**		**990.40**	**700.75**
VI	**Tax expense:**	36		
	Current tax		242.91	147.58
	Deferred tax		51.61	7.41
VII	**Profit for the year (V-VI)**		**695.88**	**545.76**
VIII	**Other Comprehensive Income**	17		
	A Items that will not be reclassified to profit or loss			
	(a) (i) Remeasurements of the defined benefits plans		0.17	2.51
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.06)	(0.87)
	(b) (i) Equity instruments through other comprehensive income		0.13	0.09
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.05)	(0.03)
IX	**Total other comprehensive income**		**0.19**	**1.70**
X	**Total comprehensive income for the year (VII+IX)**		**696.07**	**547.46**
	Earnings per equity share (amount in ₹)	42		
	(1) Basic		121.13	96.41
	(2) Diluted		119.97	95.45
	See accompanying notes to the standalone financial statements	1 - 48		

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors

Rajesh Kumar Agarwal
Partner

Sanjay Gupta
Company Secretary
Membership No:-4935

Rajeev Thapar
Chief Financial Officer

Suchita Jain
Vice Chairman and Joint Managing Director
DIN:00746471

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

Place : Gurugram
Date: May 09, 2019

Place : Ludhiana
Date: May 09, 2019

Cash Flow Statement for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	990.40	700.75
	Adjustment for:		
	Finance costs	107.81	103.81
	Fair valuation gain on investment	(46.56)	(78.08)
	Capital Subsidy	(2.36)	(1.79)
	Amortisation of Prepaid Leases	0.08	0.08
	Interest income	(11.66)	(17.76)
	Dividend on investments	(40.91)	(19.98)
	Net gain on sale / discarding of property, plant and equipment	(17.42)	(4.69)
	(Profit)/Loss on sale of Investments (Net)	(23.23)	(20.26)
	Provision no longer required written back (net)	(19.31)	(8.02)
	Amortisation of processing charges	0.38	0.64
	Assets written off	0.49	3.32
	Bad debt written off	0.73	0.45
	Depreciation and amortisation	241.48	228.55
	Share options outstanding account	6.32	10.57
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets :-		
	Trade receivables	(41.77)	(9.88)
	Inventories	(325.63)	(527.50)
	Loans (Current)	10.62	(8.65)
	Loans (Non-current)	(0.13)	0.02
	Other assets (Current)	(99.04)	(56.07)
	Others financial assets (Current)	(34.13)	(5.56)
	Others financial assets (Non Current)	0.11	9.10
	Other assets (Non-current)	(2.15)	(7.11)
	Adjustments for increase / (decrease) in operating liabilities :-		
	Trade payables	12.75	26.80
	Provisions (Non Current)	3.82	(1.86)
	Provisions (Current)	(2.03)	0.54
	Others financial liabilities (Current)	11.95	(2.40)
	Others financial liabilities (Non-Current)	3.83	0.16
	Other liabilities (Non-current)	0.09	(1.13)
	Other liabilities (Current)	(41.19)	(31.07)
	Cash generated from operations	**683.34**	**282.98**
	Income taxes paid	(236.69)	(192.93)
	Net cash generated by operating activities	**446.65**	**90.05**

Cash Flow Statement for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of investments	(103.24)	(879.24)
	Proceeds from sale Investments	677.83	1,028.38
	Interest received	11.27	25.02
	Payment for purchase of property, plant and equipment, capital work in progress and other intangible assets	(877.84)	(363.10)
	Bank balances not considered as cash and cash equivalents	(0.32)	(0.86)
	Proceeds from disposal of property, plant and equipment	24.46	9.68
	Dividend on subsidiaries, associates and other investments	40.91	19.98
	Net cash used in investing activities	**(226.93)**	**(160.14)**
C	**CASH FLOW FROM FINANCING ACTIVITIES***		
	Proceeds from equity share capital/share application	4.78	5.55
	Proceeds from issue of treasury shares	-	182.23
	Proceeds from borrowings (non-current)	173.00	715.80
	Repayment of borrowings (non-current)	(280.51)	(382.00)
	Repayment of borrowings (current) (net)	-	(249.55)
	Proceeds from borrowings (current) (net)	63.17	-
	Corporate dividend tax paid	(13.32)	(15.79)
	Dividends on equity share capital paid	(85.77)	(83.03)
	Capital Subsidy received	0.47	4.45
	Finance costs paid	(109.31)	(80.59)
	Net cash used in financing activities	**(247.49)**	**97.07**
	Net increase / (decrease) in cash and cash equivalents	**(27.77)**	**26.98**
	Cash and cash equivalents at the beginning of the year	65.20	38.22
	Cash and cash equivalents at the end of the year	**37.43**	**65.20**

* There are no non cash changes arising from financing activities

See accompanying notes to the standalone financial statements 1 - 48

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors

Rajesh Kumar Agarwal
Partner

Sanjay Gupta
Company Secretary
Membership No:-4935

Rajeev Thapar
Chief Financial Officer

Suchita Jain
Vice Chairman and Joint Managing Director
DIN:00746471

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

Place : Gurugram
Date: May 09, 2019

Place : Ludhiana
Date: May 09, 2019

Statement of Changes in Equity for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

a. Equity share capital

Particulars	Amount
Balance as at April 1, 2017	55.93
Sale of own shares held through trust (Refer note 40)	1.46
Issue of equity shares under employee stock option plan (Refer note 45)	0.04
Balance as at March 31, 2018	**57.43**
Balance as at April 1, 2018	57.43
Issue of equity shares under employee stock option plan (Refer note 45)	0.05
Balance as at March 31, 2019	**57.48**

b. Other equity

Particulars	Share application money pending allotment	Reserves and Surplus							Item of other comprehensive income	Total
		Capital reserve	Capital redemption reserve	Security premium	Debenture redemption reserve	Share options outstanding account	General reserve	Retained earnings	Equity instrument through other comprehensive income	
Balance as at April 1, 2017		**1.24**	**6.26**	**-**	**-**	**-**	**1,373.60**	**2,547.77**	**1.05**	**3,929.92**
Profit for the year	-	-	-	-	-	-	-	545.76	-	545.76
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	1.64	0.06	1.70
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**547.40**	**0.06**	**547.46**
Final Equity Dividend for the financial year 2016-17 (Amount ₹ 15 per share)	-	-	-	-	-	-	-	(86.09)	-	(86.09)
Tax on Dividend	-	-	-	-	-	-	-	(15.79)	-	(15.79)
Dividend on shares held through trust	-	-	-	-	-	-	-	2.19	-	2.19
Profit on sales of shares held through trust (Refer note 40)	-	-	-	-	-	-	-	180.81	-	180.81
Employee stock options accrued upto March 2018 (Refer note 45)	-	-	-	-	-	12.07	-	-	-	12.07
Transfer to equity shares due to issue of employee stock options (Refer note 45)						(1.50)	-	-	-	(1.50)
Securities premium on shares under Employee stock options	-	-	-	4.91	-	-	-	-	-	4.91
Transfer to debenture redemption reserve on account of issue of debentures	-	-	-	-	17.81	-	-	(17.81)	-	-

Statement of Changes in Equity for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

b. Other equity (Contd..)

Particulars	Share application money pending allotment	Reserves and Surplus							Item of other comprehensive income	Total
		Capital reserve	Capital redemption reserve	Security premium	Debenture redemption reserve	Share options outstanding account	General reserve	Retained earnings	Equity instrument through other comprehensive income	
Share Application Money received pending allotment under employee stock options.	0.55	-	-	-	-	-	-	-	-	0.55
Balance as at March 31, 2018	**0.55**	**1.24**	**6.26**	**4.91**	**17.81**	**10.57**	**1,373.60**	**3,158.48**	**1.11**	**4,574.53**
Profit for the year	-	-	-	-	-	-	-	695.88	-	695.88
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	0.11	0.08	0.19
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**695.99**	**0.08**	**696.07**
Final Equity Dividend for the financial year 2017-18 (Amount ₹ 15 per share)	-	-	-	-	-	-	-	(86.17)	-	(86.17)
Tax on Dividend	-	-	-	-	-	-	-	(13.32)	-	(13.32)
Employee stock options accrued during the year (Refer note 45)	-	-	-	-	-	6.32	-	-	-	6.32
Transfer to equity shares due to issue of employee stock options (Refer note 45)	(3.64)	-	-	-	-	(1.66)	-	-	-	(5.30)
Securities premium on shares under Employee stock options	-	-	-	5.27	-	-	-	-	-	5.27
Transfer to debenture redemption reserve on account of issue of debentures	-	-	-	-	31.87	-	-	(31.87)	-	-
Share Application Money received under employee stock options.	4.22	-	-	-	-	-	-	-	-	4.22
Balance as at March 31, 2019	**1.13**	**1.24**	**6.26**	**10.18**	**49.68**	**15.23**	**1,373.60**	**3,723.11**	**1.19**	**5,181.62**

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors

Rajesh Kumar Agarwal
Partner

Place : Gurugram
Date: May 09,2019

Sanjay Gupta
Company Secretary
Membership No:-4935

Place : Ludhiana
Date: May 09,2019

Rajeev Thapar
Chief Financial Officer

Suchita Jain
Vice Chairman and
Joint Managing Director
DIN:00746471

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

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

1 General Information

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

The financial statements were approved for issue in accordance with a resolution of the directors on May 09, 2019

2 Significant Accounting Policies, Significant Accounting Judgements, Estimates And Assumptions And Applicablity Of New And Revised IND AS

2.1 Statement of compliance

The financial statements prepared in accordance with Indian Accounting Standard (Ind AS), and the provisions of the Companies Act ,2013 ('the Act') (to the extent notified) The Ind AS are prescribed under Section 133 of the Act read with Rule3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Revenue recognition

Effective April 1, 2018, the Company adopted Ind AS 115 'Revenue from Contracts with Customers'. First time adoption has been conducted retrospectively with cumulative effect of initially applying this standard as on the transition date. The effect on the transition to Ind AS 115 is insignificant.

Revenue is measured at the fair value of the consideration received or receivable. Amount disclosed as revenue are net of returns, rebates, goods & services tax and value added taxes.

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities, as described below. The Company bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue recognised from major business activities:

2.3.1Sale of goods:

Revenue from sale of goods is recognised as and when the Company satisfies performance obligations by transferring control of the promised goods to its customers.

2.3.2Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

2.3.3 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.3.4 Rental income

The Company's policy for recognition of revenue from operating leases is described below in point no.2.18

2.4 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants recoverable upto financial year 2017-18 are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

After per the amendment in Ind-AS 20 "Government Grants "w.e.f April 1, 2018, the Company has opted to present the grant received / receivable after April 1, 2018 related to assets as deduction from the carrying value of such specific assets.

2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

2.6 Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

that are measured in terms of historical cost in a foreign currency are not retranslated.

2.7 Employee benefits

2.7.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b. net interest expense or income; and

c. re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

2.7.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.8 Share-based payment arrangements

Share-based payment transactions of the Company

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note no. 45.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee option outstanding account.

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current income tax assets/liabilities for current year is recognized at the amount expected to be paid to and/or recoverable from the tax authorities.

2.9.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income-tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income-tax. Accordingly, MAT Credit is recognised as asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.10 Property, plant and equipment (PPE)

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

The Cost of an item of Property, plant and equipment comprises:

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

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

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

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

The Company has elected to continue with the carrying value of all its PPE recognised as on April 1, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as on transition date.

Depreciation is provided on Straight Line Method on the basis of useful lives of such assets specified in Schedule II to the Companies Act, 2013 except the assets costing ₹ 5000/- or below on which depreciation is charged @ 100%. Depreciation is calculated on pro-rata basis.

The estimated useful life of the assets have been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support etc and are as under:

Buildings	3 - 60 years
Plant and Equipment	5 - 40 years
Furniture and Fixtures & Office Equipment	3- 10 years
Vehicles	8 - 10 years

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2.11 Intangible assets

2.11.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The Company has elected to continue with the carrying value of all its PPE recognised as on April 1, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as on transition date.

2.11.2 De-recognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

2.11.3 Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Computer softwares	6 years
Contribution to CETP	5 years
Right to use power lines	5 Years

2.12 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.13 Inventories

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

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

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

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

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

In case of by-products at estimated realizable value

Net realizable value is the estimated selling price in ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.14 Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as on asset if it is virtually certain that reimbursements will be received and amount of the receivable can be measured reliably.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.15 Financial instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.15.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.15.1.1 Classification of financial assets

Financial instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

a. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

b. the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

a. the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

b. the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for instruments measured at Fair value through other comprehensive income (FVTOCI). All other financial assets are subsequently measured at fair value.

2.15.1.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

2.15.1.3 Investments in equity instruments measured at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

a. it has been acquired principally for the purpose of selling it in the near term; or

b. on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

c. it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

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

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL/FVTOCI.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

2.15.1.5 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. The Company follows simplified approach for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL's at each reporting date, right from its initial recognition.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

2.15.1.6 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.15.1.7 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss.

2.15.2 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

2.15.2.1 Financial liabilities at fair value through profit and loss (FVTPL)

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

a. it has been incurred principally for the purpose of repurchasing it in the near term; or

b. on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

c. it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

a. such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

b. the financial liability forms part of group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

c. it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the statement of profit and loss.

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

2.15.2.2 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.15.2.3 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.15.3 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks and to manage its exposure to imported raw material price risk including foreign exchange forward contracts and commodities future contracts. Further details of derivative financial instruments are disclosed in note 37.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

2.15.4 Equity instrument

Equity instrument are any contract that evidences a residual interest in the assets of an equity after deducting all of its liabilities.

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument

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

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

2.16 Earnings per share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

2.17 Significant accounting judgements, estimates and assumptions

In the application of the Company's accounting policies, which are described as stated above, the Board of Directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

2.17.1 Key sources of uncertainty

In the application of the Company accounting policies, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

2.17.1.1 Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future, salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2.17.1.2 Useful lives of depreciable tangible assets and intangible assets

Management reviews the useful lives of depreciable/ amortisable assets at each reporting date.

As at March 31, 2019 management assessed that the useful lives represent the expected utility of the assets to the Company.

During the financial year 2017-18, the directors determined that the useful lives of certain items of plant and equipment should be different. Based on technical evaluation and market consideration, the Company had, with effect from April 1, 2017, revised the estimated useful of life of general plant and machinery from 7.5 years to 10 years.

The financial effect of this reassessment, assuming the assets are held until the end of their estimated useful lives, is decrease in the depreciation expense in the financial year 2017-18 by ₹101.28 crores.

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

2.17.1.3 Fair Value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors of the Company approves the fair values determined by the Chief Financial Officer of the Company including determining the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The Chief Financial Officer works closely with the qualified external valuers to establish appropriate valuation techniques and inputs to the model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in notes 37.

2.17.1.4 Contingent Liability

In ordinary course of business, the Company faces claims by various parties. The Company annually assesses such claims and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosures in the financial statements but does not record a liability in its financial statements unless the loss becomes probable.

2.18 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2.18.1The Company as lessor

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.18.2The Company as lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.19Applicability of new and revised IND AS

Ministry of Corporate affairs has notified Ind AS 116 - Leases, which is effective from April 1, 2019, which will replace the existing lease standard, Ind AS 17 Leases and related interpretations. The new standard sets out the principles for the recognition, measurement, presentation and disclosure of lease for both parties to a contract i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The standard

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward lessor accounting requirements. The Company is evaluating the impact of Ind AS 116 and its effect on the financial statements.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company is evaluating the requirements and its effect on the financial statements.

Amendments to Ind AS 12 - Income taxes: On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not expect any impact from this pronouncement.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement: On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity: 1) to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and 2) to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

Ind AS 23 – Borrowing Costs: The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements: The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

3A Property, plant and equipment and capital work-in-progress

Particulars	As at March 31, 2019	As at March 31, 2018
Carrying amount of		
Freehold land	93.45	91.55
Buildings	811.64	709.10
Plant and equipment	2,119.76	1,667.97
Furniture and fixtures	7.48	7.50
Vehicles	7.44	7.46
Office equipment	17.47	19.46
Total Property, plant and equipment	**3,057.24**	**2,503.04**
Capital work-in-progress	273.63	105.08
	3,330.87	**2,608.12**

Cost or Deemed Cost	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Balance at April 1, 2017	**86.39**	**787.03**	**2,204.71**	**9.77**	**12.92**	**35.56**	**3,136.38**
Addition	5.16	8.85	262.01	0.67	1.62	5.92	284.23
Disposal/Adjustments	-	(4.03)	(54.59)	(0.04)	(3.45)	(0.93)	(63.04)
Balance at March 31, 2018	**91.55**	**791.85**	**2,412.13**	**10.40**	**11.09**	**40.55**	**3,357.57**
Addition	2.74	134.19	656.83	1.23	1.55	4.32	800.86
Disposal/Adjustments	(0.84)	(1.93)	(8.48)	(0.10)	(0.16)	(0.24)	(11.74)
Balance at March 31, 2019	**93.45**	**924.11**	**3,060.48**	**11.53**	**12.49**	**44.63**	**4,146.69**
Accumulated depreciation							
Balance at April 1, 2017	**-**	**54.46**	**609.97**	**1.45**	**3.04**	**16.05**	**684.97**
Depreciation	-	29.49	185.81	1.49	1.57	5.91	224.27
Disposal/Adjustments	-	(1.20)	(51.62)	(0.04)	(0.98)	(0.88)	(54.73)
Balance at March 31, 2018	**-**	**82.75**	**744.16**	**2.90**	**3.63**	**21.08**	**854.51**
Depreciation	-	29.87	200.40	1.22	1.50	6.15	239.14
Disposal/Adjustments	-	(0.15)	(3.84)	(0.07)	(0.07)	(0.08)	(4.21)
Balance at March 31, 2019	**-**	**112.47**	**940.72**	**4.05**	**5.05**	**27.15**	**1,089.44**
Carrying amount							
Balance at April 1, 2017	**86.39**	**732.57**	**1,594.74**	**8.32**	**9.88**	**19.51**	**2,451.41**
Addition	5.16	8.85	262.01	0.67	1.62	5.92	284.23
Disposal/Adjustments	-	(2.83)	(2.97)	-	(2.47)	(0.06)	(8.33)
Depreciation	-	(29.49)	(185.81)	(1.49)	(1.57)	(5.91)	(224.27)
Balance at March 31, 2018	**91.55**	**709.10**	**1,667.97**	**7.50**	**7.46**	**19.46**	**2,503.04**
Addition	2.74	134.19	656.83	1.23	1.55	4.32	800.86
Disposal/Adjustments	(0.84)	(1.78)	(4.64)	(0.03)	(0.08)	(0.16)	(7.52)
Depreciation	-	(29.87)	(200.40)	(1.22)	(1.50)	(6.15)	(239.14)
Balance at March 31, 2019	**93.45**	**811.64**	**2,119.76**	**7.48**	**7.44**	**17.47**	**3,057.24**

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

3A Property, plant and equipment and capital work-in-progress (Contd..)

Notes on property, plant and equipment

1 Freehold land includes ₹ 4.38 crores (March 31, 2018 ₹ 4.38 crores) for the cost of land for which title deeds are yet to be executed in favor of the Company, though the possession thereof has been taken by the Company.

2 Refer to note 18 (a) for information on property, plant and equipment pledged as security by the Company.

3 Buildings includes ₹ 2.48 Crores (March 31, 2018: ₹ 2.48 Crores) 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.

4 As per the amendment in Ind-AS 20 "Government Grants" w.e.f April 1, 2018, the Company has opted to present the grant related to assets as deduction from the carrying value of such specific assets. For financial year 2018-19 such amount deducted from Property, Plant and Equipment is ₹ 14.00 Crores.

5 The Company has availed benefit under Export Promotion Capital Goods (EPCG) scheme amounting to ₹ 22.00 Crores (related to non cenvatable portion of total duty saved) for financial year 2018-19, such benefit is related to Property, Plant and Equipment and Capital work in progress.

6 Borrowing cost capitalised during the year ₹ 2.42 Crores (March 31, 2018 Nil)

7 Also refer Note 2.10 for option used by the Company to use carrying value of previous GAAP as deemed cost as on April 1, 2015.

3B Intangible assets

Particulars	As at March 31, 2019	As at March 31, 2018
Carrying amount of		
Computer Softwares	1.60	3.73
Contribution to CETP	-	-
Right to use power lines	-	-
	1.60	**3.73**

	Computer Softwares	Contribution to CETP	Right to use power lines	Total
Cost or Deemed Cost				
Balance as at April 1, 2017	**10.47**	**0.64**	**4.50**	**15.61**
Addition	1.27	-	-	1.27
Disposal	-	-	-	-
Balance as at March 31, 2018	**11.74**	**0.64**	**4.50**	**16.88**
Addition	0.21	-	-	0.21
Disposal	-	-	-	-
Balance as at March 31, 2019	**11.95**	**0.64**	**4.50**	**17.09**
Accumulated amortisation				
Balance as at April 1, 2017	**5.30**	**0.51**	**3.07**	**8.88**
Amortisation expenses	2.71	0.13	1.43	4.27
Balance as at March 31, 2018	**8.01**	**0.64**	**4.50**	**13.15**
Amortisation expenses	2.34	-	-	2.34
Disposal	-	-	-	-
Balance as at March 31, 2019	**10.35**	**0.64**	**4.50**	**15.49**

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

3B Intangible assets (Contd..)

	Computer Softwares	Contribution to CETP	Right to use power lines	Total
Carrying amount				
Balance as at April 1, 2017	**5.17**	**0.13**	**1.43**	**6.73**
Addition	1.27	-	-	1.27
Amortisation expenses	(2.71)	(0.13)	(1.43)	(4.27)
Balance as at March 31, 2018	**3.73**	**-**	**-**	**3.73**
Addition	0.21	-	-	0.21
Disposal	-	-	-	-
Amortisation expenses	(2.34)	-	-	(2.34)
Balance as at March 31, 2019	**1.60**	**-**	**-**	**1.60**

Note: These intangible assets are not internally generated

Also refer Note 2.11 for option used by the Company to use carrying value of previous GAAP as deemed cost as on April 1, 2015.

4 **Investments (Non Current)

Particulars	As at March 31, 2019	As at March 31, 2018
Break up of investments in subsidiaries, associates and joint venture		
I TRADE INVESTMENTS (at cost/carrying value)		
Financial assets carried at cost		
a. Investment in equity instruments		
(i) Investment in subsidiaries (quoted)		
5,68,51,144 (March 31, 2018: 5,68,51,144) Equity shares of ₹ 10/- each fully paid up of Vardhman Acrylics Limited	53.15	53.15
(ii) Investment in subsidiaries (unquoted)		
$$ 2,07,00,240 (March 31, 2018: 2,07,00,240) Equity shares of ₹ 10/- each fully paid up of VMT Spinning Company Limited	39.62	39.62
40,00,000 (March 31, 2018: 40,00,000) Equity shares of ₹ 10/- each fully paid up of VTL Investments Limited	4.04	4.04
^^1.40,00,000 (March 31, 2018: NIL) Equity shares of ₹ 10/- each fully paid up of Vardhman Nisshinbo Garments Company Limited	8.51	-
(iii) Investment in Joint Venture/Associates		
Quoted		
^ 97,08,333 (March 31, 2018: 97,08,333) Equity shares of ₹ 10/- each fully paid up of Vardhman Special Steels Limited	25.24	25.24
Unquoted		
^^NIL (March 31, 2018: 71,40,000) Equity shares of ₹ 10/- each	-	7.14

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

4 **Investments (Non Current) (Contd..)

Particulars	As at March 31, 2019	As at March 31, 2018
fully paid up of Vardhman Nisshinbo Garments Company Limited		
62,69,699(March 31, 2018: 62,69,699) Equity shares of ₹ 10/- each fully paid up of Vardhman Yarns & Threads Limited	27.50	27.50
25,000 (March 31, 2018 : 25,000) Equity shares of ₹10/- each fully paid-up of Vardhman Spinning and General Mills Limited	0.03	0.03
b. Investment in preference instruments (unquoted)		
(i) Investment in subsidary		
1,00,00,000 (March 31, 2018: NIL) 10% non-cumulative convertible preference shares of ₹ 10/- each fully paid up of Vardhman Nisshinbo Garments Company Limited	10.00	-
(ii) Investment in joint venture		
NIL (March 31, 2018: 1,00,00,000) 10% non-cumulative convertible preference shares of ₹ 10/- each fully paid up of Vardhman Nisshinbo Garments Company Limited	-	10.00
Financial assets measured at fair value through other comprehensive income		
(i) Investment in equity instruments (unquoted)		
41,000 (March 31, 2018: 41,000) Equity-Shares of ₹ 10/- each fully paid-up of Shivalik Solid Waste Management Limited (Section 25 Company)	0.08	0.07
1,40,625 (March 31, 2018: 1,40,625) Equity shares of ₹ 10/- each fully paid-up of Nimbua Greenfield (Punjab) Limited	1.72	1.65
2,225 (March 31, 2018: 2,225) Equity shares of ₹ 10/- each fully paid-up of Devakar Investment & Trading Company Private Limited	0.21	0.16
Other Investments:-		
Financial assets measured at fair value through Profit and loss		
(i) Investment in Bonds/ Preference shares/ Debentures (quoted)		
***6,660 (March 31, 2018 :6,660) 17.38% Non-convertible redeemable cumulative preference shares of ₹7,500/- each fully paid of IL&FS Financial Services Limited	5.00	11.19
***10,000 (March 31, 2018:10,000) 16.46% Non-convertible redeemable cumulative preference shares of ₹ 7,500/- each fully paid of Infrastructure Leasing & Financial Services Limited	7.50	16.60
*NIL (March 31, 2018: 100)Principal protected market linked redeemable non convertible debentures of ₹10,00,000/- each of Aspire Home Finance Limited	-	11.68
Unquoted		
12,50,000 (March 31, 2018: 12,50,000) 8.20% cumulative compulsorily convertible preference shares of of ₹100 each of Sheeba Properties Limited (formerly known as Tata motor Finance Limited)	27.55	26.99

Notes to Standalone Financial Statement

for the year ended March 31, 2019
(All amounts in ₹ Crores, unless otherwise stated)

4 **Investments (Non Current) (Contd..)

Particulars	As at March 31, 2019	As at March 31, 2018
(ii) Investment in mutual funds (Quoted)		
5,00,00,000 (March 31, 2018 :5,00,00,000) units of ₹10/- each of Kotak FMP Series 216 Direct Growth	54.45	50.66
4,00,00,000 (March 31, 2018:4,00,00,000) units of ₹10/- each of Birla Sunlife Fixed Term Plan Series MX (1140 Days)	43.32	40.35
2,50,00,000 (March 31, 2018:2,50,00,000) units of ₹10/- each of Birla Sunlife Fixed Term Plan Series -Growth-Direct (1135 Days)	28.82	26.78
NIL (March 31, 2018:1,00,00,000)units of ₹10/- each of UTI Fixed Term Income Fund Series XXIII-VII (1098 Days) Direct Growth Plan	-	12.09
*NIL (March 31, 2018:3,00,00,000) units of ₹10/- each of Kotak FMP Series 191 Direct Growth	-	35.29
*NIL (March 31, 2018:1,00,00,000) units of ₹10/- each of ICICI Prudential FMP Series 78-1115 Days Plan X Direct Plan Cumulative	-	11.75
*NIL (March 31, 2018:2,50,00,000) units of ₹10/- each of HDFC FMP 1114D Direct Growth	-	29.44
2,50,00,000 (March 31, 2018: 2,50,00,000) units of ₹10/- each of HDFC FMP 1158 Days Direct Growth	27.23	25.32
*NIL (March 31, 2018:2,50,00,000) units of ₹10/- each of SBI Debt Fund Series- B -36(1131 Days)- Direct Growth	-	29.21
2,50,00,000 (March 31, 2018:2,50,00,000) units of ₹10/- each of SBI Debt Fund Series - Direct - (1170 Day)Growth	28.85	26.83
1,50,00,000 (March 31, 2018: 1,50,00,000) units of ₹10/- each of UTI Fixed Term Income Fund Series XXIV-XIV (1831 Days)Direct Growth Plan	18.83	17.47
*NIL (March 31, 2018: 2,50,00,000) units of ₹10/- each of UTI Fixed Term Income Fund Series XXV-11 (1097 Days)Direct Growth Plan	-	28.40
3,50,00,000 (March 31, 2018: 3,50,00,000) units of ₹10/- each of Kotak FMP Series 202 Direct - Growth	40.28	37.43
5,00,00,000 (March 31, 2018: 5,00,00,000)units of ₹10/- each of SBI Debt Fund Series C10 (1150 DAYS) Direct Plan Growth FMP	54.31	50.59
2,50,00,000 (March 31, 2018: 2,50,00,000) units of ₹10/- each of ICICI Prudential FMP Series 80-1233 Days Plan O Direct Plan Cumulative	28.98	26.87
2,50,00,000 (March 31, 2018: 2,50,00,000) units of ₹ 10/- each of Reliance Fixed Horizon Fund- XXXIII- Series 3- Direct Plan Growth Plan	28.96	26.90
2,50,00,000 (March 31, 2018: 2,50,00,000) units of ₹10/- each of Reliance Fixed Horizon Fund- XXXIIV- Series 4- Direct Plan Growth Plan	28.96	26.87
5,00,00,000 (March 31, 2018 : 5,00,00,000) units of ₹10/- each of ICICI Fixed Maturity Plan Series 82-1203	54.56	50.65

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

4 **Investments (Non Current) (Contd..)

Particulars	As at March 31, 2019	As at March 31, 2018
3,24,12,364 (March 31, 2018: NIL) units of ₹10/- each of Kotak FMP Series 254 - 1250 Days -Direct Plan - Growth	33.63	-
6,50,00,000 (March 31, 2018: NIL) units of ₹10/- each of Kotak FMP Series 251 - 1265 Days -Direct Plan - Growth	68.24	-
	749.57	787.96
1. Aggregate book value of quoted investments	630.31	670.76
2. Aggregate Market Value of quoted investments	872.45	1,001.97
3. Aggregate carrying value of unquoted investments	119.26	117.20

* Investments having maturity period of less than 12 months from March 31, 2019 i.e. the balance sheet date have been reclassified as ' Current Investment' during the year.

**Refer Note 37

$$ For change in Company's ownership interest in VMT Spinning Company Limited

During the financial year 2017-2018, the Company had acquired remaining 10.56 % equity shares of VMT Spinning Company Limited (VMT) from Marubeni Corporation, Japan (13,80,000 shares consisting of 6.67% share) & Marubeni Hong Kong and South China Limited (8,05,000 shares consisting of 3.89% share) for ₹11.05 crore. Accordingly VMT, had become a wholly owned subsidiary of the Company.

^ For change in Company's ownership interest in Vardhman Special Steels Limited

During the financial year 2017-18, the Company had subscribed to 38,83,333 equity shares of Vardhman Special Steels Limited offered through Right Issue at a price of ₹50 per share amounting to ₹19.41 Crores.

^^ For change in Company's ownership interest in Vardhman Nisshinbo Garments Company Limited

During the financial year 2018-19, the Company has acquired 68,60,000 shares representing 49% of equity share capital of Vardhman Nisshinbo Garments Company Limited (VNGL) from its joint venture partner namely M/s. Nisshinbo Textile Inc. on January 23, 2019 for a consideration of ₹1.37 crores . Accordingly VNGL has become a wholly owned subsidary of the Company w.e.f. January 23, 2019.Earlier VNGL was a joint venture investment.

*** Investment in preference shares of IL&FS group companies aggregating to ₹ 24.90 crores. In view of the uncertainty prevailing with respect to recovery of the investment value from the IL&FS group, the Management has measured such investments at ₹ 12.50 crores and recorded adjustment as FVTPL . This FVTPL adjustment reflects the exposure that may arise given the uncertainty involved. The Management is hopeful of recovery though with a time lag.

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

5 Loans (Non Current)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets at amortized cost		
(unsecured considered good unless otherwise stated)		
Loan to employees	0.72	0.59
	0.72	**0.59**

6 *Other Financial Assets (Non Current)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets at amortized cost		
(unsecured considered good unless otherwise stated)		
Fixed Deposits with banks more than twelve months maturity	1.54	1.53
Interest Receivable	0.35	0.23
Other Recoverable	7.09	7.21
	8.98	**8.97**

*Refer Note 37

7 Other Non Current Assets

Particulars	As at March 31, 2019	As at March 31, 2018
Non Financial Assets at amortized cost		
(unsecured considered good unless otherwise stated)		
Capital advances	34.74	37.07
Balance with government authorities	9.11	12.82
Unamortised Lease hold land prepayment	7.14	7.22
Prepaid (Deferred) Expense for employee benefit	0.06	0.08
Security deposits	33.46	27.47
Prepaid expenses-others	0.49	0.60
	85.00	**85.26**

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

8 Inventories

Particulars	As at March 31, 2019	As at March 31, 2018
(at cost or net realisable value, whichever is lower)		
Raw materials*	1,648.17	1,340.40
Work-in-progress	157.64	142.43
Finished Goods	471.62	489.98
Stores and Spares*	164.70	143.70
	2,442.13	**2,116.51**
*above items include goods in transit as per below		
Raw materials	12.59	7.13
Stores and Spares	12.17	10.95
	24.76	**18.08**

(i) The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹3264.50 Crores (March 31, 2018: ₹ 3,180.52 Crores)

(ii) Refer to Note 18(a) and 23 for information on inventories pledged as security by the Company.

(iii) The method of valuation of inventories has been stated in note 2.13.

9 **Other Investments (Current)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets measured at fair value through Profit and loss		
Investment in Debt Funds/ Monthly Income Plans/Debentures/Bonds (Quoted)		
#3,00,00,000 (March 31, 2018:NIL) units of ₹10/- each of Kotak FMP Series 191 Direct Growth	37.92	-
#1,00,00,000 (March 31, 2018:NIL) units of ₹10/- each of ICICI Prudential FMP Series 78-1115 Days Plan X Direct Plan Cumulative	12.64	-
#2,50,00,000 (March 31, 2018:NIL) units of ₹10/- each of HDFC FMP 1114D Direct Growth	31.63	-
#2,50,00,000 (March 31, 2018:NIL) units of ₹10/- each of SBI Debt Fund Series- B -36(1131 Days)- Direct Growth	31.39	-
#2,50,00,000 (March 31, 2018: NIL) units of ₹10/- each of UTI Fixed Term Income Fund Series XXV-11 (1097 Days)Direct Growth Plan	30.58	-
#100 (March 31, 2018: NIL)Principal protected market linked redeemable non convertible debentures of ₹10,00,000/- each of Aspire Home Finance Limited	12.98	-
NIL (March 31, 2018 : 1,27,19,456) units of ₹10/- each of ICICI corporate Bond Direct Growth	-	35.98

Notes to Standalone Financial Statement

for the year ended March 31, 2019
(All amounts in ₹ Crores, unless otherwise stated)

9 **Other Investments (Current) (Contd..)

Particulars	As at March 31, 2019	As at March 31, 2018
4,00,00,000 (March 31, 2018: 4,00,00,000) units of ₹10/- each of Kotak FMP Series 200 Direct - Growth	46.21	42.97
NIL (March 31, 2018:2,48,58,661) units of ₹10/- each of Reliance Corporate Bond fund Direct Plan Growth	-	35.99
NIL (March 31, 2018 : 2,17,37,240) units of ₹10/- each of L&T Short Term Income Fund	-	41.24
83,58,828 (March 31, 2018: 83,58,828) units of ₹10/- each of Kotak Bond (Short Term) -Direct Plan Growth	30.49	28.14
12,49,786 (March 31, 2018:12,49,786) units of ₹10/- each of Birla Sun Life Treasury Optimizer Plan-Growth-Direct Plan	30.25	28.05
2,43,36,822 (March 31, 2018: 2,43,36,822) units of ₹10/- each of IDFC Corporate Bond Fund -Direct Plan -Growth Option	31.30	29.11
NIL (March 31, 2018: 500,000)Bonds of ₹100/- each of 7.77 Kerala State Development loan	-	4.96
NIL (March 31, 2018: 7837.31) units of ₹100 each of Aditya Birla Sun Life Floating Rate Fund	-	0.18
NIL (March 31, 2018: 2,500)Principal protected Market Linked Redeemable Non Convertible Debentures of ₹1,00,000/- each of ECL Finance limited	-	30.25
NIL (March 31, 2018: 1,500)Principal protected Market Linked redeemable Non Convertible Debentures of ₹1,00,000/- each of IIFL wealth Finance limited	-	17.36
NIL (March 31, 2018:2,000)Principal protected Market Linked redeemable Non Convertible Debentures of ₹1,00,000/- each of IIFL wealth Finance limited	-	23.38
NIL (March 31, 2018: 2,00,00,000) units of ₹10/- each of Reliance fixed horizon fund- XXIX-SERIES 1- DIRECT GROWTH PLAN	-	24.81
NIL (March 31, 2018:3,00,00,000) units of ₹10/- each of Reliance fixed horizon fund- XXIX-SERIES 2- DIRECT GROWTH PLAN	-	37.07
NIL (March 31, 2018: 5,00,00,000) units of ₹10/- each of Kotak FMP Series 178 Direct Growth	-	61.86
NIL (March 31, 2018: 5,00,00,000) units of ₹10/- each of Birla Sunlife Fixed Term Plan Series MX (1128 Days)	-	61.19
NIL (March 31, 2018: 5,00,00,000) units of ₹10/- each of ICICI Prudential FMP Series 77-1129 Days Plan W Direct Plan Cumulative	-	61.03
NIL (March 31, 2018: 5,00,08,075) units of ₹10/- each of Reliance Fixed Horizon Fund-XXIX- Series 8 Direct Growth Plan	-	61.34
NIL (March 31, 2018: 2,20,00,000) units of ₹10/- each of UTI Fixed Term Income Fund Series XXIII-II (1100 Days) Direct Growth Plan	-	27.01
NIL (March 31, 2018: 1,30,00,000) units of ₹10/- each of Kotak FMP Series 180-1099 Days	-	15.81
NIL (March 31, 2018: 5,00,00,000) units of ₹10/- each of SBI Debt Fund Series-B (1105 DAYS) Direct Plan Growth FMP*	-	63.42

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

9 **Other Investments (Current) (Contd..)

Particulars	As at March 31, 2019	As at March 31, 2018
NIL (March 31, 2018: 3,00,00,000) units of ₹10/- each of ICICI Prudential FMP Series 76-1108 Days Plan V Direct Plan Cumulative	-	38.08
Investment in preference shares (unquoted)		
10,00,000 (March 31, 2018: 10,00,000) 3% cumulative compulsorily convertible Preference Shares of ₹ 100/- each of TATA Motors Finance Limited	12.03	11.60
Investment in equity Share (Quoted)		
75,400 (March 31, 2018 :75,400) Equity Shares of ₹ 10 /-each fully paid up of Hindustan Petroleum Corporation Limited	2.14	2.60
13,04,645 (March 31, 2018 :13,04,645) Equity shares of ₹ 1 /- each fully paid up of Welspun India Limited	7.91	7.57
26,000 (March 31, 2018 :26,000) Equity shares of ₹ 10 /-each fully paid up of Trident Limited	0.19	0.15
1,46,000 Shares (March 31, 2018: 1,46,000) equity shares of ₹10 each of Reliance Industries Limited	19.90	12.89
	337.56	**804.04**
1. Aggregate amount of quoted investments	325.53	792.44
2. Aggregate market value of quoted investments	325.53	792.44
3. Aggregate amount of unquoted investment	12.03	11.60

Investments having maturity period of less than 12 months from March 31, 2019 i.e. the balance sheet date have been reclassified as ' Current investment' during the year.

** Refer note 37

10 *Trade receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Receivable from related parties (Refer Note 46)		
- Unsecured, considered good	5.00	6.68
Receivable from others		
- Secured, considered good	-	-
- Unsecured considered good	757.14	719.19
- Significant increase in Credit	5.65	6.42
- Credit impaired	-	-
Less:- Allowances for doubtful trade receivables	(4.97)	(4.97)
	762.82	**727.32**

(i) The credit period allowed on sales generally vary, on case to case basis, business to business, based on market conditions, maximum credit period allowed is 45 days (2017-18 - 45 days) in case of domestic yarn and 90 days (2017-18 - 90 days) in case of domestic fabric. In case of exports, maximum credit period of 120 days (2017-18 - 120 days) against letter of credit is provided.

(ii) There are no major customers that represent more than 10% of total balances of trade receivables.

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

10 *Trade receivables (Contd..)

(iii) Ageing of provision of doubtful trade receivables	Expected Credit Loss As at March 31, 2019	As at March 31, 2018
Less than 180 days	-	-
More than 180 days	4.97	4.97
	4.97	**4.97**

(iv) Age of Receivables:	As at March 31, 2019	As at March 31, 2018
Less than 180 days	756.22	723.95
More than 180 days	11.57	8.34
	767.79	**732.29**

(v) Movement in expected credit loss allowance	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	4.97	4.97
Movement in expected credit loss allowance	-	-
Balance at the end of the year.	**4.97**	**4.97**

(vi) The concentration of credit risk is limited due to the fact that customer base is large and unrelated.

* Refer note 37

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

11 Cash and cash equivalents#

For the purpose of financial statements cash and cash equivalents include cash on hand and bank balances. Cash and cash equivalent at the end of reporting period can be reconciled to the related items in balance sheet as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
a) Balances with banks		
- In current accounts	37.26	62.86
- In deposit accounts with maturity upto three months	-	0.01
b) Cheques on hand	-	2.20
c) Cash on hand	0.17	0.13
	37.43	**65.20**

#Refer note 37

11A Bank Balances other than Cash and cash equivalents#

Particulars	As at March 31, 2019	As at March 31, 2018
a) Other bank balances		
- Earmarked balances with banks*	3.17	2.78
- Deposits with more than twelve months maturity	1.54	1.53
- Deposits with more than three months but less than twelve months maturity	0.26	0.33
	4.97	**4.64**
Less: Amounts disclosed as other financial non current assets (Refer note 6)	1.54	1.53
	3.43	**3.11**

* Earmarked balances with banks includes ₹ 3.16 crores (March 31, 2018: ₹ 2.76 crores) pertaining to dividend accounts with banks and ₹0.01 crores (March 31, 2018:₹0.02 crores) pledged with government authorities and others.

Refer note 37

12 Loans (Current)#

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets at amortized cost		
(Unsecured and considered good), unless otherwise stated		
Loans to related parties (Refer note 46)		
- Subsidiary companies	16.99	15.50
- Others	15.00	26.99
Loan to employees	2.60	2.72
	34.59	**45.21**

Refer note 37

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

13 Other financial assets (Current)**

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets at amortized cost		
(Unsecured and considered good), unless otherwise stated		
Recoverable from related parties (Refer Note 46)	0.03	0.03
Interest receivable (including from related parties) (Refer Note 46)	1.30	1.03
Claims receivable	-	0.19
Other Recoverable	16.15	20.77
Financial assets at Fair value through Profit and loss		
Derivative Financial Instruments*	40.91	1.97
	58.39	**23.99**

* The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risk including foreign exchange forward contracts. For further details of derivative financial instruments refer note 37.

** Refer note 37

14 Current tax

Particulars	As at March 31, 2019	As at March 31, 2018
Current tax assets (net)		
Taxes paid (net)	100.10	99.07
Current tax liabilities (net)		
Income-tax payable (net)	6.55	9.45

15 Other current assets

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured and considered good), unless otherwise stated		
Amount recoverable from Mahavir Share Trust in respect of shares held in Trust (Refer note 40)	4.65	4.65
Advances to suppliers	100.61	77.86
Unamortised Lease hold land prepayments	0.08	0.08
Balance with government authorities	248.44	194.55
Prepaid (Deferred) Expense for employee benefit	0.12	0.10
Prepaid expenses others	4.31	4.67

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

15 Other current assets (Contd..)

Particulars	As at March 31, 2019	As at March 31, 2018
Other recoverable :		
- Considered good	57.72	34.97
- Considered Doubtful	0.03	0.03
Less: Allowances for doubtful other recoverable	(0.03)	(0.03)
	57.72	34.97
	415.93	**316.88**

16 Equity share capital

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised share capital:		
9,00,00,000 equity shares of ₹ 10 each (March 31, 2018: 9,00,00,000 equity shares of ₹ 10 each)	90.00	90.00
1,00,00,000 redeemable cumulative preference shares of ₹ 10 each (March 31, 2018: 1,00,00,000 redeemable cumulative preference shares of ₹ 10 each)	10.00	10.00
	100.00	**100.00**
Issued, subscribed and fully paid up share capital comprises:		
5,74,78,160 equity shares of ₹ 10 each (March 31, 2018: 5,74,33,460 equity shares of ₹ 10 each)	57.48	57.43
	57.48	**57.43**

16.1 Rights, preference and restriction attached to equity shares

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

16.2 Rights, preference and restriction attached to preference shares

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

16.3 As per Employee Stock Options Scheme 2016, senior employees of the Company were offered 6,14,000 options (for details refer note 45). The vesting for due options began from financial year 2016-17 and 1,22,800 options/shares (61,400 options/shares 2017-18) vested during the year 2018-19. Out of these, 44,700 shares/options (FY 2017-18 42,450 shares/options)

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

16 Equity share capital (Contd..)

have been issued. Share options granted under Company's employee share option plan carry right to dividend and voting rights at par with other equity holders.

16.4 Reconciliation of number of shares

	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	5,74,33,460	57.43	5,59,28,808	55.93
Sale of own shares held through trust (Refer note 40)	-	-	14,62,202	1.46
	5,74,33,460	**57.43**	**5,73,91,010**	**57.39**
Add:Issue of equity shares under employee stock option plan (Refer note 45)	44,700	0.05	42,450	0.04
Balance as at the end of the year	**5,74,78,160**	**57.48**	**5,74,33,460**	**57.43**

16.5 Details of shares held by the holding Company

There is no Holding / Ultimate Company of the Company

16.6 Details of shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% holding	Number of shares	% holding
Devakar Investment and Trading Company Private Limited	62,18,019	10.82%	61,92,786	10.78%
Adishwar Enterprises LLP	1,03,18,863	17.95%	1,03,18,863	17.97%
Vardhman Holdings Limited	1,53,14,517	26.64%	1,53,14,517	26.66%

17 Other equity

Particulars	As at March 31, 2019	As at March 31, 2018
Share application money pending allotment	1.13	0.55
Capital reserve	1.24	1.24
Capital redemption reserve	6.26	6.26
Security premium	10.18	4.91
Debenture redemption reserve	49.68	17.81
Share options outstanding account	15.23	10.57
General reserve	1,373.60	1,373.60
Retained earnings	3,723.11	3,158.48
Equity instrument through other comprehensive income	1.19	1.11
	5,181.62	**4,574.53**

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

17 Other equity (Contd..)

	Share application money pending allotment	Reserves and Surplus							Item of other comprehensive income	Total
		Capital reserve	Capital redemption reserve	Security premium	Debenture redemption reserve	Share options outstanding account	General reserve	Retained earnings	Equity instrument through other comprehensive income	
Balance at April 1, 2017	**-**	**1.24**	**6.26**	**-**	**-**	**-**	**1,373.60**	**2,547.77**	**1.05**	**3,929.92**
Profit for the year	-	-	-	-	-	-	-	545.76	-	545.76
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	1.64	0.06	1.70
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**547.40**	**0.06**	**547.46**
Final Equity Dividend for the financial year 2016-17 (Amount ₹ 15 per share)	-	-	-	-	-	-	-	(86.09)	-	(86.09)
Tax on Dividend	-	-	-	-	-	-	-	(15.79)	-	(15.79)
Dividend on shares held through trust	-	-	-	-	-	-	-	2.19	-	2.19
Profit on sales of shares held through trust (Refer note 40)	-	-	-	-	-	-	-	180.81	-	180.81
Employee stock options accrued upto March 2018 (Refer note 45)	-	-	-	-	-	12.07	-	-	-	12.07
Transfer to equity shares due to issue of employee stock options (Refer note 45)	-	-	-	-	-	(1.50)	-	-	-	(1.50)
Securities premium on shares under Employee stock options	-	-	-	4.91	-	-	-	-	-	4.91
Transfer to debenture redemption reserve on account of issue of debentures	-	-	-	-	17.81	-	-	(17.81)	-	-
Share Application Money received pending allotment under employee stock options.	0.55	-	-	-	-	-	-	-	-	0.55
Balance at March 31, 2018	**0.55**	**1.24**	**6.26**	**4.91**	**17.81**	**10.57**	**1,373.60**	**3,158.48**	**1.11**	**4,574.53**
Profit for the year	-	-	-	-	-	-	-	695.88	-	695.88
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	0.11	0.08	0.19
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**695.99**	**0.08**	**696.07**

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

17 Other equity (Contd..)

	Share application money pending allotment	Reserves and Surplus							Item of other comprehensive income	Total
		Capital reserve	Capital redemption reserve	Security premium	Debenture redemption reserve	Share options outstanding account	General reserve	Retained earnings	Equity instrument through other comprehensive income	
Final Equity Dividend for the financial year 2017-18 (Amount ₹ 15 per share)	-	-	-	-	-	-	-	(86.17)	-	(86.17)
Tax on Dividend	-	-	-	-	-	-	-	(13.32)	-	(13.32)
Employee stock options accrued during April-March 2019 (Refer note 45)	-	-	-	-	-	6.32	-	-	-	6.32
Transfer to equity shares due to issue of employee stock options (Refer note 45)	(3.64)					(1.66)				(5.30)
Securities premium on shares under Employee stock options		-	-	5.27	-	-	-	-	-	5.27
Transfer to debenture redemption reserve on account of issue of debentures	-	-	-	-	31.87	-	-	(31.87)	-	-
Share Application Money received under employee stock options.	4.22	-	-	-	-	-	-	-	-	4.22
Balance at March 31, 2019	**1.13**	**1.24**	**6.26**	**10.18**	**49.68**	**15.23**	**1,373.60**	**3,723.11**	**1.19**	**5,181.62**

a. **Share application money pending allotment and share option outstanding account**

It represents money received from senior employees under the Company's employee share option scheme.

b. **Capital reserve**

Capital reserve represents reserve recognised on amalgamation being the difference between consideration amount and net assets of the transferor Company.

c. **Capital redemption reserve**

Capital Redemption reserve is a statutory, non-distributable reserve into which amounts are transferred following the redemption or purchase of a Company's own shares.

d. **Securities premium**

Securities premium represents amount of premium recognised on issue of shares to shareholders at a price more than its face value.

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

17 Other equity (Contd..)

e. Debenture redemption reserve

The Company has issued non convertible debentures in Financial Year 2017-18 and as per the provisions of the Companies Act, 2013 , it is required to create debenture redemption reserve out of the profits available for payment of dividend.

f. General reserve

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

g. Retained earnings

Retained earnings represents amount that can be distributed by the Company to its equity shareholders is determined based on the financial statements of the Company and also considering the requirements of the Companies Act 2013.

h. Equity instrument through other comprehensive income

Reserve for equity instruments through other comprehensive income represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amount reclassified to retained earnings when those assets have been disposed off.

18 Borrowings (Non Current)

Particulars	As at March 31, 2019	As at March 31, 2018
Secured - at amortised cost		
Term loans		
From banks*	870.00	977.13
Less: Current maturities (refer note-25)	298.45	281.38
	571.55	**695.75**
Debentures		
Series A 7.59% 1500 Debentures of ₹10,00,000/-each	150.00	150.00
Series B 7.69% 1500 Debentures of ₹10,00,000/-each	150.00	150.00
Series C 7.75% 1998 Debentures of ₹10,00,000/-each	199.80	199.80
Total	**1,071.35**	**1,195.55**

* Net of unamortized processing charges: March 31, 2019: ₹ 1.56 crores (March 31, 2018 ₹ 1.84 crores)

(a) Term loans from banks are secured as follows:-

(1). 1st pari passu charge :-Hypothecation of entire fixed assets of the Company (both present and future) including equitable mortgage.

(2). 2nd pari passu charge:-Hypothecation of stocks of raw material, stock in process and finished goods, receivables/ book debts and other current assets (both present and future).

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

18 Borrowings (Non Current) (Contd..)

(b) The Company issued secured, rated listed Redeemable Non-convertible Debentures (NCDs) aggregating to ₹ 499.80 crores for cash at par on private placement basis on September 8, 2017. The NCDs are listed at the Bombay Stock Exchange of India (BSE) and comprise of three series repayable in third, fourth and fifth years and have an overall yield of 7.69% per annum.

CRISIL has assigned a rating of AA+ with Stable outlook to the said NCDs of the Company on December 28, 2018. The NCDs are secured by way of a first pari passu charge over the immovable and movable fixed assets of the Company and it should have fixed asset cover of more than 105% of outstanding amount of NCDs.The Fixed Asset coverage ratio as on March 31, 2019 is 2.23 times

(c) There have been no breach of covenants mentioned in the loan agreements during the reporting years.

18 (d) Terms of repayment of loan/debentures

Loan Category	Frequency of principal repayments	Interest rate	Repayments during			
			FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-25
Term loans	Quarterly Payments	8.50% to 10.62%	298.45	57.41	108.75	233.95
Term loans	Bullet Payments	8.85% to 9.00%	-	-	-	173.00
7.59% Series A Non-convertible debentures	Yearly	7.59%	-	150.00	-	-
7.69% Series A Non-convertible debentures	Yearly	7.69%	-	.	150.00	-
7.75% Series A Non-convertible debentures	Yearly	7.75%	-	-	-	199.80
			298.45	**207.41**	**258.75**	**606.75**

18 (e) Also refer note 37 for fair value disclosures.

19 Other financial liabilities (Non Current)*

Particulars	As at March 31, 2019	As at March 31, 2018
Financial liabilities at amortized cost		
Retention money	4.48	0.65
	4.48	**0.65**

* Refer note 37

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

20 Provisions (Non Current)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits :		
- Leave (Refer note 47)	10.86	7.04
	10.86	**7.04**

The provision for employee benefit include annual leave and vested long service leave entitlement accrued of employees.

21 Deferred tax liabilities (net)*

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax liabilities	307.86	270.12
Deferred tax assets	10.39	34.52
	297.47	**235.60**

* Refer note 36

22 Other non-current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Income for Capital subsidy	20.27	22.14
Due to employees	0.05	0.04
Other	0.08	-
Total	**20.40**	**22.18**

The deferred revenue arises as a result of the benefits received from state government on account of installation of specified project assets whereby such grant is treated as deferred income and is recognized as income over the useful life of the assets for which such grant is received. W.e.f April 1, 2018 the Company has opted to deduct such grant from the carrying value of the specific asset (Also refer Notes 4 to Note 3A)

23 Borrowings (Current)*

Particulars	As at March 31, 2019	As at March 31, 2018
Loans repayment on demand		
- From banks (secured at amortised cost)	831.37	743.12
- From banks (unsecured at amortised cost)	37.31	62.39
Total	**868.68**	**805.51**

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

23 Borrowings (Current)* (Contd..)

Details of security for working capital borrowings

Working capital borrowings from banks are secured as follows:-

(1) 1st pari passu charge :-Hypothecation of stocks of raw material, stock in process and finished goods, receivables/ book debts and other current assets (both present and future).

(2) 2nd pari passu charge:-Hypothecation of entire fixed assets of the company (both present and future) including equitable mortgage.

Includes NIL (March 31, 2018: Nil) for commercial paper issued by the Company. The maximum amount outstanding during the year is ₹600.00 crores (FY 2017-18: ₹ 600.00 crores).

* Refer note 37

24 Trade payables*

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payables (refer note 43)		
-Total outstanding dues of micro enterprises and small enterprises	4.08	-
-Total outstanding dues of other than micro enterprises and small enterprises	236.09	242.45
Due to related parties (Refer Note 46)	0.19	4.48
Total	**240.36**	**246.93**

* Refer note 37

25 Other financial liabilities (Current)**

Particulars	As at March 31, 2019	As at March 31, 2018
Financial liabilities at amortized cost		
Current maturities of non current debt	298.45	281.38
Interest accrued but not due on borrowings	23.38	24.87
Other payables		
- Retention money	5.71	6.27
- Security deposits	6.10	2.15
- Expense payable	37.81	33.10
- Payables for purchase of fixed assets		
-Total outstanding dues of micro enterprises and small enterprises	-	-
-Total outstanding dues of other than micro enterprises and small enterprises	89.66	0.21

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

25 Other financial liabilities (Current)** (Contd..)

Particulars	As at March 31, 2019	As at March 31, 2018
- Due to employees	73.63	65.84
Financial liabilities at Fair value through Profit and loss		
Derivative Financial Instruments*	0.89	7.38
Total	**535.63**	**421.20**

* This includes net mark to market loss of ₹ 0.89 crores (March 31,2018 : ₹ 1.92 Crores) on commodities traded through commodities exchange. The Company has taken future contracts to hedge against fluctuation of cotton prices during the year and has booked mark to market loss on these contracts in head Other expenses (Refer note 35)

** Refer note 37

26 Other current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory remittances*	16.70	40.99
Deferred Income for Capital subsidy	1.98	2.00
Unpaid dividends **	3.16	2.76
Gratuity	2.54	-
Advances from customers (Contract Liabilities) #	42.38	47.92
Other Liabilities	4.69	21.40
Total	**71.45**	**115.07**

* Statutory remittances includes contribution to provident fund and employee state insurance corporation, tax deducted/collected at source, goods and service tax etc.

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

Advance from customers is recognised when payment is received before the related performance is satisfied

Particulars	As at March 31, 2019	As at March 31, 2018
As at beginning of the year	47.92	75.85
Less:-Recognised as revenue	(47.92)	(75.85)
Add:- Advances received during the year related to closing balance	42.38	47.92
As at end of the year	**42.38**	**47.92**

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

27 Provisions (Current)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits : (Refer note 47)		
Leave	2.79	2.95
Gratuity	-	1.87
	2.79	**4.82**

28 Revenue from operations

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products (Net of Rebate & Discount)**	6,345.92	5,762.50
Sale of services	2.57	2.20
Other operating revenues :		
- Export benefits*	52.36	75.31
- Others	13.73	11.36
	6,414.58	**5,851.37**

Ministry of Corporate affairs has notified Ind AS 115 'Revenue from Contracts with customers' which is effective from April 1, 2018. The new standard outlines a single comprehensive control based model for revenue recognition and supersedes current revenue recognition guidance based on risk and rewards. The company has assessed the impact on the financial statement of adopting IND-AS 115 and it is not expected to have a impact on the company's profitability, liquidity and capital resources as financial position. The Company has not applied any significant judgements in applying the revenue recognition criteria. The introduction of the standard have extended the disclosure requirements and is given below:-

The following is an analysis of the companies revenue from its products and services

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of Yarn	3,946.66	3,649.41
Sale of Fabric	2,396.20	2,109.96
Service income	2.57	2.20
Others (Sale of scrap, waste etc)	16.79	14.49
	6,362.22	**5,776.06**
The following is analysis on the Companies revenue disaggregates on the basis of timing of revenue recognition.		
- At point of time	6,362.22	5,776.06
- Over the period	-	-
The contract price of sale of prodcuts co-inside with the revenue from operations.		
* Export benefits are in the nature of government grants covering following benefits		
(a) Merchandise Exports from India Scheme(MEIS)	18.61	59.79
(b) Duty drawback benefits	33.75	15.52
	52.36	**75.31**

** Revenue from operations does not include ₹5.39 crores for sales during the trial run which has been capitalised during the year.

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

29 Other income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Interest income		
Interest income	11.66	17.76
Interest income on employee loans	0.10	0.11
(b) Dividend income		
Dividend Income from investment carried at cost	27.01	14.62
Dividend income from investments- carried at fair value through Profit or Loss	13.90	5.36
(c) Other Non Operating Income (Net of Expenses directly attributable to such income)		
Net gain on sale of investments-carried at fair value through Profit or Loss (net of fair valuation gains/loss upto previous year)	23.23	20.26
Gain on fair valuation of Investments	46.56	78.08
(d) Other gain		
Claims received (net of expenses)	0.86	1.50
Provisions no longer required written back	19.31	8.02
Capital subsidy	2.36	1.79
Net gain on disposal of property, plant and equipment	17.42	4.69
Foreign exchange fluctuation gain (net)	30.78	8.62
Others	25.01	24.25
	218.20	**185.06**

30 Cost of materials consumed

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Cotton	2,530.75	2,542.72
Manmade fibre	663.02	576.29
Yarn	29.96	24.40
Fabric	38.22	34.80
Others	2.55	2.31
	3,264.50	**3,180.52**

31 Purchases of Stock-in-trade:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Yarn	42.00	33.47
Fabric	7.73	-
Others	0.35	0.16
	50.08	**33.63**

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventories at the beginning of the year		
Work-in-progress	142.43	137.69
Finished goods	489.98	446.71
	632.41	**584.40**
Less:-Material transferred to/from trial run	(11.97)	-
Add:-Material Received from Trial Run	10.55	-
	630.99	**584.40**
Inventories at the end of the year		
Work-in-progress	157.64	142.43
Finished goods	471.62	489.98
	629.26	**632.41**
	1.73	**(48.01)**

33 Employee benefits expense *#

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and wages	479.04	439.19
Contribution to provident and other funds	34.97	34.95
Staff welfare expenses	5.85	5.49
	519.86	**479.63**

* Also refer note 47

This expenses does not include amounting ₹0.14 crore incurred in trial run which is capitalised during the year

34 Finance costs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense*	107.81	103.81
Other borrowing costs	10.03	10.51
	117.84	**114.32**

"*Interest expense is net of interest reimbursement of ₹30.98 crores (March 31, 2018 - ₹ 43.82 crores) under Technology upgradation fund scheme (TUF) and ₹2.36 crores (March 31, 2018 - ₹ 12.59 crores) under Madhya Pradesh state interest reimbursement on term loan.

*Borrowing cost capitalised during the year ₹ 2.42 Crores

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

35 Other expenses*

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Power and fuel	665.90	586.47
Consumption of stores and spare parts	31.14	37.12
Packing materials and charges	68.52	74.78
Dyes and Chemical consumed	191.30	184.13
Rent	2.55	2.12
Repairs and maintenance to buildings	25.31	19.48
Repairs and maintenance to machinery	178.58	167.37
Insurance	5.52	5.21
Rates and taxes	1.84	2.44
Auditors remuneration:		
- Audit fee	0.55	0.50
- Tax audit fee	0.08	0.08
- Reimbursement of expenses	0.10	0.16
- In other capacity	-	0.06
Bad debts written off	0.73	0.45
Excise duty on sale of goods	-	0.10
Forwarding charges and octroi	110.01	102.30
Commission to selling agents	44.28	43.71
Assets written off	0.49	3.32
Other miscellaneous expenses (Refer note 48.3)#**	119.99	117.24
	1,446.89	**1,347.04**

* Other expenses does not include amounting ₹3.92 crore incurred in trial run which is capitalised during the year

** Does not include any item of expenditure with a value of more than 1% of the revenue from operations.

During the year, the company paid ₹0.70 crores political contribution via Electoral Bond Scheme.

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

36 Tax balances

The following is the analysis of deferred tax assets / (liabilities) presented in the standalone balance sheet

36.1 Deferred tax liabilities (Net)

Deferred tax liabilities (Net)	Opening Balance	Mat Credit Adjustment	Recognised in profit or loss	Recognised in OCI	Closing Balance
2018-19					
Deferred tax assets					
Expenses deductible in future years	22.55		(14.09)		8.46
Provision for doubtful debts / advances	1.75				1.75
MAT credit recoverable	10.21	(10.21)	-		-
Others	0.01		0.17		0.18
	34.52	**(10.21)**	**(13.92)**	**-**	**10.39**
Deferred tax liabilities					
Property, plant and equipment and Intangible assets	(244.18)		(49.42)		(293.60)
Investment in bonds, mutual funds and equity instruments	(26.11)		11.90	(0.05)	(14.26)
Others	0.17		(0.17)		-
	(270.12)	**-**	**(37.69)**	**(0.05)**	**(307.86)**
Net deferred tax liabilities	**(235.60)**	**(10.21)**	**(51.61)**	**(0.05)**	**(297.47)**

Deferred tax liabilities (Net)	Opening Balance	Mat Credit Adjustment	Recognised in profit or loss	Recognised in OCI	Closing Balance
2017-18					
Deferred tax assets					
Expenses deductible in future years	18.86	-	3.69	-	22.55
Provision for doubtful debts / advances	1.72	-	0.03	-	1.75
MAT credit recoverable	-	10.21	-	-	10.21
Others	0.01	-	-	-	0.01
	20.59	**10.21**	**3.72**	**-**	**34.52**
Deferred tax liabilities					
Property, plant and equipment and Intangible assets	(203.28)	-	(40.90)		(244.18)
Investment in bonds, mutual funds and equity instruments	(55.44)	-	29.33		(26.11)
Others	(0.28)	-	0.44		0.17
	(259.00)	**-**	**(11.13)**	**-**	**(270.12)**
Net deferred tax liabilities	**(238.41)**	**10.21**	**(7.41)**	**-**	**(235.60)**

Note: Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

36 Tax balances (Contd..)

36.2 Income tax recognised in profit or loss

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax		
In respect of the current year	242.91	147.58
Deferred tax		
In respect of the current year	51.61	7.41
Total income tax expense recognised	**294.52**	**154.99**

The income tax expense for the year can be reconciled to the accounting profit as follows

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax	990.40	700.75
Tax at the Indian Tax Rate of 34.944% (2017-18 : 34.608 %)	346.09	242.51
Differential tax rate on capital gain on sale of investments/mark to market gain on investment	(3.52)	(34.30)
Effect of exempted dividend income	(14.33)	(6.88)
Effect of indexation benefit on value of investment	(15.59)	(18.81)
Effect of deduction under section 80-IA and 80-IC of the Income-tax Act, 1961	(24.87)	(35.88)
Effect of expenses that are not deductible in determining taxable profit	2.35	2.61
Effect of change in tax rate	-	2.62
Others	4.39	3.12
Total expense	**294.52**	**154.99**

36.3 Income tax recognised in other comprehensive income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Arising on income and expenses recognised in other comprehensive income		
Net fair value gain on investment in equity shares at FVTOCI	0.05	0.03
Remeasurement of defined benefit obligation	0.06	0.87
Total income tax recognised in other comprehensive income	**0.11**	**0.90**

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

37 Financial Instruments And Risk Management

37.1 Capital Management

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through optimization of debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in note no.18 and offset by cash and bank balances) and total equity of the Company. The Company is not subject to any externally exposed capital requirements.

The capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants which otherwise would permit the banks to immediately call loans and borrowings. In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company's gearing ratio was as follows:

The following table provides detail of the debt and equity at the end of the reporting year:

	As at March 31, 2019	As at March 31, 2018
Debt	2,238.48	2,282.44
Cash & cash equivalents	37.43	65.20
Net Debt	**2,201.05**	**2,217.24**
Total Equity	**5,239.10**	**4,631.97**
Net debt to equity ratio	**0.42**	**0.48**

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

37 Financial Instruments And Risk Management (Contd..)

37.2 Financial instruments by category

	As at March 31, 2019				As at March 31, 2018			
	FVTPL	Fair Value (Derivative Instruments)	Amortised Cost#	FVTOCI	FVTPL	Fair Value (Derivative Instruments)	Amortised Cost#	FVTOCI
Financial Assets								
Investments*	917.03	-	-	2.01	1,423.40	-	-	1.88
Trade Receivables	-	-	762.82	-	-	-	727.32	-
Cash and cash equivalents	-	-	37.43	-	-	-	65.20	-
Bank balances other than above	-	-	3.43	-	-	-	3.11	-
Loans	-	-	35.31	-	-	-	45.80	-
Other financial assets	-	40.91	26.46	-	-	1.97	30.99	-
	917.03	**40.91**	**865.45**	**2.01**	**1,423.40**	**1.97**	**872.42**	**1.88**

	As at March 31, 2019			As at March 31, 2018		
	FVTPL	Fair Value (Derivative Instruments)	Amortised Cost#	FVTPL	Fair Value (Derivative Instruments)	Amortised Cost#
Financial Liabilities						
Borrowings (including current maturity of term loan)	-	-	2,238.48	-	-	2,282.44
Trade Payables	-	-	240.36	-	-	246.93
Other financial liabilities	-	0.89	240.77	-	7.38	133.08
	-	**0.89**	**2,719.61**	**-**	**7.38**	**2,662.45**

Carrying value of the financial assets and financial liabilities designated at amortised cost approximates its fair value.

* Investment value excludes investment in subsidiaries/Associates/Joint ventures of ₹168.09 crores (March 31, 2018: ₹ 166.72 crores) which are shown at cost in balance sheet as per Ind AS 27 "Separate Financial Statements".

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

37 Financial Instruments And Risk Management (Contd..)

37.2 Financial instruments by category

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured at fair value and have been grouped into Level 1, Level 2 and Level 3 below:

As at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in mutual funds/bonds/preference shares	92.04	794.85	-	**886.89**
Investments in quoted equity instruments	30.14	-	-	**30.14**
Investments in unquoted equity instruments	-	-	2.01	**2.01**
Foreign currency / commodity forward contracts	-	40.91	-	**40.91**
	122.18	**835.75**	**2.01**	**959.95**
Financial Liabilities				
Foreign currency / commodity forward contracts	-	0.89	-	**0.89**
	-	**0.89**	**-**	**0.89**

As at March 31, 2018	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in mutual funds/bonds/preference shares	246.63	1,153.55	-	**1,400.18**
Investments in quoted equity instruments	23.22	-	-	**23.22**
Investments in unquoted equity instruments	-	-	1.88	**1.88**
Foreign currency / commodity forward contracts	-	1.97	-	**1.97**
	269.85	**1,155.52**	**1.88**	**1,427.25**
Financial Liabilities				
Foreign currency / commodity forward contracts	-	7.38	-	**7.38**
	-	**7.38**	**-**	**7.38**

Level 1:

Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market.

Level 2:

Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly.

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

37 Financial Instruments And Risk Management (Contd..)

37.2 Financial instruments by category

Level 3:

Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data.

Sensitivity of Level 3 financial instruments are insignificant

The fair value of the financial instruments are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

Investments in mutual funds: Fair value is determined by reference to quotes from the financial institutions, i.e. net asset value (NAV) for investments in mutual funds declared by mutual fund house.

Investment in preference shares/debentures: Fair value is determined by reference to quotes from fund houses/portfolio management services companies i.e value of investments.

Derivative contracts: The Company has entered into various foreign currency contracts to manage its exposure to fluctuations in foreign exchange rates . These financial exposures are managed in accordance with the Company's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data, i.e., mark to market values determined by the Authorised Dealers Banks.

Quoted equity investments: Fair value is derived from quoted market prices in active markets.

Unquoted equity investments: Fair value is derived on the basis of net asset value approach, in this approach the net asset value is used to capture the fair value of these investments.

Reconciliation of Level 3 fair value measurements

Particulars	Unlisted equity instruments
As at April 1, 2018	1.79
Purchases	-
Gain / (loss) recognised in OCI/Profit/Loss	0.09
As at March 31, 2018	**1.88**
Purchases	-
Gain / (loss) recognised in OCI/Profit/Loss	0.13
As at March 31, 2019	**2.01**

Notes to Standalone Financial Statement

for the year ended March 31, 2019
(All amounts in ₹ Crores, unless otherwise stated)

37 Financial Instruments And Risk Management (Contd..)

37.3 Financial Risk Management

The Company's corporate treasury functions provides services to the business, coordinates access to the financial markets, monitors and manages the financial risks relating to operations of the Company through internal risk reports which analyse exposure by degree and magnitude of risk. These risks include market risk (including currency risk, interest rate risk and other price risks, credit risk and liquidity risk).

The Company seeks to minimize the effects of these risk by using derivate financial instruments to hedge risk exposure. The issue of financial derivatives is governed by the Company's policy approved by the board of directors.

The principal financial assets of the Company include loans, trade and other receivables, and cash and bank balances that derive directly from its operations. The principal financial liabilities of the Company, include loans and borrowings, trade and other payables and the main purpose of these financial liabilities is to finance the day to day operations of the Company.

This note explains the risks which the Company is exposed to and policies and framework adopted by the Company to manage these risks.

37.3.1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: foreign currency risk, interest rate risk, investment risk.

A. Foreign Currency Risk Management

The Company operates internationally and business is transacted in several currencies. The export sales of Company comprise around 40%(2017-18 - 38%) of the total sales of the Company, Further the Company also imports certain assets and material from outside India. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the Company is exposed to foreign currency risk and the results of the Company may be affected as the rupee appreciates/ depreciates against foreign currencies. Foreign exchange risk arises from the future probable transactions and recognized assets and liabilities denominated in a currency other than Company's functional currency.

The Company measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency risk by appropriately hedging the transactions. The Company uses a combination of derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

37 Financial Instruments And Risk Management (Contd..)

37.3.1 Market Risk (Contd..)

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods expressed in foreign currency are as follows:

As at March 31, 2019	USD	EUR	CHF	JPY
Financial assets				
Trade receivables	5.24	0.35		
Foreign exchange derivative contracts*	(14.60)	(0.35)	-	-
Net exposure to foreign currency risk (assets)	**-**	**-**	**-**	**-**
Financial liabilities				
Trade payables	0.20	0.19	-	5.20
Borrowings				
Foreign exchange derivative contracts*	(0.77)	(0.23)	-	(3.20)
Net exposure to foreign currency risk (liabilities)	**-**	**-**	**-**	**2.01**
Net exposure to foreign currency risk (net)	**-**	**-**	**-**	**2.01**

As at March 31, 2018	USD	EUR	CHF	JPY
Financial assets				
Trade receivables	5.19	0.36	-	-
Foreign exchange derivative contracts*	(7.33)	(0.68)	-	-
Net exposure to foreign currency risk (assets)	**-**	**-**	**-**	**-**
Financial liabilities				
Trade payables and other financial liabilities	-	0.18	0.05	13.77
Borrowings	-	-	-	
Foreign exchange derivative contracts*	(2.78)	(0.54)	(0.22)	(54.10)
Net exposure to foreign currency risk (assets)	**-**	**-**	**-**	**-**
Net exposure to foreign currency risk (net)	**-**	**-**	**-**	**-**

*Excess forwards sold against pending purchase order/sales order shipment

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

37 Financial Instruments And Risk Management (Contd..)

37.3.1 Market Risk (Contd..)

Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 10 % increase and decrease in the ₹ against the relevant foreign currency. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for 10% change in foreign currency rates. A positive number below indicates an increase in profit before tax or vice-versa.

	Year ended March 31, 2019		Year ended March 31, 2018	
	₹ strengthens by 10%	₹ weakens by 10%	₹ strengthens by 10%	₹ weakens by 10%
Impact on (profit) /loss for the year				
USD	-	-	-	-
EUR	-	-	-	-
CHF	-	-	-	-
JPY	(0.12)	0.12	-	-

Foreign exchange derivative contracts

The Company uses derivative financial instruments exclusively for hedging financial risks that arise from its commercial business or financing activities. The Company's Corporate Treasury team measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency cash flows by appropriately hedging the transactions. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. All identified exposures are managed as per the policy duly approved by the Board of Directors.

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

37 Financial Instruments And Risk Management (Contd..)

37.3.1 Market Risk (Contd..)

The following table details the foreign currency derivative contracts outstanding at the end of the reporting period:

Outstanding Contacts*	No of Deals		Foreign Currency (FCY Crores)		Nominal Amount (₹ Crores)	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
USD / INR Buy forward	22	25	0.77	2.62	54.65	174.44
USD / INR Buy Option	-	1	-	0.16	-	10.40
USD / INR Sell forward	250	114	11.70	6.72	851.99	442.29
USD / INR Sell Option	28	2	2.90	0.60	213.59	38.24
EUR / USD Buy forward	2	1	0.02	0.19	1.89	15.51
EUR / INR Buy forward	6	5	0.21	0.35	17.14	27.89
EUR / INR Sell forward	16	27	0.35	0.68	29.06	54.60
JPY/INR Buy forward	-	1	-	54.10	-	31.90
USD/JPY buy forward	1	-	3.20	-	1.99	-
USD/CHF Buy forward	-	1	-	0.22	-	15.36
CHF/INR Buy Forward	-	1	-	0.02	-	1.42
Fair value assets					40.91	1.97
Fair value liabilities						5.46

* Sensitivity on the above derivative contracts in respect of foreign currency exposure is insignificant

B. Interest Rate Risk Management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

37 Financial Instruments And Risk Management (Contd..)

37.3.1 Market Risk (Contd..)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	For the year ended March 31, 2019	For the year ended March 31, 2018
	₹ If loans interest rate decreases by 1 %	₹ If loans interest rate decreases by 1 %
Increase in profit before tax by	22.38	22.82

In case of increase in interest rate by above mentioned percentage, there would be a comparable impact on the profit before tax as mentioned above would be negative.

C. Security Price Risk Management

Exposure in equity

The Company is exposed to equity price risks arising from equity investments held by the Company and classified in the balance sheet as fair value through OCI.

Equity price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks at the end of the year.

If the equity prices had been 5% higher / lower:

Other comprehensive income for March 31, 2019 would increase / decrease by ₹ 0.10 crores (March 31, 2018: increase / decrease by ₹ 0.09 crores) as a result of the change in fair value of equity investment measured at FVTOCI.

Exposure in mutual funds

The Company manages the surplus funds majorly through investments in debt based mutual fund schemes. The price of investment in these mutual fund schemes is reflected though Net Asset Value (NAV) declared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The Company is exposed to price risk on such Investments.

Mutual fund/debentures/Equity shares/bonds price sensitivity analysis

The sensitivity analysis below have been determined based on Mutual Fund Investment at the end of the year. If NAV has been 1% higher / lower:

Profit for the year ended March 31, 2019 would increase / decrease by ₹8.22 crores (March 31, 2018 by ₹ 13.85 crores) as a result of the changes in fair value of mutual fund investments.

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

37 Financial Instruments And Risk Management (Contd..)

37.3.2 Credit Risk Management

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured. Credit risk on cash and bank balances is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. Investments primarily include investment in liquid mutual fund units, bonds, fixed maturity plan etc. issued by institutions having proven track record. The Company's credit risk in case of all other financial instruments is negligible.

The Company assesses the credit risk based on external credit ratings assigned by credit rating agencies. The Company also assesses the creditworthiness of the customers internally to whom goods are sold on credit terms in the normal course of business. The credit limit of each customer is defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to overseas customers are generally covered by letters of credit.

The impairment analysis is performed on client to client basis for the debtors that are past due at the end of each reporting date. The Company has not considered an allowance for doubtful debts in case of trade receivables that are past due but there has not been a significant change in the credit quality and the amounts are still considered recoverable.

The following is the detail of revenues generated from top five customers of the Company:

Particulars	As at March 31, 2019	As at March 31, 2018
Revenue from top five customers	540.00	528.42
% of total sales of products	8.42%	9.03%

Financial assets for which loss allowance is measured:

	As at March 31, 2019	As at March 31, 2018
Loans - Non-current	0.72	0.59
Loans - Current	34.59	45.21
Other financial assets - Non-current	8.98	8.97
Other financial assets - Current	58.39	23.99
Trade receivables	762.82	727.32
	865.50	**806.08**

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

37 Financial Instruments And Risk Management (Contd..)

37.3.2 Credit Risk Management (Contd..)

Loss allowance is as follows:

Particulars	Amount
As at April 1, 2017	4.97
Provided during the year	-
Reversed during the year	-
As at March 31, 2018	**4.97**
Provided during the year	-
Reversed during the year	-
As at March 31, 2019	**4.97**

Other than financial assets mentioned above, none of the Company's financial assets are either impaired, and there were no indications that defaults in payment obligations would occur.

37.3.3 Liquidity Risk Management

The financial liabilities of the Company, other than derivatives, include loans and borrowings, trade and other payables. The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool. The Company plans to maintain sufficient cash and marketable securities to meet the obligations as and when fall due. The below is the detail of contractual maturities of the financial liabilities of the Company at the end of each reporting period:

The table below analyses the Company's financial liabilities and financial assets into relevant maturity groupings based on their contractual maturities:

Financial Assets	Less than 1 year	More than 1 year and upto 3 years	More than 3 year and upto 5 years	More than 5 years	Total
As at March 31, 2019					
Investments*	291.35	516.31	109.37	2.01	**919.04**
Trade Receivables	762.82	-	-	-	**762.82**
Cash and cash equivalents	37.43	-	-	-	**37.43**
Bank balances other than above	3.43	-	-	-	**3.43**
Loans	35.31	-	-	-	**35.31**
Other financial assets	67.37	-	-	-	**67.37**
	1,197.71	**516.31**	**109.37**	**2.01**	**1,825.40**
Borrowings**	1,167.13	466.16	463.77	141.42	**2,238.48**
Trade payables	240.36	-	-	-	**240.36**
Other financial liabilities	237.18	-	-	-	**237.18**
	1,644.67	**466.16**	**463.77**	**141.42**	**2,716.02**

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

37 Financial Instruments And Risk Management (Contd..)

37.3.3 Liquidity Risk Management (Contd..)

Financial Assets	Less than 1 year	More than 1 year and upto 3 years	More than 3 year and upto 5 years	More than 5 years	Total
As at March 31, 2018					
Investments*	804.04	384.32	235.04	1.88	**1,425.28**
Trade Receivables	727.32	-	-	-	**727.32**
Cash and cash equivalents	65.20	-	-	-	**65.20**
Bank balances other than above	3.11	-	-	-	**3.11**
Loans	45.21	0.59	-	-	**45.80**
Other financial assets	23.99	8.97	-	-	**32.96**
	1,668.87	**393.88**	**235.04**	**1.88**	**2,299.67**
Borrowings**	1,086.89	505.88	689.67	-	**2,282.44**
Trade payables	246.93	-	-	-	**246.93**
Other financial liabilities	139.82	0.65	-	-	**140.47**
	1,473.63	**506.53**	**689.67**	**-**	**2,669.83**

* Investment value excludes investment in subsidiaries/Associates/Joint ventures of ₹168.09 crores (March 31, 2018: ₹ 166.72 crores)

** including Current Maturity of non-current borrowings

38 Contingent Liabilities and Commitments

Particulars	As at March 31, 2019	As at March 31, 2018
a. Claims against the Company not acknowledged as debts:		
Sales tax, excise duty, etc*	11.06	6.90
Income-tax**	273.39	214.90
Others	5.62	5.62

* Amount deposited ₹0.77 crore (March 31, 2018 : ₹ 0.85 crore)

** Amount deposited ₹139.01 crore (March 31, 2018 : ₹ 134.01 crore)

b. Liability on account of bank guarantees and letter of credit of ₹ 272.23 crores (March 31, 2018: ₹ 272.65 crores)

c. The amounts shown above represents the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately or relate to a present obligations that arise from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate cannot be made. The Company has been advised that it has strong legal positions against such disputes.

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

38 Contingent Liabilities and Commitments (Contd..)

d. The Payment of Bonus (Amendment) Act 2015, notified on December 31, 2015, had revised the thresholds for coverage of employee eligible for Bonus and also enhanced the ceiling limits for computation of bonus retrospectively from April 1, 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 said jurisdictional High Court has granted stay on its retrospective operation. In view thereof, the Company has not provided differential bonus pertaining to the period from April 1, 2014 to March 31, 2015 amounting to ₹ 8.21 crores. However, the Company has provided/paid bonus w.e.f. April 1, 2015 according to the amended provisions of the Payment of Bonus (Amendment) Act 2015.

e. The Hon'ble Supreme Court in a recent ruling has passed a judgement on the definition and scope of 'Basic Wages' under the Employees' Provident Funds and Miscellaneous Provision Act, 1952. Pending issuance of guidelines by the regulatory authorities on the application of this ruling, the impact on the Company, if any, cannot be ascertained. The Company will update its provision, on receiving further clarity on this subject matter.

f. Capital and other commitments

	As at March 31, 2019	As at March 31, 2018
(i) Estimated Amount of contracts remaining to be executed on capital account & not provided for (net of advance)	294.31	385.37
(ii) Exports obligations under Export Promotion Capital Goods (EPCG) scheme*	822.35	560.07

* Company is availing benefit under EPCG Scheme and accordingly have imported Plant & Machinery and Stores & Spares without payment of customs duty and CVD against obligation to export 6 times of the duty saved. Total Duty to be saved/saved against licences outstanding as at March 31, 2019 is ₹ 311.69 crores (March 31, 2018 ₹387.29 crores). Export obligation on such licences outstanding as at year end is disclosed above.

(iii) The Company has other commitments, for purchases / sales orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits in normal course of business. The Company does not have any long term contracts including derivative contracts for which there will be any material foreseeable losses.

Notes to Standalone Financial Statement

for the year ended March 31, 2019
(All amounts in ₹ Crores, unless otherwise stated)

39 The details of dues of excise duty, sales tax, value added tax, service tax and income-tax which have not been deposited as on March 31, 2019 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Forum where Dispute is pending	Period to which the amount relates (various years covering the period)	Amount* (₹ Crores)	Amount unpaid (₹ In Crores)
Central Excise Laws	Excise Duty	Supreme Court	2005	0.04	0.04
		Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2009-2013	2.17	2.17
		Upto Commissioner (Appeals)	2001-2017	2.74	2.57
Service Tax Laws	Service Tax	High Court	2007-2009	1.12	1.12
		Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2005-2011	0.08	0.07
		Upto Commissioner (Appeals)	2008-2011	0.00	0.00
Sales Tax Laws	Central Sales Tax	Upto Commissioner (Appeals)	2009-2010	0.06	0.06
	State Sales Taxes	High Court	2006-2007	1.21	1.21
		Appellate Board	2006-2007	0.51	0.31
		Upto Commissioner (Appeals)	2005-2006	0.02	0.02
Income-tax Laws	Income-tax	Income-tax Appellate Tribunal (ITAT)	2001-2012	141.42	21.21
		Upto Commissioner (Appeals)	2014-2017	59.70	40.90

The following matters, which has been excluded from the above table, have been decided in the favour of the Company, but the department has preferred appeal at higher level. The details are given below:-

* amount as per demand orders including interest and penalty wherever quantified in the Order.

Name of the Statute	Nature of the Dues	Forum where Dispute is pending	Period to which the amount relates (various years covering the period)	Amount* (₹ Crores)	Amount unpaid (₹ In Crores)
Income-tax Laws	Income-tax	Income-tax Appellate Tribunal (ITAT)	2012-2014	87.65	68.85

* amount as per demand orders including interest and penalty wherever quantified in the Order.

40(a) The Company was holding its own 15,98,741 equity shares of ₹ 10 each through a Trust, which were received by it in its capacity as a shareholder of Vardhman Holdings Limited, in accordance with the 'Scheme of Arrangement and Demerger'. Out of above, 1,36,539 shares were tendered during 2016-17 year in terms of buy back announced by the Company and remaining 14,62,202 shares were sold in 2017-18 in market for sales consideration of ₹ 182.23 crores

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

40(b) The aforesaid Trust is also holding 5,32,911 equity shares (March 31, 2018: 5,32,911 nos.) of ₹ 10 each of Vardhman Special Steels Limited which were allotted to it in the capacity of a shareholder of the Company by virtue of 'Scheme of Arrangement & Demerger' entered into by the Company, Vardhman Special Steels Limited and their respective shareholders and creditors.

As the aforesaid shares are held by a trust (Mahavir Share trust) on behalf of the Company and Company not being registered owner of shares, the cost of these shares is not reflected in investments but same has been valued at cost as reflected in other current asset.

40(c) The detail of the amount recoverable from Mahavir Share Trust as at the close of the year is as under:

Particulars	As at March 31, 2019	As at March 31, 2018
Cost of shares of Vardhman Special Steels Limited	4.64	4.64
Other recoverable	0.01	0.01
	4.65	**4.65**

41 Segment Information

The Company is primarily in the business of manufacturing, purchase and sale of textiles. The Chairman and Managing Director of the Company, which has been identified as being the Chief Operating Decision Maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is only one reportable segment for the Company.

Entity Wide Disclosure

	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from Operations		
Domestic	3,846.23	3,610.17
Overseas	2,568.35	2,241.20
	6,414.58	**5,851.37**
Non Current Segment Assets		
-Within India	4,176.74	3,494.63
-Outside India	-	-
	4,176.74	**3,494.63**

Domestic information includes sales and services to customers located in India.

Overseas information includes sales and services rendered to customers located outside India.

Non-current segment assets includes property, plant and equipments, capital work in progress, intangible assets and other non current assets.

No single customer contributed 10% or more to the company's revenue for both the financial years 2018-19 and 2017-18.

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

42 Earnings Per Share

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Basic earnings per share (INR)	121.13	96.41
Diluted earnings per share (INR)	119.97	95.45
Profit attributable to the equity holders of the Company used in calculating basic earning per share	695.88	545.76
Weighted average number of equity shares for the purpose of basic earning per share (numbers)	5,74,50,946	5,66,08,628
Profit attributable to the equity holders of the Company used in calculating dilutive earning per share	695.88	545.76
Weighted average number of equity shares for the purpose of dilutive earning per share (numbers)	5,80,05,010	5,71,80,178

43 Sundry Creditors include the following dues to micro and small enterprises covered under "The Micro, Small and Medium Enterprises Development Act, 2006" (MSMED) to the extent such parties have been identified from the available information.

	For the year ended March 31, 2019	For the year ended March 31, 2018
Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year		
- Principal amount	4.08	-
-Interest due thereon	-	-
Amount of payments made to suppliers beyond the appointed day during the year		
- Principal amount	-	-
-Interest actually paid under section 16 of MSMED	-	-
Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding interest under MSMED	-	-
Interest accrued and remaining unpaid at the end of the year	-	-
-Interest accrued during the year	-	-
-Interest remaining unpaid as at the end of the year	-	-
Interest remaining disallowable as deductible expenditure under the Income-tax Act, 1961	-	-

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

44 Leases

The Company has leased facilities under cancellable and non-cancellable operating leases arrangements with a lease term ranging from one to ninety nine 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 ₹2.55 crores (March 31, 2018: ₹ 2.12 crores). The future minimum lease payments in respect of the non-cancellable operating leases are:

	As at March 31, 2019	As at March 31, 2018
Within one year	0.15	1.02
After one year but not more than five years	0.76	1.76
More than five years	12.05	14.03
	12.96	**16.81**

45 Share based payments - Employee Share option plan of the Company

(i) Detail of employee share option of the Company: The Company has a share option scheme for senior employees of the Company. In accordance with the terms of the plan as approved by shareholders, eligible employees may be granted options to purchase equity shares. Each employee share option convert into one equity share of the Company on exercise. Exercise price payable by the recipient is determined as per scheme. The options when allotted carry rights to dividend and voting power at par with other equity shares. Options may be exercised at the time of vesting to the date of their expiry.

(ii) The number of options granted is in accordance with employee stock option scheme approved by the shareholders and is subject to approval by the remuneration committee. The scheme rewards senior employees to the extent of Company's and the individual's achievement judged against both qualitative and quantitative criteria.

(iii) The following share payments arrangement is in existence during the period.

Option Detail	Number	Grant Date	Expiry Date	Exercise Price	Fair value of option at grant date
Vardhman Employee Stock Option 2016	6,04,500	15th Nov-16	2 years from	815/-	352
	3,000	9th Feb-17	the date of	815/-	352
	6,500	10th May-17	respective	815/-	352
	6,14,000		vesting		

Details of vesting

Vesting period from grant date	Vesting schedule
On completion of 12 months	10%
On completion of 24 months	20%
On completion of 36 months	20%
On completion of 48 months	20%
On completion of 60 months	30%

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

45 Share based payments - Employee Share option plan of the Company (Contd..)

(iv) During the current year, the grant of 1,22,800 equity shares (FY 2017-18 - 61,400 equity shares) was due but only 51,800 shares (FY 2017-18 49,250 shares) have been exercised during the year.

(v) Fair value of options/shares granted in the year

Call option value per option unit using Black Scholes Method is ₹ 427.63. The following inputs have been used for computing the fair value:

Inputs into the model	Particulars
Grant date share price (₹)	1,056.60
Exercise price (₹)	815.00
Expected volatility	33.78%
Option life	2 years
Dividend yield	1.92%
Risk free Interest Rate	6.31%

(vi) Movement of share options

	2018-19		2017-18	
	Number of options	Weighted Average Exercise price	Number of options	Weighted Average Exercise price
Balance at beginning of year	5,64,750	-	6,07,500	-
Granted during the year	-	-	6,500	815
Forfeited during the year	-	-	-	-
*Exercised during the year	(51,800)	815	(49,250)	815
Expired during the year	-	-	-	-
Balance at end of year	**5,12,950**	**-**	**5,64,750**	**-**

(vii) Share options exercised during the year

	Exercised	Share price at exercise date
Granted as per para (iii) above	4,000	815
	1,000	815
	32,900	815
	13,900	815
	51,800	

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

45 Share based payments - Employee Share option plan of the Company (Contd..)

(viii) Amount accounted for in profit and loss for Employee stock options is ₹6.32 crores (FY 2017-18 12.07 crores).

* For 6800 share options application money was received during March 31, 2018.

* For 13900 share options application money was received during March 31, 2019.

46 Related Party Transactions

46.1Description of related parties

Subsidiaries

VMT Spinning Company Limited
Vardhman Acrylics Limited
VTL Investments Limited
Vardhman Nisshinbo Garments Company Limited (w.e.f January 23, 2019)

Joint venture

Vardhman Nisshinbo Garments Company Limited (upto January 22, 2019)

Associates

Vardhman Yarns and Threads Limited
Vardhman Spinning and General Mills Limited
Vardhman Special Steels Limited

Relatives of KMP

Ms. Soumya Jain
Ms. Sagrika Jain

Post Employment Benefit Plans Trust

Mahavir Employee Gratuity Fund Trust
Mahavir Superannuation Scheme

Key management personnel (KMP)

Mr. S.P. Oswal, Chairman and Managing Director
Mrs. Suchita Jain, Vice Chairman & Joint Managing Director
Mr. Neeraj Jain, Joint Managing Director
Mr. Rajeev Thapar, Chief Financial Officer

Mr. Sanjay Gupta, Company Secretary
Mr. Sachit Jain (Non-Executive Director)
Mr. D.L. Sharma (Non-Executive Director)
Mr. Prafull Anubhai (Independent Director)

Mr. Ashok Kumar Kundra (Independent Director)
Dr. Subash Khanchand Bijlani (Independent Director)
Mr. Devendra Bhushan Jain (Independent Director)
Mr. Rajender Mohan Malla (Independent Director)
Dr. Parampal Singh (Independent Director)
Mrs. Harpreet Kaur Kang (Independent Director) (w.e.f February 06, 2019)

Enterprises over which KMP have significant influence

Vardhman Holdings Limited
Vardhman Apparels Limited
Smt. Banarso Devi Oswal Public Charitable Trust
Sri Aurobindo Socio Economic and Management Research Institute
Adhiswar Enterprises LLP
Devakar Investment and Trading Company Private Limited
Santon Finance and Investment Company Limited
Flamingo Finance and Investment Company Limited
Ramaniya Finance and Investment Company Limited

Notes to Standalone Financial Statement

for the year ended March 31, 2019
(All amounts in ₹ Crores, unless otherwise stated)

46 Related Party Transactions (Contd..)

46.1 Description of related parties (Contd..)

Subsidiaries	Key management personnel (KMP)
	Mahavir Spinning Mills Private Limited Northern Trading Company Amber Syndicate Paras Syndicate Eastern Trading Company Mahavir Traders

46.2 Transactions with related parties

	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale /processing of goods to:#		
Subsidiaries	33.63	10.14
Associates	7.51	5.29
Joint ventures	-	15.97
Enterprises over which KMP have significant influence	46.97	31.55
	88.11	**62.95**
Purchase/processing of goods from:#		
Subsidiaries	184.04	157.99
Associates	16.04	17.65
Joint ventures	-	0.31
	200.08	**175.95**
Purchase of MEIS License		
Subsidiaries	0.01	-
	0.01	**-**
Sale of MEIS License		
Subsidiaries	0.18	-
Associates	0.25	-
	0.43	**-**
Investment Made		
Subsidiaries	1.37	-
	1.37	**-**
Purchase of property, plant & equipment from:		
Subsidiaries	-	0.60
Associates	-	0.31
	-	**0.91**

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

46.2 Transactions with related parties (Contd..)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Sales of property, plant & equipment to:		
Subsidiaries	0.78	0.61
Associates	-	0.81
	0.78	**1.42**
Rent paid**		
Enterprises over which KMP have significant influence	0.12	0.12
	0.12	**0.12**
Rent received **		
Subsidiaries	-	0.03
Associates	0.24	0.23
	0.24	**0.26**
Dividend paid		
Subsidiaries	1.51	-
	1.51	**-**
Dividend received		
Subsidiaries	21.37	8.53
Associates	5.64	6.09
	27.01	**14.62**
Interest paid		
Subsidiaries	0.01	0.08
	0.01	**0.08**
Interest received		
Subsidiaries	1.76	0.84
Associates	1.24	1.10
Joint Venture	-	0.90
	3.00	**2.84**
Reimbursement of expenses received from		
Subsidiaries	0.25	0.27
Associates	0.12	0.12
Joint Venture	-	0.16
	0.37	**0.55**
Reimbursement of expenses paid		
Subsidiaries	0.40	0.27
Associates	0.33	0.32
Joint Venture	-	0.06
	0.73	**0.65**
Recovery of Common Expenses incurred **		
Subsidiaries	1.52	1.50
Associates	4.31	4.16
Joint Venture	-	0.03
	5.83	**5.69**

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

46.2 Transactions with related parties (Contd..)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Payment against licence agreement		
Enterprises over which KMP have significant influence	1.08	0.99
	1.08	**0.99**
Donations to		
Enterprises over which KMP have significant influence	7.69	14.82
	7.69	**14.82**
Salary paid to		
Relatives of KMP	0.16	0.10
	0.16	**0.10**
Loan given to		
Subsidiaries	7.00	26.00
Joint Venture	-	2.50
	7.00	**28.50**
Loan received back from		
Subsidiaries	17.50	17.50
Joint Venture	-	2.50
	17.50	**20.00**
Contribution to post employment benefit plans		
Post Employment Benefit Plans Trust	2.54	1.87
(also refer note 47)	**2.54**	**1.87**

46.3 Outstanding Balances:

	As at March 31, 2019	As at March 31, 2018
Receivables		
Subsidiaries	6.14	-
Associates	0.03	-
Joint Venture	-	7.49
Enterprises over which KMP have significant influence	0.01	
	6.18	**7.49**
Payables		
Associates	0.19	4.48
	0.19	**4.48**

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

46.3 Outstanding Balances: (Contd..)

	As at March 31, 2019	As at March 31, 2018
Loan given outstanding		
Subsidiaries	16.99	15.50
Associates	15.00	15.00
Joint Venture	-	11.99
	31.99	**42.49**
Equity Investment outstanding		
Subsidiaries	105.32	96.81
Associates	52.77	52.77
Joint Venture	-	7.14
	158.09	**156.72**
Preference Investment outstanding		
Joint Venture	-	10.00
Subsidiaries	10.00	-
	10.00	**10.00**

46.4 Key management personnel compensation

	For the year ended March 31, 2019	For the year ended March 31, 2018
Compensation*	22.90	20.60
	22.90	**20.60**

* excluding provision for employee benefits, employee stock options but includes sitting fees paid / payable to non executive directors. Perquisities values are considered as per the provisions of Income tax act, 1961.

** Transaction are exclusive of Taxes

Gross of Indirect Taxes

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

47 Employee Benefits

47.1 Defined contribution plans:

Amounts recognized in the statement of profit and loss are as under:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Superannuation fund	0.90	0.87
Provident fund administered through Regional Provident Fund Commissioner	24.31	25.93
Employees' State Insurance Corporation	8.71	7.99
Other funds	1.05	0.16
	34.97	**34.95**

The expenses incurred on account of the above defined contribution plans have been included in Note 33 "Employee Benefits Expenses" under the head "Contribution to provident and other funds"

47.2 Defined benefit plans

The Company sponsors funded defined benefit plan for qualifying employees. This defined benefit plan of gratuity is administered by a separate trust that is legally separate from the entity. The trustees are required by the law to act in the interest of the trust and all the relevant stakeholders i.e. active employees, inactive employees, retired employees and employers, etc. The trust is responsible for investment policy with regard to the assets of the trust. The Company has a gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972 or as per the Company's plan, whichever is more beneficial.

(i) These plans typically expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Salary Risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Interest Risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in value of the liability.

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

47 Employee Benefits (Contd..)

47.2 Defined benefit plans (Contd..)

Longevity Risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plans liability.

(ii) The principal assumption used for the purpose of the actuarial valuation were as follows:

	As at March 31, 2019	As at March 31, 2018
Discount Rate	7.65%	7.71%
Salary increase	6.00%	6.00%
Expected average remaining working life	27.26 years	27.53 years
Mortality Rates	IALM (2006-08)	IALM (2006-08)
Method used	Project unit credit method	Project unit credit method

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. An actuarial valuations involves making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

(iii) Amounts recognised in statement of profit and loss in respect of these benefit plans are as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current Service cost	8.06	7.20
Past service cost and (gain) /loss from settlements	-	1.87
Net interest expenses	0.15	0.19
	8.20	**9.26**

The current service cost, past service cost and the net interest expenses for the year are included in Note 33 "Employee Benefits Expenses" under the head "Salaries and Wages"

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

47 Employee Benefits (Contd..)

47.2 Defined benefit plans (Contd..)

(iv) Amounts recognised in Other Comprehensive Income:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Actuarial gain/(losses) arising for the year on asset	0.69	0.44
Actuarial gain/(losses) arising from changes in financial assumptions	(0.31)	-
Actuarial gain/(losses) arising from changes in experience adjustments	(0.22)	2.07
	0.17	**2.51**

(v) The amount included in balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of funded defined benefit obligation	61.93	54.61
Fair Value of Plan Assets	59.39	52.74
Net assets / (liability)	**(2.54)**	**(1.87)**

(vi) Movements in the present value of defined benefit obligation are as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening defined benefit obligation	54.61	48.69
Transferred during the year	-	-
Current Service Cost	8.06	7.20
Interest Cost	4.19	3.76
Actuarial (gain)/losses arising from changes in financial assumptions	0.31	-
Past service cost including curtailment gains/losses	-	1.86
Actuarial (gain)/losses arising from changes in experience adjustments	0.22	(2.06)
Benefits paid	(5.46)	(4.84)
Closing defined benefit obligation	**61.93**	**54.61**

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

47 Employee Benefits (Contd..)

47.2 Defined benefit plans (Contd..)

(vii) Movements in the fair value of plan assets are as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening fair value of plan assets	52.74	46.22
Return on plan assets (excluding amounts included in net interest expenses)	4.75	4.03
Contributions from employer	1.90	2.49
Closing fair value of plan assets	**59.39**	**52.74**

Plan assets comprises of mutual fund, Government of India securities and bank balances. The average duration of the defined benefit obligation is 13.98 years (2018: 14.02 years). The Company expects to make a contribution of ₹ 9.77 crores (March 31, 2018: ₹ 8.59 crores) to the defined benefit plans during the next financial year

(viii) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of reporting period, while holding all other assumptions constant.

Particulars	As at March 31, 2019	As at March 31, 2018
Discount Rate		
0.50% Increase	(2.53)	(2.24)
0.50% decrease	2.74	2.43
Future Salary increase		
0.50% Increase	2.69	2.38
0.50% decrease	2.52	(2.23)

(ix) Maturity Profile of Defined Benefit Obligation

	Year	Amount
a)	0 to 1 Year	8.71
b)	1 to 2 Year	2.47
c)	2 to 3 Year	2.64
d)	3 to 4 Year	3.16
e)	4 to 5 Year	2.57
f)	5 to 6 Year	2.75
g)	6 Year onwards	39.63

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

47 Employee Benefits (Contd..)

47.3 Other long term employee benefit

(i) Amount recognised in profit and loss in note no. 33 “Employee benefit expense” under the head “Salaries and Wages” towards leave liability is ₹ 7.13 crore (March 31, 2018 : ₹ 2.89 crore)

(ii) Amount taken to balance sheet

	2018-19	2017-18
Current	2.79	2.95
Non Current	10.86	7.04

48 Additional disclosures

48.1 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 ₹2.00 crores (March 31, 2018: ₹ 26.00 crore) to VMT Spinning Company Limited during the year. The maximum amount outstanding during the year was ₹17.50 crores (March 31, 2018: ₹ 20.00 crores). The Balance outstanding as on March 31, 2019 is ₹ Nil crores (March 31, 2018: ₹ 15.50 crores).

(ii) The Company has given inter corporate deposits aggregating to ₹Nil (March 31, 2018: ₹ Nil) to Vardhman Special Steels Limited. The maximum amount outstanding during the year was ₹ 15.00 crores (March 31, 2018: ₹ 15.00 crore). The balance outstanding as on March 31, 2019 is ₹15.00 crores (March 31, 2018: ₹ 15.00 crores).

(iii) The Company has given inter corporate deposits aggregating to ₹5.00 crore (March 31, 2018: ₹ 2.50 crore) to Vardhman Nisshinbo Garments Company Limited during the year. The maximum amount outstanding during the year was ₹16.99 crores (March 31, 2018: ₹ 14.49 crores). The balance outstanding as on March 31, 2019 is ₹16.99 crores (March 31, 2018: ₹ 11.99 crores).

48.2 Assets pledged as security:

Particulars	As at March 31, 2019	As at March 31, 2018
Current assets		
Financial assets		
Trade receivables	762.82	727.32
Non-financial assets		
Inventory	2,442.13	2,116.51
Total current assets pledged as security	**3,204.95**	**2,843.83**
Non-current assets		
Property, plant & equipment	3,057.24	2,503.04
Total non-current assets pledged as security	**3,057.24**	**2,503.04**
Total assets pledged as security	**6,262.19**	**5,346.87**

Notes to Standalone Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

48 Additional disclosures (Contd..)

48.3 Amount required to be spent as per section 135 of the Companies Act 2013.

Details of expenditure towards Corporate Social Responsibility (CSR) activities:

a) Gross amount required to be spent by the Company during the year was ₹18.83 crore (March 31, 2018 ₹17.02 crore).

b) Amount spent during the year :₹12.21 crore (March 31, 2018 14.93 crore)

Amount unspent during the year was ₹6.62 crore (March 31, 2018 ₹ 2.09 crore).

(c) Activity	
Promotion of Education	6.36
Preventive Health Care	4.87
Rural Development	0.13
Environment & Sustainability	0.32
Others	0.53
Total	**12.21**

48.4 There has been no delay in transferring amount, required to be transferred, to the investor education and investor fund (IEPF) by the Company during the year.

48.5 Previous year figures in the financial statements, including the notes thereto, have been reclassified wherever required to confirm to the current year presentation/classification.

For and on behalf of the Board of Directors

Sanjay Gupta
Company Secretary
Membership No:-4935

Rajeev Thapar
Chief Financial Officer

Suchita Jain
Vice Chairman and
Joint Managing Director
DIN:00746471

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

Place : Ludhiana
Date: May 09, 2019

Independent Auditor's Report

To The Members of **Vardhman Textiles Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Vardhman Textiles Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of profit in its associates and joint venture, which comprise the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries, associates and joint venture referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Uncertain income-tax positions – Refer to Notes 2.18, 2.22.7 and 38 to the consolidated financial statements The Parent has material uncertain income-tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes. For the current year ended March 31, 2019, we believe there is a higher risk relating to ongoing income-tax litigation matters amounting to ₹ 274.43 crores. The amounts involved are significant and the application of accounting standard to determine the amount, if any, to be provided as a liability or disclosed as a contingent liability, is inherently subjective. This includes assumptions relating to the likelihood and/or timing of cash outflows from the business and the pending decision of Appropriate Authority. Due to the level of significant judgment involved, the above matter has been identified as a key audit matter.	**Principal audit procedure:** Our audit approach was combination of test of controls and substantive procedures which included the following: • Evaluated the Parent's processes and controls over litigations operated by Management through regular meetings with the Chief Financial Officer and Head - Direct Taxation and review of Board and audit committee meeting minutes. • Performed testing of design and it's operating effectiveness of the control established by the Management on the review of litigation and contingent liabilities. • Involved our internal direct tax specialists to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal direct tax specialists also considered the legal precedence and other rulings in evaluating management's position on these uncertain income-tax positions.

Information Other than the Financial Statements and Auditor's Report Thereon

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Business Responsibility Report, Director's Report including annexures to the Director's Report and Corporate Governance Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, associates and joint venture audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, associates and joint venture, is traced from their financial statements audited by the other auditors.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associates and joint venture in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its associates and its joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for assessing the ability of the Group and of its associates and joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint venture are also responsible for overseeing the financial reporting process of the Group and of its associates and joint venture.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information or business activities within the Group and its associates and joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets of ₹ 724.95 crores as at March 31, 2019, total revenues of ₹ 671.37 crores and net cash outflows amounting to ₹ 2.76 crores 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 ₹ 15.96 crores for the year ended March 31, 2019, as considered in the consolidated financial statements, in respect of three associates and joint venture, whose financial statements/information have not been audited by us. These financial statements/information 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, associates and joint venture, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, associates and joint venture is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries, associates and joint venture referred to in the Other Matters section above we report, to the extent applicable that:

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

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent as on March 31, 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture company incorporated in India, none of the directors of the Group companies, its associate companies and joint venture company incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies, associate companies and joint venture company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint venture – Refer to Note 38(a) to the consolidated Ind AS financial statements;

ii) The Group, its associates and joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts – Refer to Note 38(f) to the consolidated Ind AS financial statements;

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, associate companies and joint venture company incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rajesh Kumar Agarwal
Partner
(Membership No. 105546)

GURUGRAM, MAY 9, 2019

Annexure “A” to the Independent Auditor’s Report of Vardhman Textiles Limited

(Referred to in paragraph (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Vardhman Textiles Limited (hereinafter referred to as “Parent”) and its subsidiary companies, its associate companies and joint venture company, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies and its associate companies and joint venture, 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 respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderiy and efficient conduct of its business, including adherence to the respective 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate companies and joint venture company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and other auditors of the subsidiary companies, associate companies and joint venture company, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, its associate companies and joint venture company, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and.(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements. ,

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, its associate companies and joint venture company, 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 March 31, 2019, based on the criteria for internal financial control over financial reporting established by the respective companies 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to four subsidiary companies, three associate companies and joint venture company, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W- 100018)

Rajesh Kimat Agarwal
Partner
(Membership No. 105546)

GURUGRAM, MAY 9, 2019

Consolidated Balance Sheet as at March 31, 2019

(All amounts in ₹ crore, unless otherwise stated)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3A	3,186.24	2,614.59
(b) Capital work-in-progress	3A	273.68	105.71
(c) Other intangible assets	3B	2.35	3.81
(d) Goodwill	4	12.50	12.50
(e) Financial assets			
(i) Investment in associates and joint ventures	5A	107.84	106.00
(ii) Investments	5B	645.52	748.58
(iii) Loans	6A	0.73	0.59
(iv) Others financial assets	6B	9.39	9.40
(f) Other non-current assets	7	96.98	97.31
Total Non-current assets		**4,335.23**	**3,698.49**
Current assets			
(a) Inventories	8	2,610.25	2,256.64
(b) Financial assets			
(i) Investments	9	592.37	979.09
(ii) Trade receivables	10	803.08	757.53
(iii) Cash and cash equivalents	11	40.05	70.38
(iv) Bank balances other than above	11A	3.80	3.38
(v) Loans	12	17.69	29.80
(vi) Other financial assets	13	68.90	18.35
(c) Current tax assets(net)	14	102.25	78.41
(d) Other current assets	15	442.60	352.02
Total Current assets		**4,680.99**	**4,545.60**
TOTAL ASSETS		**9,016.22**	**8,244.09**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	56.48	56.43
(b) Other equity	17	5,535.00	4,897.27
Equity attributable to the owners of the Company		**5,591.48**	**4,953.70**
(c) Non-controlling interests		113.07	108.78
Total Equity		**5,704.55**	**5,062.48**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	1,088.79	1,209.77
(ii) Other financial liabilities	19	4.48	0.65
(b) Provisions	20	12.36	7.69
(c) Deferred tax liabilities (Net)	21	323.31	255.62
(d) Other non-current liabilities	22	20.67	22.18
Total Non-current liabilities		**1,449.61**	**1,495.91**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	886.42	821.19
(ii) Trade payables	24		
(a) total outstanding dues of micro enterprises and small enterprises		4.38	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		311.19	290.60
(iii) Other financial liabilities	25	550.15	438.52
(b) Provisions	26	2.95	5.47
(c) Current tax liabilities (net)	14	30.66	10.93
(d) Other current liabilities	27	76.31	118.99
Total Current liabilities		**1,862.06**	**1,685.70**
TOTAL EQUITY AND LIABILITIES		**9,016.22**	**8,244.09**
See accompanying notes to the consolidated financial statements	1 - 49		

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors

Rajesh Kumar Agarwal
Partner

Sanjay Gupta
Company Secretary
Membership No:-4935

Rajeev Thapar
Chief Financial Officer

Suchita Jain
Vice Chairman and
Joint Managing Director
DIN:00746471

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

Place : Gurugram
Date: May 09, 2019

Place : Ludhiana
Date: May 09, 2019

Consolidated Statement of Profit and Loss

for the year ended March 31, 2019

(All amounts in ₹ crore, unless otherwise stated)

	Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I	Revenue from operations	28	6,877.92	6,248.27
II	Other income	29	222.72	197.35
III	**Total Income (I+II)**		**7,100.64**	**6,445.62**
IV	**Expenses :**			
	Cost of materials consumed	30	3,573.75	3,438.28
	Purchases of stock-in-trade	31	12.92	4.15
	Changes in inventories of finished goods,work-in-progress and stock-in -trade	32	9.06	(37.87)
	Employee benefits expense	33	550.23	506.26
	Finance costs	34	119.65	118.19
	Depreciation and amortization	3A & 3B	254.02	240.00
	Other expenses	35	1,538.20	1,434.49
	Total Expenses		**6,057.83**	**5,703.50**
V	**Profit before tax (III-IV)**		**1,042.81**	**742.12**
VI	Share of profit of associates/ joint ventures		15.93	17.51
VII	**Profit before tax (V+VI)**		**1,058.74**	**759.63**
VIII	**Tax expense:**	36		
	Current tax		264.01	165.01
	Deferred tax		54.18	2.18
IX	**Profit for the year (VII-VIII)**		**740.55**	**592.44**
X	**Other Comprehensive Income**	17		
	Items that will not be reclassified to profit or loss			
	(i) Remeasurements of the defined benefits plans		0.31	2.47
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.09)	(0.86)
	(i) Equity instruments through other comrehensive income		(1.17)	(0.01)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.39	-
	Share of other comprehensive income from associates/joint venture		-	-
XI	**Total other comprehensive income**		**(0.56)**	**1.60**
XII	**Total comprehensive income for the year (IX+XI)**		**739.99**	**594.04**
	Profit attributable to:			
	- Owners of the Company		730.72	581.19
	- Non-controlling interests		9.84	11.25
			740.55	**592.44**
	Other Comprehensive Income attributable to:			
	- Owners of the Company		(0.56)	1.57
	- Non-controlling interests		(0.00)	0.03
			(0.56)	**1.60**
	Total Comprehensive Income attributable to:			
	- Owners of the Company		730.15	582.76
	- Non-controlling interests		9.84	11.28
			740.00	**594.04**
	Earnings per equity share (amount in ₹)	41		
	(1) Basic		129.45	106.56
	(2) Diluted		128.19	105.48
	See accompanying notes to the consolidated financial statements	1 - 49		

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors

Rajesh Kumar Agarwal
Partner

Sanjay Gupta
Company Secretary
Membership No:-4935

Rajeev Thapar
Chief Financial Officer

Suchita Jain
Vice Chairman and
Joint Managing Director
DIN:00746471

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

Place : Gurugram
Date: May 09, 2019

Place : Ludhiana
Date: May 09, 2019

Consolidated Cash Flow Statement for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	1,058.74	759.63
	Adjustment for:		
	Share of profit of associates	(15.93)	(17.51)
	Finance costs	108.77	106.86
	Fair valuation gain on investment	(60.75)	(86.84)
	Subsidy income	(2.43)	(1.83)
	Prepayments of Leasehold land	0.24	0.24
	Interest income	(11.18)	(19.01)
	Dividend on current investments	(16.47)	(7.29)
	Net gain on sale / discarding of property, plant and equipment	(17.49)	(4.81)
	(Profit)/Loss on sale of Investments (Net)	(29.32)	(34.96)
	Provision no longer required written back(Net)	(20.90)	(8.38)
	Amortisation of processing charges	0.38	0.64
	Asset written off	0.52	3.39
	Bad debt written off	1.14	0.46
	Allowances for doubtful trade receivables and advances	(0.29)	-
	Depreciation and amortisation expense	254.02	240.00
	Share options outstanding account	6.32	10.57
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets :-		
	Trade receivables	(46.40)	(24.49)
	Inventories	(353.61)	(503.84)
	Loans (Current)	12.11	(0.09)
	Loans (Non-current)	(0.14)	0.02
	Other assets (Current)	(90.59)	(56.37)
	Other assets (Non-current)	(2.21)	(5.38)
	Others financial assets (Current)	(51.22)	(0.57)
	Others financial assets (Non Current)	0.13	0.81
	Adjustments for increase / (decrease) in operating liabilities :-		
	Trade payables and other liabilities	45.87	3.09
	Provisions (Non Current)	4.67	(2.00)
	Provisions (Current)	5.47	0.82
	Others financial liabilities (Current)	19.08	(5.74)
	Others financial liabilities (Non-Current)	3.83	0.16
	Other liabilities (Non-current)	0.10	(1.13)
	Other liabilities (Current)	(46.20)	(32.18)
	Cash generated from operations	**756.26**	**315.41**
	Income taxes paid	(257.28)	(212.09)
	Net cash generated by operating activities	**498.98**	**103.32**

Consolidated Cash Flow Statement for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of investments	(334.55)	(1,068.02)
	Proceeds from sale of investments	911.77	1,224.47
	Interest received	12.66	26.39
	Payment for purchase of property, plant and equipment, capital work in progress and other intangible assets	(908.18)	(366.73)
	Bank balances not considered as cash and cash equivalents	(0.42)	(1.02)
	Proceeds from disposal of property, plant and equipment	24.74	10.31
	Dividend on associates, other investments	16.47	7.29
	Net cash used in investing activities	**(277.51)**	**(167.31)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds/ (Repayment) from Equity Share capital	4.79	5.54
	Proceeds from issue of treasury shares	-	182.23
	Proceeds from borrowings (non-current)	173.00	328.24
	Repayment from borrowings (non-current)	(282.43)	-
	Repayment of borrowings (current)	-	(245.13)
	Proceeds from borrowings (current) (net)	65.23	-
	Corporate dividend tax paid	(18.67)	(18.24)
	Dividends on equity share capital paid	(84.16)	(81.35)
	Capital Subsidy received	0.71	4.45
	Finance costs paid	(110.26)	(83.67)
	Net cash generated / (used) in financing activities	**(251.79)**	**92.07**
	Net increase / (decrease) in cash and cash equivalents	**(30.32)**	**28.09**
	Cash and cash equivalents at the beginning of the year	70.37	42.29
	Cash and cash equivalents at the end of the year	**40.05**	**70.37**

* There are no non cash changes arising from financing activities

See accompanying notes to the consolidated financial statements 1 - 49

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors

Rajesh Kumar Agarwal
Partner

Sanjay Gupta
Company Secretary
Membership No:-4935

Rajeev Thapar
Chief Financial Officer

Suchita Jain
Vice Chairman and Joint Managing Director
DIN:00746471

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

Place : Gurugram
Date: May 09, 2019

Place : Ludhiana
Date: May 09, 2019

Consolidated Statement of Changes in Equity

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

a. Equity share capital

Particulars	Amount
Balance as at April 1, 2017	54.91
Sale of own shares held through trust (Refer note 39)	1.46
Issue of equity shares under employee stock option plan (Refer note 44)	0.04
Add:- Sale of Holding Company shares by subsidiary	0.02
Balance as at March 31, 2018	**56.43**
Issue of equity shares under employee stock option plan (Refer note 44)	0.05
Balance as at March 31, 2019	**56.48**

b. Other equity

Particulars	Reserves and Surplus									Items of the other Comprehensive Income	Total
	Share application money pending allotment	Capital reserve	Statutory Reserve u/s 45 IC of RBI	Capital redemption reserve	Security premium	Debenture redemption reserve	Share options outstanding account	General reserve	Retained earnings	Equity instrument through other comprehensive income	
Balance as at April 1, 2017	**-**	**-**	**5.63**	**40.43**	**-**	**-**	**-**	**1,463.84**	**2,705.63**	**2.79**	**4,218.32**
Profit for the year	-	-	-	-	-	-	-	-	581.19	-	581.19
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	1.57	-	1.57
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**582.76**	**-**	**582.76**
Final Equity Dividend for the financial year 2016-17 (Amount ₹ 15 per share)	-	-	-	-	-	-	-	-	(84.56)	-	(84.56)
Tax on Dividend	-	-	-	-	-	-	-	-	(18.24)	-	(18.24)
Dividend on shares held through trust	-	-	-	-	-	-	-	-	2.19	-	2.19
Profit on sales of shares held through trust (Refer note 39)	-	-	-	-	-	-	-	-	180.77	-	180.77
Employee stock options accrued upto March 2018 (Refer note 44)	-	-	-	-	-	-	12.07	-	-	-	12.07
Transfer to equity shares due to issue of employee stock options (Refer note 44)	-	-	-	-	-	-	(1.50)	-	-	-	(1.50)
Securities premium on shares under Employee stock options	-	-	-	-	4.91	-	-	-	-	-	4.91
Transfer to debenture redemption reserve on account of issue of debentures	-	-	-	-	-	17.81	-	-	(17.81)	-	-
Transfer to Statutory Reserve under 45-IC of RBI Act	-	-	-	-	-	-	-	-	(2.05)	-	(2.05)
Transfer from Retained Earnings	-	-	2.05	-	-	-	-	-	-	-	2.05
Share Application Money received pending allotment under employee stock options.	0.55	-	-	-	-	-	-	-	-	-	0.55
Balance as at March 31, 2018	**0.55**	**-**	**7.68**	**40.43**	**4.91**	**17.81**	**10.57**	**1,463.84**	**3,348.69**	**2.79**	**4,897.27**

Consolidated Statement of Changes in Equity

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

b. Other equity (Contd..)

Particulars	Reserves and Surplus									Items of the other Comprehensive Income	Total
	Share application money pending allotment	Capital reserve	Statutory Reserve u/s 45 IC of RBI	Capital redemption reserve	Security premium	Debenture redemption reserve	Share options outstanding account	General reserve	Retained earnings	Equity instrument through other comprehensive income	
Profit for the year	-	-	-	-	-	-	-	-	730.72	-	730.72
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	0.23	(0.78)	(0.56)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**730.94**	**(0.78)**	**730.15**
Final Equity Dividend for the financial year 2017-18 (Amount ₹ 15 per share)	-	-	-	-	-	-	-	-	(84.67)	-	(84.67)
Tax on Dividend	-	-	-	-	-	-	-	-	(18.67)	-	(18.67)
Employee stock options accrued upto March 2019 (Refer note 44)	-	-	-	-	-	-	6.32	-	-	-	6.32
Transfer to equity shares due to issue of employee stock options (Refer note 44)	(3.64)	-	-	-	-	-	(1.66)	-	-	-	(5.31)
Securities premium on shares under Employee stock options	-	-	-	-	5.27	-	-	-	-	-	5.27
Transfer to debenture redemption reserve on account of issue of debentures	-	-	-	-	-	31.87	-	-	(31.87)	-	-
Capital Reserve on VNGL Acquisition	-	0.40	-	-	-	-	-	-	-	-	0.40
Transfer to Statutory Reserve under 45-IC of RBI Act	-	-	0.90	-	-	-	-	-	(0.90)	-	-
Share Application Money received pending allotment under employee stock options.	4.22	-	-	-	-	-	-	-	-	-	4.22
Balance as at March 31, 2019	**1.13**	**0.40**	**8.58**	**40.43**	**10.18**	**49.68**	**15.23**	**1,463.84**	**3,943.53**	**2.01**	**5,535.00**

See accompanying notes to the consolidated financial statements 1 - 49

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors

Rajesh Kumar Agarwal
Partner

Place : Gurugram
Date: May 09,2019

Sanjay Gupta
Company Secretary
Membership No:-4935

Place : Ludhiana
Date: May 09,2019

Rajeev Thapar
Chief Financial Officer

Suchita Jain
Vice Chairman and
Joint Managing Director
DIN:00746471

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

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

1 General Information

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

The financial statements were approved for issue in accordance with a resolution of the directors on May 09, 2019.

2 Significant Accounting Policies, Significant Accounting Judgements, Estimates And Assumptions And Applicablity Of New And Revsied Ind As

2.1 Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), and the provisions of the Companies Act ,2013 ('the Act') (to the extent notified) The Ind AS are prescribed under Section 133 of the Act read with Rule3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Group gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Company's accounting policies.

All intra Company assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.4 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

2.5 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

2.6 Investment in associates and joint ventures

An associate is an entity over which the Company has significant influence. Significant influence is the power to

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Company's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When the Company's share of losses of an associate or a joint venture exceeds the Company's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate or joint venture), the Company discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Company determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Company's investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Company retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Company measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Company accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Company reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

When a group entity transacts with an associate or a joint venture of the Company, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Company's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Company.

2.7 Revenue recognition

Effective April 1, 2018, the Group adopted Ind AS 115 'Revenue from Contracts with Customers'. First time adoption has been conducted retrospectively with cumulative effect of initially applying this standard as on the transition date. The effect on the transition to Ind AS 115 is insignificant.

Revenue is measured at the fair value of the consideration received or receivable. Amount disclosed as revenue are net of returns, rebates, goods & services tax and value added taxes.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities, as described below. The Company bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue recognised from major business activities:

2.7.1Sale of goods:

Revenue from sale of goods is recognised as and when the Company satisfies performance obligations by transferring control of the promised goods to its customers.

2.7.2Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

2.7.3Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.7.4Rental income

The Company's policy for recognition of revenue from operating leases is described below:-

2.8 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants recoverable upto FY 2017-18 are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

As per the amendment in Ind AS 20 "Government Grants" w.e.f April 1, 2018, the Company has opted to present the received / receivable after April 1, 2018 related to assets as deduction from the carrying value of such specific assets.

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

2.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

2.10 Foreign currencies

In preparing the financial statements of the Group, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.11 Employee benefits

2.11.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b. net interest expense or income; and

c. re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

2.11.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.12 Share-based payment arrangements

Share-based payment transactions of the Company

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note no. 44.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled share options outstanding account.

2.13 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.13.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current income tax assets/liabilities for current year is recognized at the amount expected to be paid to and/or recoverable from the tax authorities, using the tax rates that have been enacted or substantively enacted by the Balance Sheet.

2.13.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income-tax liablity, is considered as an asset if there is convincing evidence that the Company will pay normal income-tax. Accordingly, MAT Credit is recognised as asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

2.13.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.14 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

The Cost of an item of Property, plant and equipment comprises:

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

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

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

The Company has elected to continue with the carrying value of all its PPE recognised as on April 1, 2015 measured as per the previous GAAP and use that carrying value as it deemed cost as on transition date.

Depreciation is provided on Straight Line Method on the basis of useful lives of such assets specified in Schedule II to the Companies Act, 2013 except the assets costing ₹ 5000/- or below on which depreciation is charged @ 100%. Depreciation is calculated on pro-rata basis.

The estimated useful life of the assets have been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support etc and are as under:

Buildings	3 - 60 years
Plant and Equipment	5 - 40 years
Furniture and Fixtures & Office Equipment	3 - 10 years
Vehicles	8 - 10 years

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2.15 Intangible assets

2.15.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

2.15.2 De-recognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.15.3 Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Computer softwares	6 years
Contribution to Common effluent treatment plant (CETP)	5 years
Right to use power lines	5 Years

2.16 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.17 Inventories

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

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

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

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

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

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

In case of by-products at estimated realizable value

Net realizable value is the estimated selling price in ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.18Provisions and contingent liablities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as on asset if it is virtually certain that reimbursements will be received and amount of the receivable can be measured reliably.

A disclosure for a contingent liablity is made when there is a possible obligation or a present obligation thay may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.19Financial instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.19.1Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.19.1.1Classification of financial assets

Financial instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

a. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

b. the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

a. the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

b. the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for instruments measured at Fair value through other comprehensive income (FVTOCI). All other financial assets are subsequently measured at fair value.

2.19.1.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

2.19.1.3 Investments in equity instruments measured at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

a. it has been acquired principally for the purpose of selling it in the near term; or

b. on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

c. it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

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

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may

Notes to Consolidated Financial Statement

for the year ended March 31, 2019
(All amounts in ₹ Crores, unless otherwise stated)

be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL/FVTOCI.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

2.19.1.5Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. The Group follows simplified approach for recognition of impairment loss allowance on trade recievables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL's at each reporting date, right from its initial recognition.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

2.19.1.6Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.19.1.7Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss.

2.19.2Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

2.19.2.1Financial liabilities at fair value through profit and loss (FVTPL)

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

a. it has been incurred principally for the purpose of repurchasing it in the near term; or

b. on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

c. it is a derivative that is not designated and effective as a hedging instrument.

2.19.2.2 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.19.2.3Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.19.3Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks and to manage its exposure to imported raw material price risk including foreign exchange forward contracts and commodities future contracts. Further details of derivative financial instruments are disclosed in note 37.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

2.19.4Equity instrument

Equity instrument are any contract that evidences a residual interest in the assets of an equity after deducting all of its liablities.

Debt or equity instruments issued by the Company are classifed as either financial liablities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liablity and an equity instrument

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

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

2.20Earnings per share

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

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

2.21Segment Reporting

Based on the guiding principles laid down in Indian Accounting Standards (Ind-AS)-108 "Segment Reporting" the Managing Director of the Company is the Chief Operating Decision maker (CODM) and the purposes of resource allocation and assessment of segment performance of the business is a segregated in the segment below:-

-Textiles
-Fibre

2.22Significant accounting judgements, estimates and assumptions

In the application of the Company's accounting policies, which are described as stated above, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

2.22.1Significant influence over associates

Note 45 describe the entities as associates of the Group as the Group owns:-

a. in Vardhman Special Steels Limited (VSSL):- 27.15 percent ownership interest

b. in Vardhman Spinning and General Mills Limited(VSGM):- 50.00 percent ownership interest

c. in Vardhman Yarns and Threads Limited(VYTL):- 11.00 percent ownership interest

The group has significant influence in over VSSL and VSGM associates above by the virtue of ownership interest. However in case of VYTL significant influence is not only by the virtue of ownership interest but also due to contractual right to appoint managing director and no significant business decisions relating to debts restructuring and business restructuring in the above said associate can be implemented without prior approval of the Company.

2.22.2Control over Joint Venture:

The Company has acquired 68,60,000 shares representing 49% of equity share capital of Vardhman Nisshinbo Garments Company Limited (VNGL) from its joint venture partner namely M/s. Nisshinbo Textile Inc. on January 23, 2019 for a consideration of ₹ 1.37 crores. Accordingly VNGL has become a wholly owned subsidary of the Company w.e.f. January 23, 2019.

2.22.3Key sources of uncertainty

In the application of the Company accounting policies, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

2.22.4 Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future, salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2.22.5 Useful lives of depreciable tangible assets and intangible assets

Management reviews the useful lives of depreciable/amortisable assets at each reporting date.

As at March 31, 2019 management assessed that the useful lives represent the expected utility of the assets to the Company.

During the previous year, the directors determined that the useful lives of certain items of plant and equipment should be different. Based on technical evaluation and market consideration, the Company has, with effect from April 1, 2017, revised the estimated useful of life of general plant and machinery from 7.5 years to 10 years.

The financial effect of this reassessment, assuming the assets are held until the end of their estimated useful lives, is decrease in the depreciation expense in the previous financial year by ₹ 104.20 crores.

2.22.6 Fair Value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors of the Company approves the fair values determined by the Chief Financial Officer of the Company including determining the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or liability, the Group uses market-observable data to the extent is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The Chief financial officer works closely with the qualified external valuers to establish appropriate valuation techniques and inputs to the model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in notes 37.

2.22.7 Contingent Liability

In ordinary course of business, the Group faces claims by various parties. The Company annually assesses such claims and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Group records a liability for any claims where a potential loss probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides disclosures in the financial statements but does not record a liability in its financial statements unless the loss becomes probable.

2.23 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2.23.1 The Group as lessor

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.23.2 The Group as lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.24 Applicablity of new and revised IND AS

Ministry of Corporate affairs has notified Ind AS 116 - Leases, which is effective from April 1, 2019, which will replace the existing lease standard, Ind AS 17 Leases and related interpretations. The new standard sets out the principles for the recognition, measurement, presentation and disclosure of lease for both parties to a contract i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward lessor accounting requirements. The Company is evaluating the impact of Ind AS 116 and its effect on the financial statements.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company is evaluating the requirements and its effect on the financial statements.

Amendments to Ind AS 12 - Income taxes: On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not expect any impact from this pronouncement.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement: On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

1) to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

2) to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

Ind AS 23 – Borrowing Costs: The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements: The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures: The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Group does not expect any impact from this amendment.

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

3A Property, plant and equipment and capital work-in-progress

Particulars	As at March 31, 2019	As at March 31, 2018
Carrying amount of		
Freehold land	95.95	92.16
Buildings	846.22	735.15
Plant and equipment	2,208.97	1,750.29
Furniture and fixtures	7.86	7.64
Vehicles	8.33	8.39
Office equipment	18.91	20.96
Total Property, plant and equipment	**3,186.24**	**2,614.59**
Capital work-in-progress	273.68	105.71
	3,459.92	**2,720.30**

	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Cost or Deemed Cost							
Balance at April 1, 2017	**87.02**	**816.07**	**2,317.09**	**10.02**	**13.81**	**37.22**	**3,281.23**
Addition	5.14	9.55	263.98	0.68	2.10	6.45	287.90
Disposal	-	(4.08)	(56.70)	(0.04)	(3.63)	(1.02)	(65.47)
Balance at March 31, 2018	**92.16**	**821.54**	**2,524.37**	**10.66**	**12.28**	**42.65**	**3,503.66**
Addition	2.74	134.22	662.44	1.24	1.66	4.55	806.85
Disposal	(0.84)	(1.93)	(8.80)	(0.10)	(0.23)	(0.25)	(12.15)
Step-up acquisition of VNGL	1.89	11.31	16.06	0.60	0.11	0.66	30.62
Balance at March 31, 2019	**95.95**	**965.14**	**3,194.07**	**12.40**	**13.82**	**47.61**	**4,328.98**
Accumulated depreciation							
Balance at April 1, 2017	-	56.85	631.80	1.53	3.27	16.47	709.92
Depreciation	-	30.75	195.56	1.53	1.70	6.19	235.73
Disposal	-	(1.21)	(53.28)	(0.04)	(1.08)	(0.97)	(56.58)
Balance at March 31, 2018	**-**	**86.39**	**774.08**	**3.02**	**3.89**	**21.69**	**889.07**
Depreciation	-	31.32	210.53	1.29	1.68	6.84	251.66
Disposal	-	(0.15)	(3.97)	(0.07)	(0.11)	(0.08)	(4.38)
Step-up acquisition of VNGL	-	1.36	4.47	0.30	0.03	0.25	6.41
Balance at March 31, 2019	**-**	**118.92**	**985.11**	**4.54**	**5.49**	**28.70**	**1,142.76**
Carrying amount							
Balance at April 1, 2017	**87.02**	**759.22**	**1,685.29**	**8.49**	**10.54**	**20.75**	**2,571.31**
Addition	5.14	9.55	263.98	0.68	2.10	6.45	287.90
Disposal	-	(2.87)	(3.42)	0.00	(2.55)	(0.05)	(8.89)
Depreciation	-	(30.75)	(195.56)	(1.53)	(1.70)	(6.19)	(235.73)
Balance at March 31, 2018	**92.16**	**735.15**	**1,750.29**	**7.64**	**8.39**	**20.96**	**2,614.59**
Addition	2.74	134.22	662.44	1.24	1.66	4.55	806.85
Disposal	(0.84)	(1.78)	(4.83)	(0.03)	(0.12)	(0.17)	(7.77)
Step-up acquisition of VNGL	1.89	9.95	11.60	0.30	0.08	0.41	24.23
Depreciation	-	(31.32)	(210.53)	(1.29)	(1.68)	(6.84)	(251.66)
Balance at March 31, 2019	**95.95**	**846.22**	**2,208.97**	**7.86**	**8.33**	**18.91**	**3,186.24**

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

3A Property, plant and equipment and capital work-in-progress (Contd..)

Notes on property, plant and equipment

1 Freehold land includes ₹ 4.38 crores (March 31, 2018 ₹ 4.38 crores) for the cost of land for which title deeds are yet to be executed in favor of the Parent Company, though the possession thereof has been taken by the Parent Company.

2 Refer to note 18 for information on property, plant and equipment pledged as security by the Group.

3 The Company has availed benefit under Export Promotion Capital Goods (EPCG) scheme amounting to ₹ 22.00 Crores (related to non cenvatable portion of total duty saved) for financial year 2018-19, such benefit is related to Property, Plant and Equipment and Capital work in progress.

4 Buildings includes ₹ 2.48 crores (March 31, 2018: ₹ 2.48 crores) 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.

5 As per the amendment in Ind-AS 20 "Government Grants" w.e.f April 1, 2018, the Company has opted to present the grant related to assets as deduction from the carrying value of such specific assets. For financial year 2018-19 such amount deducted from Property, Plant and Equipment is ₹ 14.00 Crores.

6 Borrowing cost capitalised during the year ₹ 2.42 Crores (March 31, 2018 Nil)

7 Also refer Note 2.14 for option used by the Company to use carrying value of previous GAAP as deemed cost as on April 1, 2015.

3B Intangible assets

Particulars	As at March 31, 2019	As at March 31, 2018
Carrying amount of		
Computer softwares	2.30	3.75
Contribution to CETP	-	-
Right to use power lines	0.05	0.06
	2.35	**3.81**

	Computer Softwares	Contribution to CETP	Right to use power lines	Total
Cost or deemed cost				
Balance as at April 1, 2017	**10.47**	**0.63**	**4.50**	**15.60**
Addition	1.28	-	0.06	1.34
Balance as at March 31, 2018	**11.75**	**0.63**	**4.56**	**16.94**
Addition	0.20	-	-	0.20
Disposal		-	-	
Step-up acquisition of VNGL	0.44	-	-	0.44
Balance as at March 31, 2019	**12.39**	**0.63**	**4.56**	**17.58**
Accumulated amortisation				
Balance as at April 1, 2017	5.29	0.50	3.07	8.86
Amortisation expenses	2.71	0.13	1.43	4.27
Balance as at March 31, 2018	**8.00**	**0.63**	**4.50**	**13.13**
Addition	2.34	-	-	2.36

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

3B Intangible assets (Contd..)

	Computer Softwares	Contribution to CETP	Right to use power lines	Total
Step-up acquisition of VNGL	0.26	-	-	0.26
Balance as at March 31, 2019	**10.61**	**0.63**	**4.50**	**13.13**
Carrying amount				
Balance as at April 1, 2017	**5.18**	**0.13**	**1.43**	**6.74**
Addition	1.28	-	0.06	1.34
Amortisation expenses	(2.71)	(0.13)	(1.43)	(4.27)
Balance as at March 31, 2018	**3.75**	**-**	**0.06**	**3.81**
Addition	0.20	-	-	0.20
Amortisation expenses	**(2.34)**	**-**	**(0.01)**	**(2.36)**
Step-up acquisition of VNGL	0.70	-	-	0.70
Balance as at March 31, 2019	**2.30**	**-**	**0.05**	**2.35**

Note: These intangible assets are not internally generated

Also refer to note 2.15 for option used by the Group to use carrying value of previous GAAP as deemed cost on April 1, 2015.

4 Goodwill*

Particulars	As at March 31, 2019	As at March 31, 2018
Deemed Cost	12.50	12.54
Addition	-	-
Disposal	-	(0.04)
Carrying Value at the end	**12.50**	**12.50**
* Refer note 2.5		
Allocation of goodwill to cash generating units (CGU):		
Goodwill has been allocated for impairment testing purposes to the following cash generating units.		
Vardhman Arcylics Limited	2.46	2.46
VMT Spinning Company Limited	10.04	10.04
	12.50	**12.50**

Vardhman Arcylics Limited

No indications for impairment. No impairment losses have been recognised.

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

4 Goodwill* (Contd..)

VMT Spinning Company Limited

No indications for impairment. No impairment losses have been recognised.

5A Investments in Joint Ventures and Associates

Particulars	As at March 31, 2019	As at March 31, 2018
I TRADE INVESTMENTS (at cost/carrying value)		
Financial assets carried at cost		
a. Break up of Equity investments in associates and Joint Venture (carrying amount determined using equity method of accounting)		
(i) Investment in Joint Ventures/ associates		
Quoted		
^1,00,86,333 (March 31, 2018: 1,00,86,333) Equity shares of ₹ 10/- each fully paid up of Vardhman Special Steels Limited	50.49	44.51
Unquoted		
$ 62,69,699 (March 31, 2018: 62,69,699) Equity shares of ₹ 10/- each fully paid up of Vardhman Yarns & Threads Limited	57.27	53.62
^^NIL (March 31, 2018: 71,40,000) Equity shares of ₹ 10/- each fully paid up of Vardhman Nisshinbo Garments Company Limited	-	(2.20)
25,000 (March 31, 2018 : 25,000) Equity shares of ₹ 10/- each fully paid-up of Vardhman Spinning and General Mills Limited	0.08	0.07
b. Investment in preference instruments (unquoted)		
(i) Investment in joint ventures		
NIL (March 31, 2018: 1,00,00,000) 10% non-cumulative convertible preference shares of ₹ 10/- each fully paid up of Vardhman Nisshinbo Garments Company Limited	-	10.00
Total 5A	**107.84**	**106.00**

Notes to Consolidated Financial Statement

for the year ended March 31, 2019
(All amounts in ₹ Crores, unless otherwise stated)

5B Other Investments (Non-Current)

Particulars	As at March 31, 2019	As at March 31, 2018
II Financial assets measured at fair value through other comprehensive income		
(i) Investment in equity instruments (unquoted)		
41,000 (March 31, 2018: 41,000) Equity-Shares of ₹ 10/- each fully paid-up of Shivalik Solid Waste Management Limited (Section 25 Company)	0.08	0.07
1,40,625 (March 31, 2018: 1,40,625) Equity shares of ₹ 10/- each fully paid-up of Nimbua Greenfield (Punjab) Limited	1.72	1.65
2,225 (March 31, 2018: 2,225) Equity shares of ₹ 10/- each fully paid-up of Devakar Investment & Trading Company Private Limited	0.21	0.16
16,47,525 (March 31, 2018: 16,47,525) Equity Shares of Narmada Clean Tech Ltd. of ₹ 10/- each fully paid up.	3.04	4.33
Other Investments:-		
III Financial assets measured at fair value through Profit and loss		
(i) Investment in Bonds/ Preference shares/ Debentures/Fixed Maturity Plans (quoted)		
6,660 (March 31, 2018 :6,660) 17.38% Non-convertible redeemable cumulative preference shares of ₹ 7,500/- each fully paid of IL&FS Financial Services Limited	5.00	11.19
820 (March 31, 2018 820) 16.46% Non Convertible Redeemable cumulative Preference Shares of ₹ 7,500/- each fully paid of IL & FS Financial Services Ltd.	0.62	1.36
10,000 (March 31, 2018:10,000) 16.46% Non-convertible redeemable cumulative preference shares of ₹ 7,500/- each fully paid of IL&FS Financial Services Limited	7.50	16.60
*NIL (March 31, 2018: 100) Principal protected market linked redeemable non convertible debentures of ₹ 10,00,000/- each of Aspire home Finance ltd	-	11.68
NIL (March 31, 2018 : 100) Non Convertible Debentures of ₹ 10,00,000/- each of JM Financial Products Limited TR-BE-XX Opt IA &IB BR	-	10.15
NIL (March 31, 2018 : 150) Non Convertible Debentures of ₹ 10, 00,000 / each of JM Financial Products Limited TR-BL-IV OPT III BR	-	15.23
NIL (March 31, 2018 : 6,000) Non Convertible Debentures of ₹ 1,00,000 / each of ECAP Equities Limited SR-J9J701A	-	62.19
Unquoted		
12,50,000 (31st March 2018: 12,50,000) 8.20% cumulative compulsarily convertible preference shares of Sheeba Properties Limited of ₹ 100 each (formerly known as Tata Motors Finance Ltd)	27.55	26.99

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

5B Other Investments (Non-Current) (Contd..)

Particulars	As at March 31, 2019	As at March 31, 2018
(ii) Investment in mutual funds (Quoted)		
5,00,00,000 (March 31, 2018 : 5,00,00,000) units of ₹ 10/- each of Kotak Fixed Maturity Plans Series 216 Direct Growth	54.45	50.66
4,00,00,000 (March 31, 2018:4,00,00,000) units of ₹ 10/- each of Birla Sunlife Fixed Term Plan Series MX (1140 Days)	43.32	40.35
2,50,00,000 (March 31, 2018:2,50,00,000) units of ₹ 10/- each of Birla Sunlife Fixed Term Plan Series - Growth-Direct (1135 Days)	28.82	26.78
Nil (March 31, 2018:1,00,00,000)units of ₹ 10/- each of UTI Fixed Term Income Fund Series XXIII-VII (1098 Days) Direct Growth Plan	-	12.09
Nil (March 31, 2018:3,00,00,000) units of ₹ 10/- each of Kotak Fixed Maturity Plans Series 191 Direct Growth	-	35.29
Nil (March 31, 2018:1,00,00,000) units of ₹ 10/- each of ICICI Prudential Fixed Maturity Plans Series 78-1115 Days Plan X Direct Plan Cumulative	-	11.75
Nil (March 31, 2018:2,50,00,000) units of ₹ 10/- each of HDFC Fixed Maturity Plans 1114D Direct Growth	-	29.44
2,50,00,000 (March 31, 2018: 2,50,00,000) units of ₹ 10/- each of HDFC FMP 1115 Days Direct Growth	27.23	25.32
Nil (March 31, 2018:2,50,00,000) units of ₹ 10/- each of SBI Debt Fund Series- B -36(1131 Days)- Direct Growth	-	29.21
2,50,00,000 (March 31, 2018:2,50,00,000) units of ₹ 10/- each of SBI debt Fund Series - Direct - (1170 Day)Growth	28.85	26.83
1,50,00,000 (March 31, 2018: 1,50,00,000) units of ₹ 10/- each of UTI Fixed Term Income Fund Series XXIV-XIV (1831 Days)Direct Growth Plan	18.83	17.47
NIL (March 31, 2018: 2,50,00,000) units of ₹ 10/- each of UTI Fixed Term Income Fund Series XXV-11 (1097 Days)Direct Growth Plan	-	28.40
3,50,00,000 (March 31, 2018: 3,50,00,000) units of ₹ 10/- each of Kotak Fixed Maturity Plans Series 202 Direct - Growth	40.28	37.43
5,00,00,000 (March 31, 2018: 5,00,00,000) units of ₹ 10/- each of SBI Debt Fund Series C10 (1150 DAYS) Direct Plan Growth Fixed Maturity Plans	54.31	50.59
2,50,00,000 (March 31, 2018: 2,50,00,000) units of ₹ 10/- each of ICICI Prudential Fixed Maturity Plans Series 80-1233 Days Plan O Direct Plan Cumulative	28.98	26.87
2,50,00,000 (March 31, 2018: 2,50,00,000) units of ₹ 10/- each of Reliance Fixed Horizon Fund- XXXIII- Series 3- Direct Plan Growth Plan	28.96	26.90
2,50,00,000 (March 31, 2018: 2,50,00,000) units of ₹ 10/- each of Reliance Fixed Horizon Fund- XXXIIV- Series 4- Direct Plan Growth Plan	28.96	26.87
5,00,00,000 (March 31, 2018 : 5,00,00,000) units of ₹ 10/- each of ICICI Fixed Maturity Plan Series 82-1203	54.56	50.64
3,24,12,364 (March 31, 2018: NIL) units of ₹ 10/- each of Kotak FMP Series 254 - 1250 Days -Direct Plan - Growth	33.63	-

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

5B Other Investments (Non-Current) (Contd..)

Particulars	As at March 31, 2019	As at March 31, 2018
6,50,00,000 (March 31, 2018: NIL) units of ₹ 10/- each of Kotak FMP Series 251 - 1265 Days -Direct Plan - Growth	68.24	-
2,60,00,000 (March 31, 2018: 2,60,00,000) units of ₹ 10/- each of HDFC Fixed Maturity Plans 1150D March 2018 (1) Direct Growth Series -39	28.24	26.27
NIL (March 31, 2018 1,22,987) units of ₹ 1,000/- each of DSP Money Manager Fund	-	2.95
50,00,000 (March 31,2018: 50,00,000) Units of ₹ 10- each of DSP Blackrock ACE DIR G MAT	5.08	4.87
2,50,00,000 (31 March 2018: Nil) Units of ₹ 10/- each of SBI SDFC C - 16 (1100 Days) Direct Growth	27.06	-
Total 5B	**645.52**	**748.58**
1. Aggregate book value of quoted investments	663.41	759.89
2. Aggregate Market Value of quoted investments	710.85	902.41
3. Aggregate carrying value of unquoted investments	89.95	94.69

* Investments having maturity period of less than 12 months from March 31, 2019 i.e. the balance sheet date have been reclassified as ' Current Investment' during the year.

^ For change in Group's ownership interest in Vardhman Special Steels Limited

During the financial year 2017-18 the Group has subscribed to 40,34,533 equity shares of Vardhman Special Steels Limited offered through Right Issue at a price of ₹ 50 per share amounting to ₹ 19.42 Crores.

** Refer note 37

^^ For change in Company's ownership interest in Vardhman Nisshinbo Garments Company Limited

During the financial year 2018-19, the Company has acquired 68,60,000 shares representing 49% of equity share capital of Vardhman Nisshinbo Garments Company Limited (VNGL) from its joint venture partner namely M/s. Nisshinbo Textile Inc. on January 23, 2019 for a consideration of ₹ 1.37 crores. Accordingly VNGL has become a wholly owned subsidary of the Company w.e.f. January 23, 2019.Earlier VNGL was a joint venture investment.

*** Investment in preference shares of IL&FS group companies aggregating to ₹ 26.13 crores. In view of the uncertainty prevailing with respect to recovery of the investment value from the IL&FS group, the Management has measured such investments at ₹ 13.11 crores as FVTPL adjustment. This FVTPL adjustment reflects the exposure that may arise given the uncertainty involved. The Management is hopeful of recovery though with a time lag.

6A Loans (Non Current)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets at amortized cost (unsecured considered good unless otherwise stated)		
Loan to employees	0.73	0.59
	0.73	**0.59**

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

6B Other Financial Assets (Non Current)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets at amortized cost (unsecured considered good unless otherwise stated)		
Fixed Deposits with banks more than twelve months maturity	1.95	1.86
Interest Receivable	0.35	0.23
Other Recoverable	7.09	7.31
	9.39	**9.40**

7 Other Non Current Assets

Particulars	As at March 31, 2019	As at March 31, 2018
Non Financial Assets at amortized cost (unsecured considered good unless otherwise stated)		
Capital advances	34.92	37.22
Balance with government authorities	9.11	12.82
Unamortised Lease hold land prepayment	18.61	18.85
Prepaid (Deferred) Expense for employee benefit	0.06	0.08
Prepaid expenses-others	0.57	0.63
Security deposits	33.71	27.71
	96.98	**97.31**

8 Inventories

Particulars	As at March 31, 2019	As at March 31, 2018
(at cost or net realisable value, whichever is lower)		
Raw materials*	1,778.19	1,444.72
Work-in-progress	166.89	150.57
Finished Goods	489.94	509.37
Stores and Spares*	177.37	153.77
Less: Unrealised profit on consolidation	(2.14)	(1.78)
	2,610.25	**2,256.64**
*above items include goods in transit as per below		
Raw materials	47.87	9.38
Stores and Spares	12.32	11.05
	60.19	**20.43**

Notes to Consolidated Financial Statement

for the year ended March 31, 2019
(All amounts in ₹ Crores, unless otherwise stated)

8 Inventories (Contd..)

(i) The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹ 3573.75 Crores (March 31, 2018: ₹ 3,438.28 Crores)

(ii) Refer to Note 18(a) and 23 for information on inventories pledged as security by the Group.

(iii) The method of valuation of inventories has been stated in note 2.17.

9 **Other Investments (Current)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets measured at fair value through Profit and loss		
(i) Investment in Debt Funds/ Monthly Income Plans/Debentures/Bonds (Quoted)		
1,99,74,912 (March 31, 2018 : 1,99,74,912) units of ₹ 10 / each of L & T Resurgent India Corporate Bond Fund Direct Growth	28.17	26.69
1,38,60,137 (31 March 2018: Nil) Units of ₹ 10/- each of ICICI Equity Arbitrage Fund - Direct Dividend	20.09	-
67,698 (31 March 2018: Nil) Units of ₹ 1000/- each of SBI Liquid Fund Direct Growth	19.83	-
20,839 (31 March 2018: Nil) Units of ₹ 1000/- each of SBI Magnum Low Duration Fund Direct Growth	5.07	-
1,45,45,667 (31 March 2018: Nil) Units of ₹ 10/- each of SBI Arbitrage Opportunities-Direct Dividend	20.64	-
#3,00,00,000 (March 31, 2018:NIL) units of ₹ 10/- each of Kotak FMP Series 191 Direct Growth	37.92	-
#1,00,00,000 (March 31, 2018:NIL) units of ₹ 10/- each of ICICI Prudential FMP Series 78-1115 Days Plan X Direct Plan Cumulative	12.64	-
#2,50,00,000 (March 31, 2018:NIL) units of ₹ 10/- each of HDFC FMP 1114D Direct Growth	31.63	-
#2,50,00,000 (March 31, 2018:NIL) units of ₹ 10/- each of SBI Debt Fund Series- B -36(1131 Days)- Direct Growth	31.39	-
#2,50,00,000 (March 31, 2018: NIL) units of ₹ 10/- each of UTI Fixed Term Income Fund Series XXV-11 (1097 Days)Direct Growth Plan	30.58	-
#100 (March 31, 2018: NIL)Principal protected market linked redeemable non convertible debentures of ₹ 10,00,000/- each of Aspire home Finance ltd	12.98	-
113.92 (March 31,2018: Nil) Units of ₹ 10/- each of Reliance Liquid Fund	0.05	-
2,594.18 (March 31, 2018:- Nil) Units of ₹ 10/- each of ABSL equity fund growth	0.20	-

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

9 **Other Investments (Current) (Contd..)

Particulars	As at March 31, 2019	As at March 31, 2018
3,616.24 (March 31,2018: Nil) Units of ₹ 10/- each of Sbi Liquid Fund Direct growth	1.06	
27,91,773.97 (March 31,2018: Nil) Units of ₹ 10/- each of Sbi Arbitrage Opputunities Direct Dividend	3.96	-
2,21,016.42 (March 31,2018: Nil) Units of ₹ 10/- each of Kotak Standard Multicap Direct Plan Growth	0.83	-
1,01,586.97 (March 31,2018: Nil) Units of ₹ 10/- each of Axis Focused 25 Fund - Direct Plan	0.30	-
50 (March 31,2018: Nil) Redeemable Non-Convertable Debentures of ₹ 10 ,00,000/- each of JM Financial Products Limited	5.20	-
5,00,000 (March 31, 2018: 5,00,000) Preference Shares of ₹ 100/- each of L& T Finance Holdings Limited	4.98	5.08
NIL (March 31, 2018 : 1,27,19,456) units of ₹ 10/- each of ICICI corporate Bond Direct Growth	-	35.98
4,00,00,000 (March 31, 2018: 4,00,00,000) units of ₹ 10/- each of Kotak Fixed Maturity Plans Series 200 Direct - Growth	46.21	42.97
NIL (March 31, 2018:2,48,58,661) units of ₹ 10/- each of Reliance Corporate Bond fund Direct Plan Growth	-	35.99
NIL (March 31, 2018 : 2,17,37,240) units of ₹ 10/- each of L&T Short Term Income Fund	-	41.24
83,58,828 (March 31, 2018: 83,58,828) units of ₹ 10/- each of Kotak Bond (short Term) -Direct Plan Growth	30.49	28.14
12,49,786 (March 31, 2018:12,49,786) units of ₹ 10/- each of Birla Sun life Treasury Optimizer Plan-Growth-Direct Plan	30.25	28.05
2,43,36,822 (March 31, 2018: 2,43,36,821) units of ₹ 10/- each of Idfc Corporate Bond Fund -Direct Plan -Growth Option	31.30	29.11
*NIL (March 31, 2018: 5,00,000)Bonds of ₹ 100/- each of 7.77 KERALA State development loan	-	4.96
*NIL (March 31, 2018: 7,837) unitsof ₹ 100 eachof Aditya Birla sun life floating rate fund	-	0.18
#NIL (March 31, 2018:2,500)Principal protected Market Linked redeemable Non Convertible Debentures of ₹ 1,00,000/- each of ECL Finance limited	-	30.25
#NIL (March 31, 2018: 1,500)Principal protected Market Linked redeemable Non Convertible Debentures of ₹ 1,00,000/- each of IIFL wealth Finance limited	-	17.36
#NIL (March 31, 2018:2,000)Principal protected Market Linked redeemable Non Convertible Debentures of ₹ 1,00,000/- each of IIFL wealth Finance limited	-	23.38
#NIL (March 31, 2018: 2,00,00,000) units of ₹ 10/- each of Reliance fixed horizon fund- XXIX-Series -1 - Direct Growth plan	-	24.81

Notes to Consolidated Financial Statement

for the year ended March 31, 2019
(All amounts in ₹ Crores, unless otherwise stated)

9 **Other Investments (Current) (Contd..)

Particulars	As at March 31, 2019	As at March 31, 2018
#NIL (March 31, 2018:3,00,00,000) units of ₹ 10/- each of Reliance fixed horizon fund- XXIX-Series 2- Direct growth plan	-	37.07
#NIL (March 31, 2018: 5,00,00,000) units of ₹ 10/- each of Kotak Fixed Maturity Plans Series 178 Direct Growth	-	61.86
#NIL (March 31, 2018:5,00,00,000) units of ₹ 10/- each of Birla Sunlife Fixed Term Plan Series MX (1128 Days)	-	61.19
#NIL (March 31, 2018: 5,00,00,000) units of ₹ 10/- each of ICICI Prudential Fixed Maturity Plans Series 77-1129 Days Plan W Direct Plan Cumulative	-	61.03
#NIL (March 31, 2018: 5,00,08,075) units of ₹ 10/- each of Reliance Fixed Horizon Fund-XXIX- Series 8 Direct Growth Plan	-	61.34
#NIL (March 31, 2018: 2,20,00,000) units of ₹ 10/- each of UTI Fixed Term Income Fund Series XXIII-II (1100 Days) Direct Growth Plan	-	27.01
#NIL (March 31, 2018: 1,30,00,000)units of ₹ 10/- each of Kotak Fixed Maturity Plans Series 180-1099 Days	-	15.81
#NIL (March 31, 2018: 5,00,00,000) units of ₹ 10/- each of SBI Debt Fund Series-B (1105 DAYS) Direct Plan Growth Fixed Maturity Plans*	-	63.42
#NIL (March 31, 2018: 3,00,00,000) units of ₹ 10/- each of ICICI Prudential Fixed Maturity Plans Series 76-1108 Days Plan V Direct Plan Cumulative	-	38.08
NIL (March 31, 2018: 2,13,20,689) units of ₹ 10/- each of edelweiss banking (earlier known as JP Morgan Indian banking) and PSU debt fund -Direct plan-Growth option	-	31.07
NIL (March 31, 2018: 96,90,611) units of ₹ 10/ each of Edelweiss Bond (earlier knows as JP Morgan Indian active bond fund -Direct plan) Growth option	-	18.19
NIL (March 31, 2018 :33,35,393) units of ₹ 10/ each of IDFC Dynamic bond fund - Growth -Direct plan	-	7.21
NIL (March 31, 2018: 11,831) units of ₹ 1000/- each of Principal Cash Management Fund - Direct Plan Growth	-	2.00
NIL (March 31, 2018: 16,592) units of ₹ 1000/- each of Kotak Floater Short Term - Direct Plan - Growth	-	4.73
NIL (March 31, 2018: 1,38,54,704) units of ₹ 10/- each of Axis Enhanced Arbitrage Fund Direct Dividend	-	15.14
NIL (March 31, 2018: 50,00,000) units of ₹ 10/- each of UTI Fixed Term Income Fund Series XXII-VI Growth Plan	-	6.50
NIL (March 31, 2018: 1,13,50,000) Preference shares of ₹ 8/- (March 31, 2018: ₹ 10/-) each of 6% Zee Entertainment Enterprises Limited	-	8.63
NIL (March 31, 2018 :45,510) units of ₹ 1,000 /- each of SBI Premier Liquid Fund- Dir Plan Growth	-	6.11
NIL (March 31, 2018 : 94) Non convertible debentures of ₹ 10,00,000/ each of JM Financial Products Limited Tranche-AU BR	-	10.03

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

9 **Other Investments (Current) (Contd..)

Particulars	As at March 31, 2019	As at March 31, 2018
9,52,766.89 (March 31,2018: 23,55,396.94) Units of ₹ 10/- each of Birla Enhanced Arbitage Fund Direct Dividend Reinvestment	1.05	2.63
32,047.16 (March 31,2018: 14,795.17) Units of ₹ 10/- each of Aditya Birla Sun life Advantage fund div direct growth	1.37	0.60
NIL (March 31, 2018: 22,219.45) Units of ₹ 10/- each of Kotak Select Focus Fund Direct Plan Growth	-	0.08
4,48,765.14 (March 31,2018: 11,70,199.41) Units of ₹ 10/- each of Kotak Equity Arbitage Fund Direct Plan Fortnight dividend	1.06	2.76
3,47,871.51 (March 31,2018: 1,50,658.98) Units of ₹ 10/- each of L&T India Value Fund	1.32	0.56
NIL (March 31, 2018: 27,80,412) Units of ₹ 10/- each of L&T Arbitage Opp Fund-Direct Growth	-	2.85
NIL (March 31, 2018: 1,000) Units of ₹ 1,00,000/- each of ECL Finance Limited	-	10.00
68,357.88 (March 31,2018: 19,22,324) Units of ₹ 10/- each of HDFC Arbitrage fund	0.07	2.06
NIL (March 31,2018: 4853) units of ₹ 1000 each of HDFC Liquid Fund Direct Plan growth	-	1.68
42,00,000 (March 31,2018: 42,00,000) Units of ₹ 10/- each of UTI Fixed term income fund direct plan growth	5.21	4.86
NIL (March 31, 2018 12,401) units of ₹ 10/- each of Mirae Asset Managment Fund	-	2.27
6,70,732.03 (March 31,2018: 1,57,136.91) Units of ₹ 10/- each of Mirae Asset India Equity Fund	3.62	0.74
NIL (March 31,2018: 6,146) units of ₹ 1000 each of HDFC Cash Management Savings Dividend Distribution	-	0.65
3,000 (31 March 2018 : Nil) Units of ₹ 1,00,000 / each of IIFL Wealth Finance ltd	32.98	-
* 100 (31 March 2018 : Nil) Units of ₹ 10,00,000 / each of JM Financial Products Limited TR-BE-XX Opt IA &IB BR NCD 29NV19 FVRS10LAC	11.00	-
* 150 (31 March 2018 : Nil) Units of ₹ 10,00,000 / each of JM Financial Products Limited TR-BL-IV OPT III BR NCD 16DC19 FVRS10LAC	16.34	-
* 6,000 (31 March 2018 : Nil) Units of ₹ 1,00,000 / each of ECAP Equities Limited SR-J9J701A NCD 24MR20 FVRS1LAC	66.52	-
(ii) Investment in preference shares (unquoted)		
10,00,000 (March 31, 2018: 10,00,000) 3% cumulative compulsorily convertible Preference Shares of ₹ 100/- each of TATA Motors Finance Ltd.	12.03	11.60
(iii) Investment in equity share (quoted)		
5,400 (March 31,2018: 4,400) shares of ₹ 5 each of Axiscades Engineering Technologies Ltd	0.03	0.07
15,801 (March 31,2018: 7,182) Shares of ₹ 1 each of Balrampur Chini Mills Ltd	0.22	0.11

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

9 **Other Investments (Current) (Contd..)

Particulars	As at March 31, 2019	As at March 31, 2018
NIL (March 31, 2018: 751) shares of ₹ 10 each of Bharat Bijlee Ltd	-	0.11
5,700(March 31,2018: 5,700) Shares of ₹ 10 each of Central Depository Services (India) Limited	0.14	0.20
8,299 (March 31,2018: 2,556) Shares of ₹ 10 each of Deepak Fertilisers & Petrochemicals Corporation Ltd	0.11	0.10
3,210(March 31,2018: 3,210) Shares of ₹ 2 each of Gujarat Ambuja Exports Ltd	0.07	0.06
10,150 (March 31,2018: 5,689) Shares of ₹ 10 each of Heidelberg Cement India Ltd	0.18	0.09
23,591 (March 31,2018: 8,700) Shares of ₹ 2 each of Jindal Saw Ltd	0.20	0.10
6,169 (March 31,2018: 2,087) Shares of ₹ 1 each of K R B L Ltd	0.21	0.12
3,900(March 31,2018: 2,900) Shares of ₹ 2 each of KEC International Ltd	0.12	0.10
13,000 (March 31,2018: 1,450) Shares of ₹ 10 each of Lumax Auto Technologies Ltd	0.18	0.11
1,330 (March 31,2018: 900) Shares of ₹ 2 each of Ratnamani Metals & Tubes Ltd	0.12	0.09
NIL (March 31, 2018: 2,500) Units of ₹ 2 each of Narayana Hrudayalaya Ltd	-	0.07
3,746 (March 31,2018: 1,754) Shares of ₹ 1 each of Shilpa Medicare Ltd	0.13	0.11
1,045 (March 31,2018: 440) Shares of ₹ 10 each of SRF LTD	0.25	0.09
6,668 (March 31,2018: 2,625) Shares of ₹ 10 each of Surya Roshni Ltd	0.17	0.10
1,255 (March 31,2018: 1,650) Shares of ₹ 10 each of Tata Elxsi Ltd	0.12	0.18
10,833 (March 31,2018: 7,044) Shares of ₹ 2 each of Titagarh Wagons Ltd	0.08	0.12
4,192 (March 31,2018: Nil) Shares of ₹ 10 each of Cadila Healthcare Ltd	0.15	-
1,394 (March 31,2018: Nil) Shares of ₹ 10 each of Colgate Palmolive (I) Ltd	0.18	-
13,143 (March 31,2018: Nil) Shares of ₹ 10 each of Equitas Holdings Ltd	0.18	-
6,031 (March 31,2018: Nil) Shares of ₹ 10 each of Exide Industries Ltd	0.13	-
2,772 (March 31,2018: Nil) Shares of ₹ 10 each of General Insurance Corporation Ltd	0.07	-
6,226 (March 31,2018: Nil) Shares of ₹ 10 each of ICICI Bank Ltd	0.25	-
3,529 (March 31,2018: Nil) Shares of ₹ 10 each of Muthoot Finance Ltd	0.22	-
1,533 (March 31,2018: Nil) Shares of ₹ 10 each of SBI Life Insurance Company Ltd	0.08	-
6,724 (March 31,2018: Nil) Shares of ₹ 10 each of State Bank of India	0.21	-
2,579 (March 31,2018: Nil) Shares of ₹ 10 each of Trent Ltd	0.09	-
75,400 (March 31, 2018 :75,400) Equity Shares of ₹ 10 /-each fully paid up of Hindustan Petroleum Corporation Ltd.	2.14	2.60
13,04,645 (March 31, 2018 :13,04,645) Equity shares of ₹ 1 /- each fully paid up of Welspun India Limited	7.91	7.57
26,000 (March 31, 2018 :26,000) Equity shares of ₹ 10 /-each fully paid up of Trident Limited	0.19	0.15

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

9 **Other Investments (Current) (Contd..)

Particulars	As at March 31, 2019	As at March 31, 2018
1,46,000(March 31, 2018: 1,46,000) equity shares of ₹ 10 each fully paid of Reliance Industries Limited of ₹ 10 each	19.90	12.89
	592.37	**979.09**
1. Aggregate amount of quoted investments	580.34	967.49
2. Aggregate market value of quoted investments	580.34	967.49
3. Aggregate amount of uquoted investment	12.03	11.60

* These Investments are made through portfolio management services

Investments having maturity period of less than 12 months from March 31, 2019 i.e. the balance sheet date have been reclassified as ' Current Investment' during the year.

** Refer note 37

10 Trade receivables*

Particulars	As at March 31, 2019	As at March 31, 2018
Receivable from related parties (Refer Note 45)		
- Unsecured, considered good	-	6.68
Receivable from others		
- Secured, considered good	-	-
- Unsecured considered good	802.40	749.40
- Significant increase in Credit risk	5.85	6.47
- Credit impaired		
Less:- Allowances for doubtful trade receivables	(5.17)	(5.02)
	803.08	**757.53**

(i) The credit period allowed on sales generally vary, on case to case basis, business to business, based on market conditions, maximum credit period allowed is 45 days (2017-18 :45 days) in case of domestic yarn and 90 days (2017-18: 90 days) in case of domestic fabric. In case of exports maximum credit period of 120 days (2017-18 120 days) against letter of credit is provided.

(ii) There are no major customers that represent more than 10% of total balances of trade receivables.

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

10 Trade receivables* (Contd..)

(iii) Ageing of provision of doubtful trade receivables	Expected Credit Loss	
	As at March 31, 2019	As at March 31, 2018
Less than 180 days	-	-
More than 180 days	5.17	5.02
	5.17	**5.02**

(iv) Ageing of Receivables	As at March 31, 2019	As at March 31, 2018
Less than 180 days	796.68	754.21
More than 180 days	11.57	8.34
	808.25	**762.54**

(v) Movement in expected credit loss allowance	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	5.02	2.08
Movement in expected credit loss allowance	0.15	2.94
Balance at the end of the year.	**5.17**	**5.02**

(vi) The concentration of credit risk is limited due to the fact that customer base is large and unrelated.

* Refer note 37

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

11 Cash and cash equivalents#

For the purpose of financial statements cash and cash equivalents include cash on hand and bank balances. Cash and cash equivalent at the end of reporting period can be reconciled to the related items in balance sheet as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
a) Balances with banks		
- In current accounts	39.87	68.03
- In deposit accounts with maturity upto three months	-	0.01
b) Cheques on hand		2.20
c) Cash on hand	0.18	0.14
	40.05	**70.38**

#Refer note 37

11A Bank Balances other than Cash and cash equivalents#

Particulars	As at March 31, 2019	As at March 31, 2018
a) Other bank balances		
- Earmarked balances with banks*	3.54	3.05
- Deposits with more than twelve months maturity	1.95	1.86
- Deposits with more than three months but less than twelve months maturity	0.26	0.33
	5.75	**5.24**
Less: Amounts disclosed as other financial non current assets (Refer note 6)	1.95	1.86
	3.80	**3.38**

* Earmarked balances with banks includes ₹ 3.53 crores (March 31, 2018: ₹ 3.03 crores) pertaining to dividend accounts with banks and ₹ 0.01 crores (March 31, 2018: ₹ 0.02 crores) pledged with government authorities and others.

Refer note 37

12 Loans (Current)#

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets at amortized cost		
(Unsecured and considered good), unless otherwise stated		
Loans to related parties (Refer note 45)		
(Unsecured and considered good)		
- Associates	15.00	26.99
Loan to employees	2.69	2.81
	17.69	**29.80**

Refer note 37

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

13 Other financial assets (Current)**

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets at amortized cost		
(Unsecured and considered good), unless otherwise stated		
Recoverable from related parties (Refer Note 45)	0.03	0.03
Interest receivables (Refer note 45) (including from related parties)	0.36	1.03
Claims receivable	0.02	0.23
Other Recoverable	29.11	14.97
Financial assets at Fair value through Profit and loss		
Derivative Financial Instruments*	39.38	2.09
	68.90	**18.35**

* The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risk including foreign exchange forward contracts. For further details of derivative financial instruments.

** Refer note 37

14 Current tax

Particulars	As at March 31, 2019	As at March 31, 2018
Current tax assets (net)		
Taxes paid (net)	102.25	78.41
Current tax liabilities (net)		
Income-tax payable (net)	30.66	10.93

15 Other current assets

Particulars	As at March 31, 2019	As at March 31, 2018
Amount recoverable from Mahavir Share Trust in respect of shares held in Trust (Refer note 39)	4.65	4.65
Advances to suppliers	110.00	86.72
Unamortised Lease hold land prepayments	0.08	0.08
Balance with government authorities	257.09	203.99
Prepaid (Deferred) Expense for employee benefit	0.12	0.11
Prepaid expenses others	5.62	5.26

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

15 Other current assets (Contd..)

Particulars	As at March 31, 2019	As at March 31, 2018
Other recoverables :		
- Considered good	65.05	51.21
- doubtful	0.03	0.03
Less: Allowances for doubtful other recoverables	(0.03)	(0.03)
	65.05	51.21
	442.60	**352.02**

16 Equity share capital

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised share capital:		
9,00,00,000 equity shares of ₹ 10 each (March 31, 2018: 9,00,00,000 equity shares of ₹ 10 each)	90.00	90.00
1,00,00,000 redeemable cumulative preference shares of ₹ 10 each (March 31, 2018: 1,00,00,000 redeemable cumulative preference shares of ₹ 10 each)	10.00	10.00
	100.00	**100.00**
Issued, subscribed and fully paid up share capital comprises:		
5,64,74,687 equity shares of ₹ 10 each (March 31, 2018: 5,64,29,987 equity shares of ₹ 10 each)	56.48	56.43
	56.48	**56.43**

16.1 Rights, preference and restriction attached to equity shares

The Parent Company has one class of equity shares having a par value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting. In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

16.2 Rights, preference and restriction attached to preference shares

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

16.3 As per Employee Stock Options Scheme 2016, senior employees of the Parent Company were offerred 6,14,000 options (for details refer note 44). The vesting for due options began from financial year 2016-17 and 1,22,800 options/shares (61,400 options/shares 2017-18) during the year 2018-19. Out of these, 44,700 shares/options (FY 2017-18 42,450 shares/

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

16 Equity share capital (Contd..)

options) have been excercised. Share options granted under Company's employee share option plan carry right to dividend and voting rights at par with other equity holders.

16.4Reconciliation of number of shares

	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	5,64,29,987	56.43	5,49,05,335	54.91
Add:- Own Sales of shares held through trust	-	-	14,62,202	1.46
Add:- Sale of Holding Company shares by subsidary			20,000	0.02
Add:- Issue of equity shares under employee stock option plan (Refer note 44)	44,700	0.05	42,450	0.04
Balance as at the end of the year	**5,64,74,687**	**56.48**	**5,64,29,987**	**56.43**

16.5 Details of shares held by the holding Company

There is no Holding / Ultimate Company of the Company

16.6 Details of shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% holding	Number of shares	% holding
Devakar Investment and Trading Company Private Limited	62,18,019	11.01%	61,92,786	10.78%
Adishwar Enterprises LLP	1,03,18,863	18.27%	1,03,18,863	17.96%
Vardhman Holdings Limited	1,53,14,517	27.12%	1,53,14,517	26.66%

17 Other equity

Particulars	As at March 31, 2019	As at March 31, 2018
Share application money pending allotment	1.13	0.55
Capital reserve	0.40	-
Statutory Reserve	8.58	7.68
Capital redemption reserve	40.43	40.43
Security premium	10.18	4.91
Debenture redemption reserve	49.68	17.81
Share options outstanding account	15.23	10.57
General reserve	1,463.84	1,463.84
Retained earnings	3,943.53	3,348.69
Equity instrument through other comprehensive income	2.01	2.79
	5,535.00	**4,897.27**

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

17 Other equity

	Share application money pending allotment	Reserves and Surplus								Item of other comprehensive income	Total
		Capital reserve	Statutory Reserve U/s 45 IC of RBI	Capital redemption reserve	Security premium	Debenture redemption reserve	Share options outstanding account	General reserve	Retained earnings	Equity instrument through other comprehensive income	
Balance at April 1, 2017	**-**	**-**	**5.63**	**40.43**	**-**	**-**	**-**	**1,463.84**	**2,705.63**	**2.79**	**4,218.32**
Profit for the year	-	-		-	-	-	-	-	581.19	-	581.19
Other comprehensive income for the year, net of income tax	-	-		-	-	-	-	-	1.57	-	1.57
Total comprehensive income for the year	**-**	**-**		**-**	**-**	**-**	**-**	**-**	**582.76**	**-**	**582.76**
Final Equity Dividend for the financial year 2016-17 (Amount ₹ 15 per share)	-	-		-	-	-	-	-	(84.56)	-	(84.56)
Tax on Dividend	-	-		-	-	-	-	-	(18.24)	-	(18.24)
Dividend on shares held through trust	-	-		-	-	-	-	-	2.19	-	2.19
Profit on sales of shares held through trust (Refer note 39)	-	-		-	-	-	-	-	180.77	-	180.77
Employee stock options accrued upto March 2018 (Refer note 44)	-	-		-	-	-	12.07	-	-	-	12.07
Transfer to equity shares due to issue of employee stock options (Refer note 44)							(1.50)				(1.50)
Securities premium on shares under Employee stock options	-	-		-	4.91	-	-	-	-	-	4.91
Transfer to debenture redemption reserve on account of issue of debentures	-	-		-	-	17.81	-	-	(17.81)	-	-
Transfer to Statutory Reserve under 45-IC of RBI Act									(2.05)		(2.05)
Transfer from Retained Earnings			2.05								2.05
Share Application Money received pending allotment under employee stock options.	0.55	-		-	-	-	-	-	-	-	0.55
Balance at March 31, 2018	**0.55**	**-**	**7.68**	**40.43**	**4.91**	**17.81**	**10.57**	**1,463.84**	**3,348.69**	**2.79**	**4,897.27**
Profit for the year	-	-	-	-	-	-	-	-	730.72	-	730.72
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	0.23	(0.78)	(0.56)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**730.94**	**(0.78)**	**730.15**

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

17 Other equity

	Share application money pending allotment	Reserves and Surplus								Item of other comprehensive income	Total
		Capital reserve	Statutory Reserve U/s 45 IC of RBI	Capital redemption reserve	Security premium	Debenture redemption reserve	Share options outstanding account	General reserve	Retained earnings	Equity instrument through other comprehensive income	
Final Equity Dividend for the financial year 2017-18 (Amount ₹ 15 per share)	-	-	-	-	-	-	-	-	(84.67)	-	(84.67)
Tax on Dividend	-	-	-	-	-	-	-	-	(18.67)	-	(18.67)
Employee stock options accrued upto March 2018 (Refer note 44)	-	-	-	-	-	-	6.32	-	-	-	6.32
Transfer to equity shares due to issue of employee stock options (Refer note 44)	(3.64)	-	-	-	-	-	(1.66)	-	-	-	(5.31)
Securities premium on shares under Employee stock options	-	-	-	-	5.27		-	-	-	-	5.27
Transfer to debenture redemption reserve on account of issue of debentures	-	-	-	-	-	31.87	-	-	(31.87)	-	-
Capital Reserve on VNGL Acquisition	-	0.40	-	-	-	-	-	-	-	-	0.40
Transfer to Statutory Reserve under 45-IC of RBI Act	-	-	0.90		-	-	-	-	(0.90)	-	-
Share Application Money received pending allotment under employee stock options.	4.22	-	-	-	-	-	-	-	-	-	4.22
Balance at March 31, 2019	**1.13**	**0.40**	**8.58**	**40.43**	**10.18**	**49.68**	**15.23**	**1,463.84**	**3,943.53**	**2.01**	**5,535.00**

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

17 Other equity (Contd..)

a. Share application money pending allotment and share option outstanding account

It represents money received from senior employees under the Company's employee share option scheme.

b. Capital reserve

Capital reserve represents reserve recognised on amalgamation being the difference between consideration amount and net assets of the transferor Group.

c. Capital redemption reserve

Capital Redemption reserve is a statutory, non-distributable reserve into which amounts are transferred following the redemption or purchase of a Group's own shares.

d. Securities premium

Securities premium represents amount of premium recognised on issue of shares to shareholders at a price more than its face value.

e. Debenture redemption reserve

The Group has issued non convertible debentures in Financial Year 2017-18 and as per the provisions of the Companies Act, 2013, it is required to create debenture redemption reserve out of the profits available for payment of dividend.

f. General reserve

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

g. Retained earnings

Retained earnings represents amount that can be distributed by the Group to its equity shareholders is determined based on the financial statements of the Group and also considering the requirements of the Companies Act 2013.

h. Equity instrument through other comprehensive income

Reserve for equity instruments through other comprehensive income represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amount reclassified to retained earnings when those assets have been disposed off.

Notes to Consolidated Financial Statement

for the year ended March 31, 2019
(All amounts in ₹ Crores, unless otherwise stated)

18 Borrowings (Non Current)

Particulars	As at March 31, 2019	As at March 31, 2018
Secured - at amortised cost		
Term loans		
From banks*	891.44	1,000.49
Less: Current maturities (refer note-25)	302.45	290.52
	588.99	**709.97**
Debentures		
Series A 7.59% 1500 Debentures of ₹ 10,00,000/-each	150.00	150.00
Series B 7.69% 1500 Debentures of ₹ 10,00,000/-each	150.00	150.00
Series C 7.75% 1998 Debentures of ₹ 10,00,000/-each	199.80	199.80
Total	**1,088.79**	**1,209.77**

* Net of unamortized processing charges: March 31, 2019: ₹ 1.56 crores (March 31, 2018 : 1.84 crores)

(a) Term loans from banks are secured as follows:-

(1). 1st pari passu charge :-Hypothecation of entire fixed assets of the Company (both present and future) including equitable mortgage.

(2). 2nd pari passu charge:-Hypothecation of stocks of raw material, stock in process and finished goods, receivables/ book debts and other current assets (both present and future).

(b) The Group during the financial year 2017-18 has issued secured, rated listed Redeemable Non-convertible Debentures (NCDs) aggregating to ₹ 499.80 Crores for cash at par on private placement basis on September 8, 2017. The NCDs are listed at the Bombay Stock Exchange of India (BSE) and comprise of three series repayable in third, fourth and fifth years and have an overall yield of 7.69% per annum.

CRISIL has assigned a rating of AA+ with Stable outlook to the said NCDs of the Group on December 28,2018.

The NCDs shall be secured by way of a first pari passu charge over the immovable and movable fixed assets of the Group and it should have fixed asset cover of more than 105% of outstanding amount of NCDs. The fixed assets coverage ratio as on March 31, 2019 is 2.23 times.

(c) There have been no breach of covenants mentioned in the loan agreements during the reporting years.

18 (d) Terms of repayment of loan/debentures

Loan Category	Frequency of principal repayments	Interest rate	Repayments during			
			FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-25**
Term loans	Quarterly Payments	*8.50% to 10.62%	302.45	74.85	108.75	233.95
Term Loans	Bullet payments	8.85% to 9.00%	-	-	-	173.00
7.59% Series A Non-convertible debentures	Yearly	7.59%	-	150.00	-	-

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

18 Borrowings (Non Current) (Contd..)

Loan Category	Frequency of principal repayments	Interest rate	Repayments during			
			FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-25**
7.69% Series A Non-convertible debentures	Yearly	7.69%	-	.	150.00	-
7.75% Series A Non-convertible debentures	Yearly	7.75%	-	-	-	199.80
			302.45	**224.85**	**258.75**	**606.75**

18 (e) Also refer note 37 for fair value disclosures.

19 Other financial liabilities (Non Current)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial liabilities at amortized cost		
Retention money	4.48	0.65
	4.48	**0.65**

*Refer note 37

20 Provisions (Non Current)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits :		
- Leave encashment (Refer note 46)	11.78	7.69
- Gratuity	0.58	-
	12.36	**7.69**

The provision for employee benefit include annual leave and vested long service leave entitlement accrued of employees.

21 Deferred tax liabilities (net)*

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax liabilities	340.21	298.31
Deferred tax assets	16.90	42.69
	323.31	**255.62**

*Refer note 36

Notes to Consolidated Financial Statement

for the year ended March 31, 2019
(All amounts in ₹ Crores, unless otherwise stated)

22 Other non-current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Income for Capital subsidy	20.54	22.14
Due to employees	0.05	0.04
Other	0.08	-
Total	**20.67**	**22.18**

The deferred revenue arises as a result of the benefits received from state government on account of installation of specified project assets whereby such grant is treated as deferred income and is recognized as income over the useful life of the assets for which such grant is received.W.e.f April 1,2018 the Group has opted to deduct such grant from the carrying value of the specific asset (Also refer Notes 5 to Note 3A)

23 Borrowings (Current)*

Particulars	As at March 31, 2019	As at March 31, 2018
Loans repayment on demand		
- From banks (secured at amortised cost)	849.11	758.80
- From banks (unsecured at amortised cost)	37.31	62.39
Total	**886.42**	**821.19**

a. **Details of security for working capital borrowings**

Working capital borrowings from banks are secured as follows:-

(1) 1st pari passu charge :-Hypothecation of stocks of raw material, stock in process and finished goods, receivables/ book debts and other current assets (both present and future).

(2) 2nd pari passu charge:-Hypothecation of entire fixed assets of the company (both present and future) including equitable mortgage.

b. Includes NIL (March 31, 2018: Nil) for commercial paper issued by the Group. The maximum amount outstanding during the year is ₹ 600 crores (FY 2017-18: ₹ 600 crores)

Refer Note 37

24 Trade payables*

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payables (refer note 42)		
-Total outstanding dues of micro enterprises and small enterprises	4.38	-
-Total outstanding dues of other than micro enterprises and small enterprises	311.00	286.12
Due to related parties (Refer Note 45)	0.19	4.48
Total	**315.57**	**290.60**

* Refer note 37

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

25 Other financial liabilities (Current)**

Particulars	As at March 31, 2019	As at March 31, 2018
Financial liabilities at amortized cost		
Current maturities of non current debt	302.45	290.52
Interest accrued but not due on borrowings	23.44	24.87
Other payables		
- Retention money	6.39	7.00
- Security deposits	6.13	2.18
- Expense payable	42.20	36.94
- Payables for purchase of fixed assets	-	-
-Total outstanding dues of micro enterprises and small enterprises	-	-
-Total outstanding dues of other than micro enterprises and small enterprises	89.66	0.21
- Due to employees	78.99	69.40
Financial liabilities at Fair value through Profit and loss		
Derivative Financial Instruments*	0.89	7.40
Total	**550.15**	**438.52**

* This includes net mark to market loss of 0.89 crores (March 31, 2018 : 1.92 crores) on commodities traded through stock exchange. The Group has taken future contracts to hedge against fluctuation of cotton prices during the year and has booked mark to market loss on these contracts in head other expenses (Refer note no 35)

**Refer note 37

26 Provisions (Current)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits : (Refer note 46)		
Leave encashment	2.95	3.19
Gratuity	-	2.28
Total	**2.95**	**5.47**

27 Other current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory remittances*	18.07	42.14
Deferred Income for Capital subsidy	1.98	2.02
Unpaid dividends **	3.54	3.03
Gratuity	2.50	-
Advances from customers (Contract Liability)#	43.30	50.07
Other Liabilities	6.92	21.73
Total	**76.31**	**118.99**

Notes to Consolidated Financial Statement

for the year ended March 31, 2019
(All amounts in ₹ Crores, unless otherwise stated)

27 Other current liabilities (Contd..)

* Statutory remittances includes contribution to provident fund and Employee state insurance corporation, tax deducted at source,excise duty,VAT/sales tax,service tax, goods and service tax etc.

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

Advance from customers is recognised when payment is received before the related performance is.

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
As at beginning of the year	50.07	77.58
Less:-Recognised as revenue	(50.07)	(77.58)
Add:- Advances received during the year related to closing balance	43.30	50.07
As at end of the year	**43.30**	**50.07**

28 Revenue from operations

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products (Net of Rebate & Discount)**	6,803.08	6,157.55
Sale of services	2.01	0.87
Other operating revenues :		
- Export benefits*	54.12	78.05
- Others	18.71	11.80
	6,877.92	**6,248.27**

Ministry of Corporate affairs has notified Ind AS 115 'Revenue from Contracts with customers' which is effective from April 1, 2018. The new standard outlines a single comprehensive control based model for revenue recognition and supersedes current revenue recognition guidance based on risk and rewards.

The Group has assessed the impact on the financial statement of adopting Ind-AS 115 and it is not expected to have a impact on the group's profitabiliy, liquidity and capital resources as financial position. The Group has not applied any significant judgements in applying the revenue recognition criteria. The introduction of the standard have extended the disclosure requirements.

The following is an analysis of the companies revenue from its products and services

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of Yarn	3,980.19	3,405.21
Sale of Fabric	2,431.25	2,119.42
Arcylic Fibre	391.96	251.76

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

28 Revenue from operations # (Contd..)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Service income	2.01	0.87
Others (Sale of scrap, waste etc)	18.39	392.96
	6,823.80	**6,170.22**
The following is analysis on the Companies revenue disaggregates on the basis of timing of revenue recognition.		
- At point of time	6,823.80	6,170.22
- Over the period	-	-
The contract price of sale of prodcuts co-inside with the revenue from operations.		
* Export benefits are in the nature of government grants covering following benefits		
(a) Merchandise Exports from India Scheme(MEIS)	18.82	62.53
(b) Duty drawback benefits	35.30	15.52
	54.12	**78.05**

**Revenue from operations does not include ₹ 5.39 Crores for sales during the trial run which has been capitalised during the year.

29 Other income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Interest income		
Interest income	11.18	19.01
Interest income on employee loans	0.10	0.11
(b) Dividend income		
Dividend income from investments- carried at fair value through Profit or Loss	16.47	7.29
(c) Other Non Operating Income (Net of Expenses directly attributable to such income)		
Net gain on sale of investments-carried at fair value through Profit or Loss (net of reversal of fair valuation on disposal of investment)	29.32	34.96
Gain on fair valuation of Investments	60.75	86.84
(d) Other gain		
Claims received (net of expenses)	0.92	1.52
Provisions no longer required written back	20.90	8.38
Net Gain on Step up acquisition of Joint venture (Refer Note 47.5)	3.41	-
Capital subsidy	2.43	1.83
Net gain on disposal of property, plant and equipment	17.49	4.81
Foreign exchange fluctuation gain (net)	35.06	9.12
Others	24.69	23.48
	222.72	**197.35**

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

30 Cost of materials consumed

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Cotton	2,653.49	2,669.03
Manmade fibre	582.12	501.97
Yarn	8.79	7.35
Fabric	40.09	34.80
Acrylonitrile	266.78	206.97
Others	22.48	18.16
	3,573.75	**3,438.28**

31 Purchases of Stock-in-trade:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Yarn	0.50	2.64
Fabric	7.72	-
Others	4.70	1.51
	12.92	**4.15**

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventories at the beginning of the year		
Work-in-progress	150.57	143.22
Finished goods	509.37	478.85
	659.94	**622.07**
Less:-Material Transferred to Trial Run	(11.97)	-
Add:-Material Received from Trial Run	10.55	-
	658.52	**622.07**
Add:-Stock Acquired in Acquisition	7.37	-
Inventories at the end of the year		
Work-in-progress	166.89	150.57
Finished goods	489.94	509.37
	656.83	**659.94**
	9.06	**(37.87)**

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

33 Employee benefits expense *

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and wages	507.07	436.73
Contribution to provident and other funds	36.90	36.67
Staff welfare expenses	6.26	5.86
	550.23	**506.26**

* Also refer note 46

This expenditure does not include accounting ₹ 0.14 crore incurred in trial run which is capitalised during the year.

34 Finance costs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense*	108.77	106.86
Other borrowing costs	10.88	11.33
	119.65	**118.19**

*Interest expense is net of interest reimbursement of ₹ 31.42 crores (March 31, 2018 ₹ 43.56 crores) under Technology upgradation fund scheme and ₹ crores 2.36 crores (March 31, 2018 ₹ 12.59 crores) under Madhya Pradesh state interest reimbursement on term loan.

35 Other expenses*

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Power and fuel	709.14	627.09
Consumption of stores and spare parts	33.23	39.04
Packing materials and charges	73.49	78.58
Dyes and Chemical consumed	194.07	186.43
Rent	2.55	2.12
Repairs and maintenance to buildings	27.07	20.67
Repairs and maintenance to machinery	186.92	175.63
Insurance	5.93	5.61
Rates and taxes	5.92	6.51
Auditors remuneration:		
- Audit fee	0.59	0.53
- Tax audit fee	0.09	0.09
- Reimbursement of expenses	0.13	0.17
- In other capacity	-	0.06
Bad debts written off	1.14	0.46
Excise duty consumed on sale of goods	-	5.85

Notes to Consolidated Financial Statement

for the year ended March 31, 2019
(All amounts in ₹ Crores, unless otherwise stated)

35 Other expenses* (Contd..)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Allowances for doubtful trade receivables and advances	(0.29)	-
Forwarding charges and octroi	122.25	113.45
Commission to selling agents	46.03	45.17
Assets written off	0.52	3.39
Other miscellaneous expenses (Refer note 47.3)	129.42	123.64
	1,538.20	**1,434.49**

* Other expenses does not include amounting ₹ 3.92 crore incurred in trial run which is capitalised during the year

** Does not include any item of expenditure with a value of more than 1% of the revenue from operations.

During the year, the company paid ₹ 1.00 crores as political contribution via Electoral Bond Scheme.

36 Tax balances

The following is the analysis of deferred tax assets / (liabilities) presented in the standalone balance sheet

36.1 Deferred tax liabilities (Net)

Deferred tax liabilities (Net)	Opening Balance	MAT Credit Adjustment	Recognised in profit or loss	Recognised in OCI	Closing Balance
2018-19					
Deferred tax assets					
Expenses deductible in future years	24.28	-	(14.83)	-	9.45
Provision for doubtful debts / advances	1.76	-	-	-	1.76
MAT credit recoverable	16.65	(11.73)	-	-	4.92
Others	-	-	0.77	-	0.77
	42.69	**(11.73)**	**(14.06)**	**-**	**16.90**
Deferred tax liabilities					
Property, plant and equipment and Intangible assets	261.75	-	47.65	-	310.79
Investment in bonds, mutual funds and equity instruments	34.72	-	(12.81)	0.39	22.30
Provision for Division distribution tax	1.39	-	5.73	-	7.12
Others	0.45	-	(0.45)	-	-
	298.31	**-**	**40.12**	**0.39**	**340.21**
Net deferred tax liabilities	**255.62**	**11.73**	**54.18**	**0.39**	**323.31**

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

36 Tax balances (Contd..)

Deferred tax liabilities (Net)	Opening Balance	MAT Credit Adjustment	Recognised in profit or loss	Recognised in OCI	Closing Balance
2017-18					
Deferred tax assets					
Expenses deductible in future years	20.87	-	3.41	-	24.28
Provision for doubtful debts / advances	1.74	-	0.02	-	1.76
MAT credit recoverable	15.50	-	1.15	-	16.65
	38.11	**-**	**4.58**	**-**	**42.69**
Deferred tax liabilities					
Property, plant and equipment and Intangible assets	223.31	-	38.44	-	261.75
Investment in bonds, mutual funds and equity instruments	70.03	-	(35.31)	-	34.72
Provision for dividend distribution tax	-	-	1.39	-	1.39
Others	0.46	-	(0.01)	-	0.45
	293.80	**-**	**4.51**	**-**	**298.31**
Net deferred tax liabilities	**255.69**	**-**	**(0.07)**	**-**	**255.62**

Note: Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

36.2 Income tax recognised in profit or loss

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax		
In respect of the current year	264.01	165.01
Deferred tax		
In respect of the current year	54.18	2.18
Total income tax expense recognised	**318.19**	**167.19**

The income tax expense for the year can be reconciled to the accounting profit as follows

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax	1,058.74	759.63
Tax at the Indian Tax Rate of 34.608 %	369.97	262.33
Differential tax rate on capital gain on sale of investments	(5.00)	(24.25)
Effect of exempted dividend income	(13.24)	(6.88)
Effect of indexation benefit on value of investment	(18.27)	(18.81)
Effect of deduction under section 80-IA and 80-IC of the Income-tax Act, 1961	(24.87)	(35.88)
Effect of expenses that are not deductible in determining taxable profit	2.35	2.61

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

36 Tax balances (Contd..)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Effect of change in tax rate	-	2.11
Others	7.25	(14.04)
	318.19	**167.19**

36.3 Income tax recognised in other comprehensive income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Arising on income and expenses recognised in other comprehensive income	(0.30)	0.86
Total income tax recognised in other comprehensive income	**(0.30)**	**0.86**

37 Financial Instruments And Risk Management

37.1 Capital Management

The Group manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through optimization of debt and equity balance. The capital structure of the Group consists of net debt (borrowings as detailed in note no.18 and offset by cash and bank balances) and total equity of the Group. The Group is not subject to any externally exposed capital requirements.

The capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants which otherwise would permit the banks to immediately call loans and borrowings. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

37 Financial Instruments And Risk Management (Contd..)

The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group's gearing ratio was as follows:

The following table provides detail of the debt and equity at the end of the reporting year:

	As at March 31, 2019	As at March 31, 2018
Debt	2,277.66	2,321.48
Cash & cash equivalents	40.05	70.38
Net Debt	**2,237.61**	**2,251.10**
Total Equity	**5,591.48**	**4,953.70**
Net debt to equity ratio	**0.40**	**0.45**

37.2Financial instruments by category

	As at March 31, 2019				As at March 31, 2018			
	FVTPL	Fair Value (Derivative Instruments)	Amortised Cost#	FVTOCI	FVTPL	Fair Value (Derivative Instruments)	Amortised Cost#	FVTOCI
Financial Assets								
Investments*	1,232.85	-	-	5.05	1,721.45	-	-	6.21
Trade Receivables	-	-	803.08	-	-	-	757.53	-
Cash and cash equivalents	-	-	40.05	-	-	-	70.38	-
Bank balances other than above	-	-	3.80	-	-	-	3.38	-
Loans	-	-	18.42	-	-	-	30.39	-
Other financial assets	-	39.38	38.91	-	-	2.09	25.66	-
	1,232.85	**39.38**	**904.26**	**5.05**	**1,721.45**	**2.09**	**887.34**	**6.21**

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

37 Financial Instruments And Risk Management (Contd..)

	As at March 31, 2019			As at March 31, 2018		
	FVTPL	Fair Value (Derivative Instruments)	Amortised Cost#	FVTPL	Fair Value (Derivative Instruments)	Amortised Cost#
Financial Liabilities						
Borrowings (including current maturity of term loan)	-	-	2,277.66	-	-	2,321.48
Trade Payables	-	-	315.57	-	-	290.60
Other financial liabilities	-	0.89	251.29	-	7.40	141.25
	-	**0.89**	**2,844.52**	**-**	**7.40**	**2,753.33**

Carrying value of the financial assets and financial liabilities designated at amortised cost approximates its fair value.

* Investment value excludes investment in Associates/Joint ventures of ₹ 107.84 crores (March 31, 2018: ₹ 106.00 crores) which are shown at cost in balance sheet as per Ind AS 27 "Separate Financial Statements".

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured at fair value and have been grouped into Level 1, Level 2 and Level 3 below:

As at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in mutual funds/bonds/preference shares	200.73	998.09	-	**1,198.82**
Foreign currency / commodity forward contracts	-	39.38	-	**39.38**
Quoted equity instruments	34.01	-	-	**34.01**
Unquoted equity instruments	-	-	5.05	**5.05**
	234.74	**1,037.47**	**5.05**	**1,277.26**
Financial Liabilities				
Foreign currency / commodity forward contracts	-	0.89	-	**0.89**
	-	**0.89**	**-**	**0.89**

As at March 31, 2018	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in mutual funds/bonds/preference shares	341.64	1,356.60	-	**1,698.24**
Foreign currency / commodity forward contracts	-	2.09	-	**2.09**
Quoted equity instruments	23.22	-	-	**23.22**
Unquoted equity instruments	-	-	6.21	**6.21**
	364.86	**1,358.69**	**6.21**	**1,729.77**
Financial Liabilities				
Foreign currency / commodity forward contracts	-	7.40	-	**7.40**
	-	**7.40**	**-**	**7.40**

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

37 Financial Instruments And Risk Management (Contd..)

Level 1:

Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market. This category consists of open ended mutual funds.

Level 2:

Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of over the counter (OTC) derivative contracts.

Level 3:

Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data.

Sensitivity of Level 3 financial instruments are insignificant

The fair value of the financial instruments are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

Investments in mutual funds: Fair value is determined by reference to quotes from the financial institutions, i.e. net asset value (NAV) for investments in mutual funds declared by mutual fund house.

Derivative contracts: The Group has entered into various foreign currency contracts to manage its exposure to fluctuations in foreign exchange rates. These financial exposures are managed in accordance with the Group's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data, i.e., mark to market values determined by the Authorised Dealers Banks.

Quoted equity investments: Fair value is derived from quoted market prices in active markets.

Unquoted equity investments: Fair value is derived on the basis of net asset value approach, in this approach the net asset value is used to capture the fair value of these investments.

Reconciliation of Level 3 fair value measurements

Particulars	Unlisted equity instruments
As at April 1, 2017	6.22
Purchases	-
Gain / (loss) recognised in OCI	(0.01)
As at March 31, 2018	**6.21**
Purchases	-
Gain / (loss) recognised in OCI	(1.17)
As at March 31, 2019	**5.05**

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

37 Financial Instruments And Risk Management (Contd..)

37.3Financial Risk Management

The Group's corporate treasury functions provides services to the business, coordinates access to the financial markets, monitors and manages the financial risks relating to operations of the Group through internal risk reports which analyse exposure by degree and magnitude of risk. These risks include market risk (including currency risk, interest rate risk and other price risks, credit risk and liquity risk.

The Group seeks to minimize the effects of these risk by using derivate financial instruments to hedge risk exposure. The issue of financial derivatives is governed by the Group's policy approved by the board of directors.

The principal financial assets of the Group include loans, trade and other receivables, and cash and bank balances that derive directly from its operations. The principal financial liabilities of the Group, include loans and borrowings, trade and other payables and the main purpose of these financial liabilities is to finance the day to day operations of the Group.

This note explains the risks which the Group is exposed to and policies and framework adopted by the Group to manage these risks.

37.3.1Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: foreign currency risk, interest rate risk, investment risk.

A. Foreign Currency Risk Management

The Group operates internationally and business is transacted in several currencies. The export sales of Group comprise around 40% (FY 2017-18 : 38%) of the total sales of the Group, Further the Group also imports certain assets and material from outside India. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the Group is exposed to foreign currency risk and the results of the Group may be affected as the rupee appreciates/ depreciates against foreign currencies. Foreign exchange risk arises from the future probable transactions and recognized assets and liabilities denominated in a currency other than Group's functional currency.

The Group measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency risk by appropriately hedging the transactions. The Group uses a combination of derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

37 Financial Instruments And Risk Management (Contd..)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods expressed in ₹, are as follows:

As at March 31, 2019	USD	EUR	CHF	GBP	JPY
Financial assets					
Trade receivables	5.35	0.36	-	-	-
Foreign exchange derivative contracts*	(14.60)	(0.36)	-	-	-
Net exposure to foreign currency risk (assets)	**-**	**-**	**-**	**-**	**-**
Financial liablities					
Trade payables	1.13	0.19	-	-	5.20
Borrowings	-	-	-	-	-
Foreign exchange derivative contracts*	(1.77)	(0.24)	-	-	(3.47)
Net exposure to foreign currency risk (assets)	**-**	**-**	**-**	**0.00**	**1.73**
Net exposure to foreign currency risk (net)	**-**	**-**	**-**	**0.00**	**1.73**

As at March 31, 2018	USD	EUR	CHF	GBP	JPY
Financial assets					
Trade receivables	5.33	0.36	-	-	-
Foreign exchange derivative contracts*	(7.55)	(0.68)	-	-	-
Net exposure to foreign currency risk (assets)	**-**	**-**	**-**	**-**	**-**
Financial liablities					
Trade payables and other financial liablities	0.60	0.18	0.05	-	13.77
Borrowings	-	-	-	-	-
Foreign exchange derivative contracts*	(3.84)	(0.54)	(0.22)	-	(54.10)
Net exposure to foreign currency risk (assets)	**-**	**-**	**-**	**-**	**-**
Net exposure to foreign currency risk (net)	**-**	**-**	**-**	**-**	**-**

*Excess forwards sold against pending purchase order/sales order shipment

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 10 % increase and decrease in the ₹ against the relevant foreign currency. The sensitivity analysis includes only outstanding foreign currency denominated monetary items

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

37 Financial Instruments And Risk Management (Contd..)

as tabulated above and adjusts their translation at the period end for 10% change in foreign currency rates. A positive number below indicates an increase in profit before tax or vice-versa.

	Year ended March 31, 2019*		Year ended March 31, 2018*	
	₹ strengthens by 10%	₹ weakens by 10%	₹ strengthens by 10%	₹ weakens by 10%
Impact on profit /(loss) for the year				
USD	-	-	-	-
EUR	-	-	-	-
CHF	-	-	-	-
GBP	-	-	-	-
JPY	(0.11)	0.11	-	-

*Forex exposure is fully hedged at March 31, 2019

Foreign exchange derivative contracts

The Group uses derivative financial instruments exclusively for hedging financial risks that arise from its commercial business or financing activities. The Group's Corporate Treasury team measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency cash flows by appropriately hedging the transactions. When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. All identified exposures are managed as per the policy duly approved by the Board of Directors.

The following table details the foreign currency derivative contracts outstanding at the end of the reporting period:

Outstanding Contacts*	No of Deals		Foreign Currency (FCY Millions)		Nominal Amount (₹ Crores)	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
USD / ₹ Buy forward	34	37	1.77	3.68	125.78	243.81
USD / ₹ Buy Option	-	1	-	0.16	-	10.40
USD / ₹ Sell forward	251	124	11.70	6.95	852.27	456.94
USD / ₹ Sell Option	28	2	2.90	0.60	213.59	38.24
EUR / USD Buy forward	2	1	0.02	0.19	1.89	15.51
EUR / INR Buy forward	6	5	0.21	0.35	17.14	27.89
EUR / ₹ Sell forward	17	27	0.36	0.68	29.41	54.60
JPY/₹ Buy forward	1	1	0.27	54.10	0.17	31.90
USD/JPY buy forward	1	-	3.20	-	1.99	-

Notes to Consolidated Financial Statement

for the year ended March 31, 2019
(All amounts in ₹ Crores, unless otherwise stated)

37 Financial Instruments And Risk Management (Contd..)

Outstanding Contacts*	No of Deals		Foreign Currency (FCY Millions)		Nominal Amount (₹ Crores)	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
USD/CHF Buy forward	-	1	-	0.22	-	15.36
CHF/₹ Buy Forward	-	1	-	0.02	-	1.42
Fair value assets					39.38	2.09
Fair value liabilities					-	5.48

* Sensitivity on the above derivative contracts in respect of foreign currency exposure is insignificant

B. Interest Rate Risk Management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

As the Group has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements. The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	For the year ended March 31, 2019	For the year ended March 31, 2018
	₹ If loans interest rate decreases by 1 %	₹ If loans interest rate decreases by 1 %
Increase in profit before tax by	22.78	23.21

In case of increase in interest rate by above mentioned percentage, there would be a comparable impact on the profit before tax as mentioned above would be negative.

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

37 Financial Instruments And Risk Management (Contd..)

C. Security Price Risk Management

Exposure in equity

The Group is exposed to equity price risks arising from equity investments held by the Group and classified in the balance sheet as fair value through OCI.

Equity price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks at the end of the reporting period.

If the equity prices had been 5% higher / lower:

Other comprehensive income for the year ended March 31, 2019 would increase / decrease by ₹ 0.05 crores (for the year ended March 31, 2018: increase / decrease by ₹ 0.09 crores) as a result of the change in fair value of equity investment measured at FVTOCI.

Exposure in mutual funds

The Group manages the surplus funds majorly through investments in debt based mutual fund schemes. The price of investment in these mutual fund schemes is reflected though Net Asset Value (NAV) decleared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The Group is exposed to price risk on such Investments.

Mutual fund price sensitivity analysis

The sensitivity analysis below have been determined based on Mutual Fund Investment at the end of the reporting period. If NAV has been 1% higher / lower:

Profit for year ended March 31, 2019 would increase / decrease by ₹ 11.46 crores (for the year ended March 31, 2018 by ₹ 17.21 crores) as a result of the changes in fair value of mutual fund investments.

37.3.2Credit Risk Management

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured. Credit risk on cash and bank balances is limited as the Group generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. Investments primarily include investment in liquid mutual fund units, bonds, fixed maturity plan etc. issued by institutions having proven track record. The Group's credit risk in case of all other financial instruments is negligible.

The Group assesses the credit risk based on external credit ratings assigned by credit rating agencies. The Group also assesses the creditworthiness of the customers internally to whom goods are sold on credit terms in the normal course of business. The credit limit of each customer is defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to overseas customers are generally covered by letters of credit.

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

37 Financial Instruments And Risk Management (Contd..)

The impairment analysis is performed on client to client basis for the debtors that are past due at the end of each reporting date. The Group has not considered an allowance for doubtful debts in case of trade receivables that are past due but there has not been a significant change in the credit quality and the amounts are still considered recoverable.

The following is the detail of revenues generated from top five customers of the Group:

Particulars	As at March 31, 2019	As at March 31, 2018
Revenue from top five customers	540.00	528.42
% of total sales of products	7.85%	8.46%

Financial assets for which loss allowance is measured:

	As at March 31, 2019	As at March 31, 2018
Loans - Non-current	0.73	0.59
Loans - Current	17.69	29.80
Other financial assets - Non-current	9.39	9.40
Other financial assets - Current	68.90	18.35
Trade receivables	803.08	757.53
	899.79	**815.67**

Loss allowance is as follows:

Particulars	Amount
As at April 1, 2017	5.02
Provided during the year	-
Reversed during the year	-
As at March 31, 2018	**5.02**
Provided during the year	0.15
Reversed during the year	-
As at March 31, 2019	**5.17**

Other than financial assets mentioned above, none of the Group's financial assets are either impaired, and there were no indications that defaults in payment obligations would occur.

37.3.3Liquidity Risk Management

The financial liabilities of the Group, other than derivatives, include loans and borrowings, trade and other payables. The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool. The Group plans to

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

37 Financial Instruments And Risk Management (Contd..)

maintain sufficient cash and marketable securities to meet the obligations as and when fall due. The below is the detail of contractual maturities of the financial liabilities of the Group at the end of each reporting period:

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities:

Financial Assets	Less than 1 year	More than 1 year and upto 3 years	More than 3 year and upto 5 years	More than 5 years	Total
As at March 31, 2019					
Investments*	468.48	642.84	120.91	5.66	**1,237.84**
Trade Receivables	803.08	-	-	-	**803.08**
Cash and cash equivalents	40.05	-	-	-	**40.05**
Bank balances other than above	3.80	-	-	-	**3.80**
Loans	17.69	0.73	-	-	**18.42**
Other financial assets	78.29	9.39	-	-	**78.29**
	1,402.00	**652.96**	**120.91**	**5.66**	**2,181.53**
As at March 31, 2019					
Borrowings#	1,188.87	483.10	433.75	171.44	**2,217.66**
Trade payables	315.57	-	-	-	**315.57**
Other financial liabilities	252.18	-	-	-	**252.18**
	1,756.62	**483.60**	**433.75**	**171.44**	**2,845.41**

Financial Assets	Less than 1 year	More than 1 year and upto 3 years	More than 3 year and upto 5 years	More than 5 years	Total
As at March 31, 2018					
Investments*	979.09	505.98	236.39	6.21	**1,727.67**
Trade Receivables	757.53	-	-	-	**757.53**
Cash and cash equivalents	70.38	-	-	-	**70.38**
Bank balances other than above	3.38	-	-	-	**3.38**
Loans	29.78	0.61	-	-	**30.39**
Other financial assets	17.67	10.09	-	-	**27.76**
	1,857.83	**516.68**	**236.39**	**6.21**	**2,617.12**
Borrowings*	1,111.71	520.10	689.67	-	**2,321.48**
Trade payables	239.86	-	-	-	**239.86**
Other financial liabilities	199.39	0.65	-	-	**200.04**
	1,550.96	**520.75**	**689.67**	**-**	**2,761.38**

* Investment value excludes investment in Associates/Joint ventures of ₹ 107.84 crores (March 31, 2018: ₹ 106.00 crores) which are shown at cost in balance sheet.

including Current Maturity of non-current borrowings

Notes to Consolidated Financial Statement

for the year ended March 31, 2019
(All amounts in ₹ Crores, unless otherwise stated)

38 Contingent Liabilities And Commitments

	As at March 31, 2019	As at March 31, 2018
a. Claims against the Company not acknowledged as debts:		
Sales tax, excise duty, etc*	16.09	11.17
Income-tax**	274.43	215.28
Others	5.62	5.62

*Amount deposited ₹ 0.81 crore (2018 : ₹ 1.30 crore)

**Amount deposited ₹ 139.01 crore (2018 : ₹ 134.01 crore)

b. Liability on account of bank guarantees and letter of credit of ₹ 277.20 crores (2018: ₹ 301.80 crores)

c. The amounts shown above represents the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately or relate to a present obligations that arise from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate cannot be made. The Group has been advised that it has strong legal positions against such disputes.

d. The Payment of Bonus (Amendment) Act 2015, notified on December 31, 2015, had revised the thresholds for coverage of employee eligible for Bonus and also enhanced the ceiling limits for computation of bonus retrospectively from April 1, 2014. Based on legal opinion, the Parents Company has filed a writ petition in Hon'ble High Court of Punjab & Haryana contesting its retrospective applicability and the said jurisdictional High Court has granted stay on its retrospective operation. In view thereof, the Parent Company has not provided differential bonus pertaining to the period from April 1, 2014 to March 31, 2015 amounting to ₹ 8.21 crores. However, the Company has provided/paid bonus w.e.f. April 1, 2015 according to the amended provisions of the Payment of Bonus (Amendment) Act 2015.

e. The Hon'ble Supreme Court in a recent ruling has passed a judgement on the definition and scope of 'Basic Wages' under the Employees' Provident Funds and Miscellaneous Provision Act, 1952. Pending issuance of guidelines by the regulatory authorities on the application of this ruling, the impact on the Group, if any, cannot be ascertained. The Group will update its provision, on receiving further clarity on this subject matter.

f. Capital and other commitments

	As at March 31, 2019	As at March 31, 2018
(i) Estimated Amount of contracts remaining to be executed on capital account & not provided for (net of advance)	298.56	386.08
(ii) Export obligation under EPCG Scheme*	822.35	560.07

* The Parent Company is availing benefit under EPCG Scheme and accordingly have imported Plant & Machinery and Stores & Spares without payment of customs duty and CVD against obligation to export 6 times of the duty saved. Total Duty to be saved/saved against licences outstanding as at March 31, 2019 is ₹ 311.69 crores (March 31, 2018 ₹ 387.29 crores). Export obligation on such licences outstanding as at year end is disclosed above.

(iii) The Group has other commitments, for purchases / sales orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits in normal course of business. The Company does not have any long term contracts including derivative contracts for which there will be any material foreseeable losses.

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

39(a) The Company was holding its own Nil (March 31, 2018:Nil nos.) equity shares of ₹ 10 each through a Trust, which were received by it in its capacity as a shareholder of Vardhaman holdings Limited, in accordance with the 'Scheme of Arrangement and Demerger'. The value of shares held at the end of each reporting period has been adjusted in the equity in accordance with the Ind AS 32. During the previous year, the Company has sold remaining 14,62,202 shares in market for sales consideration of ₹ 182.23 crores.

39(b) The aforesaid Trust is also holding 5,32,911 equity shares (March 31, 2018: 5,32,911 nos.) of ₹ 10 each of Vardhman Special Steels Limited which were allotted to it in the capacity of a shareholder of the Company by virtue of 'Scheme of Arrangement & Demerger' entered into by the Company, Vardhman Special Steels Limited and their respective shareholders and creditors.

As the aforesaid shares are held by a Trust on behalf of the Company and Company not being registered owner of shares, the cost of these shares is not reflected in investments but same has been valued at cost as reflected in other current asset.

39(c) The detail of the amount recoverable from Mahavir Share Trust as at the close of the year is as under:

Particulars	As at March 31, 2019	As at March 31, 2018
Cost of shares of the Company*		-
Cost of shares of Vardhman Special Steels Limited	4.64	4.64
Other recoverable	0.01	0.01
	4.65	**4.65**

* The amount recoverable on account of equity shares of the Company held by the trust has been reduced from equity share capital & retained earnings.

40 Segment Information

(a) The Group is primarily in the business of manufacturing, purchase and sale of textiles & fibre. The Managing Director of the Group, which has been identified as being the Chief Operating Decision Maker (CODM), evaluates the Group's performance, allocate resources based on the analysis of the various performance indicator of the group as textiles and fibre. Therefore, there are two reportable segments viz textiles and fibre.

	Texiles		Fibre		Total	
	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year
Revenue						
Total Sales	6,577.51	5,996.37	391.96	326.93	6,969.47	6,323.30
Inter Segment Sales	-	-	(91.55)	(75.03)	(91.55)	(75.03)
External Sales	**6,577.51**	**5,996.37**	**300.41**	**251.90**	**6,877.92**	**6,248.27**
Other Income	66.30	48.37	24.73	20.80	91.03	69.17
Unallocated Other Income					131.69	128.18
Total Revenue	6,643.81	6,044.74	325.14	272.70	7,100.64	6,445.62

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

40 Segment Information (Contd..)

	Texiles		Fibre		Total	
	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year
Result						
Segment results	1,082.55	760.91	28.51	28.77	1,111.06	789.68
Unalloctaed Corporate expenses/(Income) (Net)					(51.40)	(70.63)
Operating profit					**1,162.46**	**860.30**
Finance cost					119.65	118.19
Income from Associates/joint ventures					15.93	17.51
Profit before tax					**1,058.74**	**759.63**
Provision for taxation						
Current tax and deferred tax					318.19	167.19
Profit after tax					**740.55**	**592.44**
Segment assets and liabilities						
Segment assets	7,124.50	5,863.01	146.00	129.88	7,270.51	5,992.89
Unallocated corporate assets					1,745.72	2,251.20
Total assets					**9,016.22**	**8,244.09**
Total equity and liabilities						
Equity (Share capital and other equity)					5,591.48	4,953.70
Non controlling interest					113.07	108.78
Segment Liabilities	523.63	477.12	75.97	48.58	599.59	525.70
Secured and unsecured loans					2,277.66	2,321.48
Unalloctaed Corporate Liabilities					111.11	78.81
Deferred Tax Liabilities					323.31	255.62
Total equity and liabilities					**9,016.22**	**8,244.09**
Capital expenditure	804.68	287.34	2.37	1.91	807.05	289.25
Depreciation and Amortisation	238.17	228.98	5.40	4.73	243.57	233.71
Unallocated Corporate Depreciation and Amortisation					10.45	6.29
Total Depreciation					254.02	240.00

(b) Geographical Information:

Particulars	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
Segment Revenue-External Turnover		-
-Within India	4,254.26	3,893.08
-Outside India	2,623.66	2,355.19
Total Revenue	**6,877.92**	**6,248.27**
Non-Current Segment Asset		
-Within India	4,335.23	3,698.49
-Outside India		
	4,335.23	**3,698.49**

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

40 Segment Information (Contd..)

Segment Revenue and expenses:

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

Segment Assets and Liabilities

Segment assets include all operating assets used by a segment and consist principally of operating cash, trade receivables, inventories and property plant and equipment and intangible assets, net of allowances and provisions, which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities and do not include deferred income taxes. While most of the assets / liabilities can be directly attributed to individual segments, the carrying amount of certain assets / liabilities pertaining to two or more segments are allocated to the segments on a reasonable basis.

41 Earnings Per Share

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Basic earnings per share (₹)	129.45	106.56
Diluted earnings per share (₹)	128.19	105.48
Profit attributable to the equity holders of the Company used in calculating basic earning per share	730.72	581.19
Weighted average number of equity shares for the purpose of basic earning per share (numbers)	5,64,47,473	5,55,95,877
Profit attributable to the equity holders of the Company used in calculating dilutive earning per share	730.72	581.19
Weighted average number of equity shares for the purpose of dilutive earning per share (numbers)	5,70,01,537	5,61,67,427

42 Sundry Creditors include the following dues to micro and small enterprises covered under “The Micro, Small and Medium Enterprises Development Act, 2006” (MSMED) to the extent such parties have been identified from the available information.

	For the year ended March 31, 2019	For the year ended March 31, 2018
Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year	4.38	-
- Principal amount	-	-
-Interest due thereon	-	-
Amount of payments made to suppliers beyond the appointed day during the year		
- Principal amount	-	-
-Interest actually paid under section 16 of MSMED	-	-

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding interest under MSMED	-	-
Interest accrued and remaining unpaid at the end of the year	-	-
-Interest accrued during the year	-	-
-Interest remaining unpaid as at the end of the year	-	-
Interest remaining disallowable as deductible expenditure under the Income-tax Act, 1961	-	-

43 Leases

The Parent Company has leased facilities under cancellable and non-cancellable operating leases arrangements with a lease term ranging from one to ninety nine 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 ₹ 2.55 crores (March 31, 2018: ₹ 2.12 crores). The future minimum lease payments in respect of the non-cancellable operating leases are:

	As at March 31, 2019	As at March 31, 2018
Within one year	0.15	1.02
After one year but not more than five years	0.76	1.76
More than five years	12.05	14.03
	12.96	**16.81**

44 Share based payments - Employee Share option plan of the Parent Company

(i) Detail of employee share option of the Parent Company: The Parent Company has a share option scheme for senior employees of the Group. In accordance with the terms of the plan as approved by shareholders, eligible employees may be granted options to purchase equity shares. Each employee share option convert into one equity share of the Parent Company on exercise. Exercise price payable by the recipient is determined as per scheme. The options when allotted carry rights to dividend and voting power at par with other equity shares. Options may be exercised at the time of vesting to the date of their expiry.

(ii) The number of options granted is in accordance with employee stock option scheme approved by the shareholders and is subject to approval by the remuneration committee. The scheme rewards senior employees to the extent of Parent's and the individual's achievement judged against both qualitative and quantitative criteria.

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

44 Share based payments - Employee Share option plan of the Group (Contd..)

(iii) The following share payments arrangement is in existence during the period.

Option Detail	Number	Grant Date	Expiry Date	Exercise Price	Fair value of option at grant date
Vardhman Employee Stock Option 2016	6,04,500	15th Nov-16	2 years from the date of respective vesting	815/-	352
	3,000	9th Feb-17		815/-	352
	6,500	10th May-17		815/-	352
	6,14,000				

Details of vesting

Vesting period from grant date	Vesting schedule
On completion of 12 months	10%
On completion of 24 months	20%
On completion of 36 months	20%
On completion of 48 months	20%
On completion of 60 months	30%

(iv) During the current year, the grant of 1,22,800 equity shares (FY 2017-18 - 61,400 equity shares) was due but only 51,800 shares (FY 2017-18 49,250 shares) have been exercised during the year.

(v) Fair value of options/shares granted in the year

Call option value per option unit using black scholes method is ₹ 427.63. The following inputs have been used for computing the fair value:

Inputs into the model	Particulars
Grant date share price (₹)	1,056.60
Exercise price (₹)	815
Expected volatility	33.78%
Option life	2 years
Dividend yield	1.92%
Risk free Interest Rate	6.31%

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

44 Share based payments - Employee Share option plan of the Group (Contd..)

(vi) Moment of share options

	2018-19		2017-18	
	Number of options	Weighted Average Exercise price	Number of options	Weighted Average Exercise price
Balance at beginning of year	5,64,750	-	6,07,500	-
Granted during the year	-	-	6,500	815.00
Forfeited during the year	-	-	-	-
Exercised during the year	(51,800)	815	(49,250)	815.00
Expired during the year	-	-	-	-
Balance at end of year	**5,12,950**	**-**	**5,64,750**	**-**

(vii) Share options exercised during the year*

	Exercised	Share price at exercise date
Granted as per para (iii) above	4,000	815
	1,000	815
	32,900	815
	13,900	815
	51,800	

(viii) Amount accounted for in profit and loss for Employee stock options is ₹ 6.32 crores (FY 2017-18 12.07 crores).

* For 6800 share options application money was received during March 31, 2018.

* For 13,900 share options application money was received during 31.03.2019.

45 Related Party Transactions

45.1Description of related parties

Joint ventures	Key management personnel (KMP)
Vardhman Nisshimbo Garments Company Limited (upto January 22, 2019)	Mr. S.P. Oswal, Chairman and Managing Director Mr. Sachit Jain, Non-Executive Director Mrs. Suchita Jain, Vice Chairman & Joint Managing Director Mr. Neeraj Jain, Joint Managing Director

Notes to Consolidated Financial Statement

for the year ended March 31, 2019
(All amounts in ₹ Crores, unless otherwise stated)

45 Related Party Transactions (Contd..)

Joint ventures	Key management personnel (KMP)
Associates	Mr. B.K Choudhary, Managing Director
Vardhman Yarns and Threads Limited	Mr. Rajeev Thapar, Chief Financial Officer
Vardhman Spinning and General Mills Limited	Mr.Vivek Gupta, Chief Financial Officer
Vardhman Special Steels Limited	Mr. Sanjay Gupta, Company Secretary
	Mr. D. L. Sharma, (Non-Executive Director)
Relative of KMP	Mr. Ankur Gauba, Company Secretary (upto March 30, 2019)
Ms. Soumya Jain	Mr. Satin Katyal, Company Secretary (upto November 11, 2018)
Ms.Sagrika Jain	Mr. Prafull Anubhai (Independent Director)
	Mr. Ashok Kumar Kundra (Independent Director)
Post Employment Benefit Plans Trust	Dr. Subash Khanchand Bijlani (Independent Director)
Mahavir Employee Gratuity Fund Trust	Mr. Devendra Bhushan Jain (Independent Director)
Mahavir Superannuation scheme	Mr. Rajender Mohan Malla (Independent Director)
VAL Gratuity Trust Fund	Dr. Parampal Singh (Independent Director)
VMT Gratuity Trust Fund	Mrs. Harpreet Kaur Kang (Independent Director) (w.e.f February 06, 2019)
VAL Superannuation scheme	Ms. Apinder Sodhi (Independent Director)
VMT Superannuation scheme	Mr.Munish Chandra Gupta (Independent Director)
	Mr. Sanjit Paul Singh (Independent Director)
	Mr.Surinder Kumar Bansal (Independent Director)
	Mr. Vikas Kumar, Non-Executive Director (w.e.f. January 23, 2019)
	Mr. Anil Sood, Chief Financial Officer (w.e.f. January 23, 2019)
	Enterprises over which KMP have significant influence
	Vardhman Holdings Limited
	Vardhman Apparels Limited
	Smt. Banarso Devi Oswal Public Charitable Trust
	Sri Aurobindo Socio Economic and Management Research Institute
	Adhiswar Enterprises LLP
	Devakar Investment and Trading Company Private Limited
	Santon Finance and Investment Company Limited
	Flamingo Finance and Investment Company Limited
	Ramaniya Finance and Investment Company Limited
	Mahavir Spinning Mills Private Limited
	Northern Trading Company
	Amber Syndicate
	Paras Syndicate
	Mahavir Traders
	Eastern Trading Company

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

45 Related Party Transactions (Contd..)

45.2 Transactions with related parties

	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale /processing of goods to:#		
Associates	7.59	5.31
Joint ventures	-	15.97
Enterprises over which KMP have significant influence	47.11	31.55
	54.70	**52.83**
Purchase/processing of goods and utilities from:#		
Associates	16.47	17.73
Joint ventures	-	0.31
	16.47	**18.04**
Purchase of property, plant & equipment from:		
Associates	-	0.31
	-	**0.31**
Sale of MEIS License		
Associates	1.08	-
	1.08	**-**
Sales of property, plant & equipment to:		
Associates	-	0.81
	-	**0.81**
Rent paid		
Enterprises over which KMP have significant influence	0.12	0.12
	0.12	**0.12**
Rent received		
Associates	0.24	0.23
	0.24	**0.23**
Dividend received		
Associates	5.64	6.09
	5.64	**6.09**
Interest received		
Associates	1.24	1.10
Joint Venture	-	0.90
	1.24	**2.00**
Reimbursement of expenses received from		
Associates	0.28	0.12
Joint Venture	-	0.16
	0.28	**0.28**
Reimbursement of expenses paid		
Associates	1.35	0.32
Joint Venture	-	0.06
	1.35	**0.38**

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

45 Related Party Transactions (Contd..)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Recovery of common expenses incurred**		
Associates	4.31	4.16
Joint Venture	-	0.03
	4.31	**4.19**
Payment against licence agreement		
Enterprises over which KMP have significant influence	1.69	1.56
	1.69	**1.56**
Donations to		
Enterprises over which KMP have significant influence	7.69	14.82
	7.69	**14.82**
Salary paid to		
Relatives of KMP	0.16	0.10
	0.16	**0.10**
Loan given to		
Joint Venture	-	14.49
	-	**14.49**
Loan received back from		
Joint Venture	-	2.50
	-	**2.50**
Contribution to post employment benefit plans		
Post Employment Benefit Plans Trust	2.33	2.31
	2.33	**2.31**

Refer note 46

45.3Outstanding Balances:

	As at March 31, 2019	As at March 31, 2018
Receivables		
Associates	0.03	-
Joint Venture	-	7.49
Enterprises over which KMP have significant influence	0.01	-
	0.03	**7.49**
Payables		
Associates	0.46	4.48
	0.46	**4.48**
Loan given outstanding		
Associates	15.00	15.00
Joint Venture	-	11.99
	15.00	**26.99**

Notes to Consolidated Financial Statement

for the year ended March 31, 2019
(All amounts in ₹ Crores, unless otherwise stated)

45 Related Party Transactions (Contd..)

45.4Key management personnel compensation

	For the year ended March 31, 2019	For the year ended March 31, 2018
Compensation*	25.20	22.16
	25.20	**22.16**

* excluding provision for employee benefits, employee stock options but includes sitting fees paid / payable to non executive directors. Perquisites values are considered as per the provisions of Income tax act, 1961.
** Transaction are exclusive of Taxes
# Gross of Indirect Taxes

46 Employee Benefits

46.1Defined contribution plans:

Amounts recognized in the statement of profit and loss are as under:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Superannuation fund	0.99	0.95
Provident fund administered through Regional Provident Fund Commissioner	25.62	27.26
Employees' State Insurance Corporation	9.18	8.30
Other Funds	1.11	0.17
	36.90	**36.68**

The expenses incurred on account of the above defined contribution plans have been included in Note 33 "Employee Benefits Expenses" under the head "Contribution to provident and other funds"

46.2Defined benefit plans

The Group sponsors funded defined benefit plan for qualifying employees. This defined benefit plan of gratuity is administered by a separate trust that is legally separate from the entity. The trustees are required by the law to act in the interest of the trust and all the relevant stakeholders i.e. active employees, inactive employees, retired employees and employers, etc. The trust is responsible for investment policy with regard to the assets of the trust. The Group has a gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Group on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972 or as per the Group's plan, whichever is more beneficial.

(i) These plans typically expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Notes to Consolidated Financial Statement

for the year ended March 31, 2019
(All amounts in ₹ Crores, unless otherwise stated)

46 Employee Benefits (Contd..)

Salary Risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Interest Risk

The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in value of the liability.

Longevity Risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plans liability.

(ii) The principal assumption used for the purpose of the actuarial valuation were as follows:

	As at March 31, 2019	As at March 31, 2018
Discount Rate	7.65%	7.71%
Salary increase	6.00%	6.00%
Expected average remaining working life	24.38 years to 31.32 years	24.40 years to 31.58 years
Mortality Rates	IALM (2006-08)	IALM (2006-08)
Method used	Project unit credit method	Project unit credit method

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. An actuarial valuations involves making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

(iii) Amounts recognised in statement of profit and loss in respect of these benefit plans are as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current Service cost	8.62	7.74
Past service cost and (gain) /loss from settlements	-	1.87
Net interest expenses	0.45	0.21
	9.07	**9.82**

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

46 Employee Benefits (Contd..)

The current service cost,past service cost and the net interest expenses for the year are included in Note 33 "Employee Benefits Expenses" under the head "salaries and wages".

(iv) Amounts recognised in Other Comprehensive Income:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Actuarial gains/(losses) arising for the year on asset	0.71	0.37
Actuarial gain/(losses) arising from changes in financial assumptions	(0.33)	-
Actuarial gain/(losses) arising from changes in experience adjustments	(0.08)	2.10
	0.31	**2.47**

(v) The amount included in balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Present value of funded defined benefit obligation	66.01	57.91
Fair Value of Plan Assets	62.93	55.60
Net assets / (liability)	**(3.08)**	**(2.31)**

(vi) Movements in the present value of defined benefit obligation are as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening defined benefit obligation	57.91	51.46
Transferred during the year		
Current Service Cost	8.62	7.56
Interest Cost	4.49	3.97
Actuarial (gain)/losses arising from changes in financial assumptions	0.33	-
Past service cost including curtailment gains/losses	-	2.04
Actuarial (gain)/losses arising from changes in experience adjustments	0.08	(2.10)
On VNGL acquisition during year	0.57	-
Benefits paid	(5.99)	(5.02)
Closing defined benefit obligation	**66.01**	**57.91**

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

46 Employee Benefits (Contd..)

(vii) Movements in the fair value of plan assets are as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening fair value of plan assets	55.60	48.67
Return on plan assets (excluding amounts included in net interest expenses)	5.00	4.12
Contributions from employer	2.33	2.81
Closing fair value of plan assets	**62.93**	**55.60**

Plan assets comprises of mutual fund, Government of India securities and bank balances. The average duration of the defined benefit obligation is 12.84 years to 15 years (March 31, 2018: 12.91 years to 15.06 years). The Group expects to make a contribution of ₹ 2.50 crores (March 31, 2018: ₹ 2.31 crores) to the defined benefit plans during the next financial year

(viii) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of reporting period, while holding all other assumptions constant.

Particulars	As at March 31, 2019	As at March 31, 2018
Discount Rate		
0.50% Increase	(2.69)	(2.34)
0.50% decrease	2.91	2.55
Future Salary increase		
0.50% Increase	2.86	2.50
0.50% decrease	(2.68)	(2.34)

Notes to Consolidated Financial Statement

for the year ended March 31, 2019
(All amounts in ₹ Crores, unless otherwise stated)

46 Employee Benefits (Contd..)

(ix) Maturity Profile of Defined Benefit Obligation

	Year	Amount
a)	0 to 1 Year	9.41
b)	1 to 2 Year	2.62
c)	2 to 3 Year	2.79
d)	3 to 4 Year	3.31
e)	4 to 5 Year	2.78
f)	5 to 6 Year	2.92
g)	6 Year onwards	42.18

46.3Other long term employee benefit

(i) Amount recognised in profit and loss in note no.33 "Employee benefit expense" under the head "Salaries and Wages" towards leave encashment is ₹ 7.42 crore (March 31, 2018 ₹ 3.06 crore)

Amount taken to balance sheet	2018-19	2017-18
Current	2.95	3.19
Non Current	11.78	7.69

47 Additional disclosures

47.1Disclosure 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 (March 31, 2018: ₹ Nil) to Vardhman Special Steels Limited. The maximum amount outstanding during the year was ₹ 15.00 crores (March 31, 2018: ₹ 15.00 crore). The balance outstanding as on March 31, 2019 is ₹ 15.00 crores (March 31, 2018: ₹ 15.00 crores).

47.2Assets pledged as security:

Particulars	As at March 31, 2019	As at March 31, 2018
Current assets		
Financial assets		
Trade receivables	803.08	757.53
Non-financial assets		
Inventory	2,610.25	2,256.64
Total current assets pledged as security	**3,413.33**	**3,014.17**

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

47 Additional disclosures (Contd..)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current assets		
Property, plant & equipment	3,186.24	2,614.59
Total non-current assets pledged as security	**3,186.24**	**2,614.59**
Total assets pledged as security	**6,599.57**	**5,628.76**

47.3 Amount required to be spent as per section 135 of the Companies Act 2013.

Details of expenditure towards Corporate Social Responsibility (CSR) activities:

a) Gross amount required to be spent by the Group during the year was ₹ 19.82 crore (March 31, 2018 ₹ 17.98 crore).

b) Amount spent during the year :₹ 12.96 crore (March 31, 2018 ₹ 15.27 crore)

Amount unspent during the year was ₹ 6.86 crore (March 31, 2018 ₹ 2.71 crore).

(c) Activity	
Promotion of Education	6.82
Preventive Health Care	4.99
Rural Development	0.29
Environment & Sustainability	0.32
Others	0.54
Total	**12.96**

47.4 There has been no delay in transferring amounts, required to be transferred, to the investor education and protection fund (IEPF) by the parent and its subsidiary companies,associate companies and joint venture company.

47.5 The Company has acquired 68,60,000 nos. of shares representing 49% of equity share capital of Vardhman Nisshinbo Garments Company Limited (VNGL) from its joint venture Partner namely Nisshinbo Textiles Inc. on January 23, 2019 for a consideration of ₹ 1.37 Crores. Accordingly VNGL has become a wholly owned subsidiary of the company w.e.f January 23, 2019. Details of purchase consideration, the net assets acquired and capital reserve as follows:-

		Amount
(a) Purchase Consideration		1.37
(b) Net Assets (at fair value)		3.61
(c) Capital Reserve		0.40
(Calculation below):-		
(i) Purchase Consideration	1.37	
(ii) Acquisition date interest in VNGL	1.84	
(iii) Less:- Net Assets Acquired (at fair value)	(3.61)	

Notes to Consolidated Financial Statement

for the year ended March 31, 2019
(All amounts in ₹ Crores, unless otherwise stated)

47 Additional disclosures (Contd..)

Further the difference of Investment in VNGL (Joint Venture) for 51% share (at fair value on the date of acquisition) with value of investment as per equity method upto the date of acquisition has been recorded as gain in relation to step-up acquisition of Joint Venture.

No Material acquisition related costs other than the consideration towards additional stake was incurred for the aforesaid acquisition.

From the date of acquisition VNGL has contributed ₹ 13.77 crores of revenue and ₹ 0.02 Crore of profit after tax. If the business combination had taken place at the beginning of the year, revenue would have been higher by ₹ 58.69 Crores and profit after tax would have been higher by ₹ 1.24 Crores.

The Fair value of the trade receivable amounts to ₹ 15.69 Crores. None of the trade receivables is credit impaired other than ₹ 0.44 crore and it is expected that the full contracted amount can be collected.

48 Interest in Other Entities

(a) The Consolidated Financial Statements present the Consolidated Accounts of Vardhman Textiles Limited with its following Subsidiaries, Joint Ventures & Associates.

Name of Company	Country of Incorporation	Activities	Proportion of Ownership of Interest	
			As at March 31, 2019	As at March 31, 2018
A. Subsidiaries				
(i) Vardhman Acrylics Limited	India	Fibre	70.74%	70.74%
(ii) VMT Spinning Co. Limited	India	Textiles	100.00%	100.00%
(iii) VTL Investments Limited	India	Lending & Investing	100.00%	100.00%
(iv) Vardhman Nisshinbo Garments Co. Limited [wef January 23, 2019]	India	Manufacturing & Sales of Garments	100.00%	-
B. Joint Ventures				
(i) Vardhman Nisshinbo Garments Co. Limited [upto January 22, 2019]	India	Manufacturing & Sales of Garments	-	51.00%
C. Associates				
(i) Vardhman Yarns & Threads Limited	India	Manufacturing & Sales of Threads	11.00%	11.00%
(ii) Vardhman Spinning & General Mills Limited	India	Trading of Cotton & Manmade Fibre	50.00%	50.00%
(iii) Vardhman Special Steels Limited	India	Manufacturing of Steels	27.15%	27.15%

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

48 Interest in Other Entities (Contd..)

(b) Summarized Financial Information

Particulars	Joint Venture		Associates					
	Vardhman Nisshinbo Garments Co. Limited		Vardhman Yarns & Threads Limited		Vardhman Spinning & General Mills Limited		Vardhman Special Steels Limited	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
I. Assets								
(A) Non Current Assets	-	24.08	297.98	303.34		-	343.51	288.56
(B) Current Assets								
i) Cash & Cash Equivalent	-	-	24.89	21.40	0.17	0.13	0.28	7.49
ii) Others	-	32.39	340.42	343.86	0.01	0.03	545.54	380.60
Total Current Assets	-	32.39	365.31	365.27	0.18	0.16	545.82	388.09
Total Assets (A+B)	-	56.47	663.29	668.61	0.18	0.16	889.33	676.66
II. Liabilities								
(A) Non Current Liabilities								
i) Financial Liabilities	-	13.27	46.73	56.21	-	-	135.27	101.46
ii) Non Financial Liabilities	-	0.99	19.21	16.96	-	-	1.26	0.87
Total Non Current Liabilities	-	14.26	65.95	73.17	-	-	136.53	102.33
(B) Current Liabilities								
i) Financial Liabilities	-	36.07	90.95	104.81		-	387.20	231.36
ii) Non Financial Liabilities	-	0.46	6.93	13.91	0.04	0.04	3.61	3.64
Total Current Liabilities	-	36.53	97.86	118.72	0.04	0.04	390.81	235.01
Total Liabilities (A+B)	-	50.79	163.81	191.88	0.04	0.04	527.34	337.34
Net Assets (I-II)	-	5.68	499.48	476.73	0.14	0.12	361.99	339.32

(c) Summarized Financial Information

Particulars	Joint Venture		Associates					
	Vardhman Nisshinbo Garments Co. Limited		Vardhman Yarns & Threads Limited		Vardhman Spinning & General Mills Limited		Vardhman Special Steels Limited	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Revenue from Opreations	-	59.81	851.13	812.84	-	-	1,120.78	877.89
Profit Before Tax	-	0.27	131.03	128.14	0.01	-	22.14	25.10
Tax Expense	-	0.04	46.59	44.04	-	-	(0.07)	0.06
Profit after Tax	-	0.23	84.44	84.10	0.01	-	22.21	25.04
Other Comprehensive Income	-	0.11	0.17	0.33	-	-	(0.19)	(0.30)
Total Comprehensive Income	-	0.34	84.61	84.43	0.01	-	22.02	24.74
Depreciation & Amortisation	-	1.79	26.56	24.91	-	-	23.02	21.51
Interest Expense (Net of Interest Income)	-	2.78	8.28	14.66	-	-	23.92	21.43

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

48 Interest in Other Entities (Contd..)

(d) Movement of Investment in Joint venture and Associates using equity method

Particulars	Joint Venture		Associates					
	Vardhman Nisshinbo Garments Co. Limited		Vardhman Yarns & Threads Limited		Vardhman Spinning & General Mills Limited		Vardhman Special Steels Limited	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Investment as at the beginning of the Period	(2.20)	(2.38)	53.62	50.44	0.07	0.07	44.52	17.04
Add: Share of profit for the period	0.63	0.12	9.28	9.23	0.01	-	6.02	8.16
Add: Share of OCI for the period	-	0.06	0.02	0.04	-	-	(0.05)	(0.10)
Add:-Investment purchase for the period	-	-	-	-	-	-	-	19.42
Less: Dividend distributed during the period (including DDT)	-	-	(5.65)	(6.09)	-	-		
Less: Adjustment related to conversion of Joint Venture to Wholly owned Subsidiary	(1.57)	-	-	-	-	-	-	-
Investment as at the end of the Period	-	(2.20)	57.27	53.62	0.08	0.07	50.49	44.52

49 (a) For Disclosure mandated by Schedule III of Companies Act 2013, by way of additional information, refer below:

Name of Enterprise	As at March 31, 2019		As at March 31, 2018		As at March 31, 2019		As at March 31, 2018	
	Net Assets i.e total assets minus total liabilities		Net Assets i.e total assets minus total liabilities		Share in Total comprehensive income		Share in Total comprehensive income	
	As % of consoliated net assets	Amount	As % of consoliated net assets	Amount	As % of consoliated profit or loss	Amount	As % of consoliated profit or loss	Amount
Parent								
Vardhman Textiles Limited	91.84%	5,239.10	91.50%	4,631.97	95.33%	696.07	93.94%	547.46
Less:- Unrealised profit on Stock	-0.04%	(2.14)	-0.04%	(1.12)			-	-
Subsidaries								
Indian								
Vardhman Arcylics Limited	5.85%	333.66	6.31%	319.38	4.61%	33.65	6.60%	38.48
VMT Spinning Co.Limited	2.19%	124.77	2.10%	106.26	2.54%	18.52	0.30%	1.78
VTL Investment Limited	0.93%	53.24	1.20%	60.80	0.74%	5.39	1.76%	10.24
VNGL	0.12%	6.98	0.00%	-	0.01%	0.05	-	-
Adjustment due to consolidation	-3.77%	(215.08)	-3.87%	(196.02)	(4.06%)	(29.62)	-3.66%	(21.43)
Non Controlling Interest in subsidaries	**1.98%**	**113.07**	**2.15%**	**108.78**	**(1.35%)**	**(9.84)**	**-1.94%**	**(11.28)**
Associates (Investment as per the equity method)								

Notes to Consolidated Financial Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Name of Enterprise	As at March 31, 2019		As at March 31, 2018		As at March 31, 2019		As at March 31, 2018	
	Net Assets i.e total assets minus total liabilities		Net Assets i.e total assets minus total liabilities		Share in Total comprehensive income		Share in Total comprehensive income	
	As % of consoliated net assets	Amount	As % of consoliated net assets	Amount	As % of consoliated profit or loss	Amount	As % of consoliated profit or loss	Amount
Indian								
Vardhman Special Steels Limited	0.89%	50.49	0.88%	44.51	0.82%	5.99	1.38%	8.07
Vardhman Spinning & General Mills Limited	0.00%	0.08	0.00%	0.07	0.00%	0.01	0.00%	(0.00)
Vardhman Yarns & Threads Limited	**1.00%**	**57.27**	**1.06%**	**53.62**	**1.27%**	**9.30**	**1.59%**	**9.27**
Less:- Investments in Associates	-0.93%	(52.77)	-1.04%	(52.77)			0.00%	-
Joint Ventures (investment as per the equity method)								
Indian								
Vardhman Nisshimbo Garments Company Limited		-	0.15%	7.80	0.09%	0.63	0.03%	0.17
Less: Investment in Joint Ventures			**-0.34%**	**(17.14)**			**0.00%**	**-**
Less:- Deferred Tax Liabilities on undistributed profits on associates and joint ventures	-0.07%	(4.12)	-0.07%	(3.66)			0.00%	-
Total	**100%**	**5,704.56**	**100%**	**5,062.48**	**100.00%**	**730.15**	**100%**	**582.76**

49 (b) Previous year figures in the consolidated financial statements, including the notes thereto, have been reclassified wherever required to confirm to the current year presentation/classification.

For and on behalf of the Board of Directors

Sanjay Gupta
Company Secretary
Membership No:-4935

Rajeev Thapar
Chief Financial Officer

Suchita Jain
Vice Chairman and
Joint Managing Director
DIN:00746471

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

Place : Ludhiana
Date: May 09, 2019

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

Part A (₹ In crore)

	Particular	**VMT Spinning Company Limited**	**VTL Investments Limited**	**Vardhman Acrylics Limited**	**Vardhman Nisshinbo Garments Company Limited**
		Current Year	**Current Year**	**Current Year**	**Current Year**
a)	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.	N.A.
b)	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	N.A.	N.A.	N.A.	N.A.
c)	Capital	20.70	4.00	80.36	14.00
d)	Reserves	104.07	49.24	253.29	(7.02)
e)	Total Assets	162.00	53.24	453.32	58.52
f)	Total Liabilites	162.00	53.24	453.32	58.52
g)	Details of investment (Except in case of investment in the subsidiaries)	-	37.75	283.97	-
h)	Turnover (net)	232.89	5.88	391.96	72.55
i)	Profit before taxation	25.22	4.92	46.73	1.26
j)	Provision for taxation	6.77	0.42	12.24	-
k)	Profit after Taxation	18.45	4.50	34.49	1.26
l)	Proposed dividend(including tax thereon)	-	-		-
j)	Total Comprehensive Incomefor the period	18.51	-	33.65	1.30
m)	% of shareholding	100.00%	100%	70.74%	100.00%

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	31.03.2019
2. Shares of Associate held by the company on the year end	
No.	97,08,333
Amount of Investment in Associate	₹ 25.24 crore
Extend of Holding %	27.15%
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 is not consolidated	...
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	₹ 98.28 crore
6. Profit / Loss for the year	22.02
i. Considered in Consolidation	₹ 5.97 crore
ii. 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	31.03.2019
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	25,000
Amount of Investment in Associates/Joint Venture	₹ 0.03 crore
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	₹ 0.068 crore
6. Profit / Loss for the year	
i. Considered in Consolidation	₹ 0.007 crore
ii. Not Considered in Consolidation	N.A.

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Part B

Name of Associates	**Vardhman Yarns and Threads Limited**
1. Latest audited Balance Sheet Date	31.03.2019
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	62,69,699
Amount of Investment in Associates/Joint Venture	₹ 27.50 crore
Extend of Holding %	11.00%
3. Description of how there is significant influence	Joint Venture with American & Efird, Global LLC
4. Reason why the associate/joint venture is not consolidated	...
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	₹ 54.94 crore
6. Profit / Loss for the year	84.61
i. Considered in Consolidation	₹ 9.30 crore
ii. Not Considered in Consolidation	N.A.

For and on behalf of the Board of Directors

Sanjay Gupta
Company Secretary
Membership No:-4935

Rajeev Thapar
Chief Financial Officer

Suchita Jain
Vice Chairman and
Joint Managing Director
DIN:00746471

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

Place : Ludhiana
Date: May 09, 2019

NOTICE

Notice is hereby given that the **46TH ANNUAL GENERAL MEETING** of Vardhman Textiles Limited will be held on Monday, the 30th day of September, 2019 at 3.00 p.m. at the Registered Office of the Company situated at Chandigarh Road, Ludhiana, to transact the following business:-

ORDINARY BUSINESS:

Item No. 1 – To adopt financial statements:

To receive, consider and adopt the Audited Financial Statements (including the consolidated financial statements) of the Company for the financial year ended 31st March, 2019, together with Report of Board of Directors and Auditors thereon.

Item No. 2 – To declare Dividend:

To declare a dividend of ₹ 17.50 per share for the year ended 31st March, 2019.

Item No. 3 – To re-appoint Mr. Neeraj Jain as a director liable to retire by rotation:

To appoint a Director in place of Mr. Neeraj Jain, (holding DIN No. 00340459), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

Item No. 4 – To approve revision in the remuneration payable to Mrs. Suchita Jain, Vice-Chairperson & 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 in furtherance to the resolution dated 2nd February, 2017, passed by Members through Postal Ballot, in respect of appointment and remuneration payable to Mrs. Suchita Jain (DIN 00746471), Vice-Chairperson and Joint Managing Director and pursuant to the provisions of Sections 196, 197, 203, Schedule V of the Companies Act, 2013 read with Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, approval of Members be and is hereby accorded to pay the following remuneration to Mrs. Suchita Jain w.e.f. 1st April, 2019 to 23rd August, 2021:

S. NO.	REMUNERATION	DETAILS
I.	Basic Salary	Monthly salary within the range of ₹ 6,00,000/- to ₹ 7,50,000/- as may be decided by the Nomination and Remuneration Committee from time to time.
II.	Perquisites*	Perquisites including allowances in such form and to such extent as may be decided by the Nomination and Remuneration Committee subject to a ceiling of annual salary. The perquisites may include, but are not limited to, house rent allowance, use of Company's car with driver (for official and personal use), telephone expenses (for official and personal use), medical reimbursement, club fees, leave travel concession, gratuity, contribution to Provident Fund and Superannuation Fund and all other benefits as are applicable to senior employees of the Company (including but not limited to leave entitlement, encashment of leave, entitlement to housing and other loans in accordance with schemes of the Company).
III.	Profit Linked Incentives	As may be decided by the Nomination and Remuneration Committee subject to the ceiling of double the annual salary. The performance linked incentives to be calculated based on profits calculated at the end of financial year.

*The valuation of perquisites will be as per Income Tax Rules, 1962, in cases where the same is otherwise not possible to be valued.

*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 six months basic salary.

Item No. 5 – 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 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Neeraj Jain (DIN: 00340459) be and is hereby re-appointed as Joint Managing Director of the Company for a term of 5 (five) consecutive years starting from 1st April, 2019 to 31st March, 2024.

RESOLVED FURTHER THAT Mr. Neeraj Jain shall be paid remuneration and other perquisites as per terms and conditions as detailed below:-

S.NO.	REMUNERATION	DETAILS
I.	Basic Salary	Monthly salary within the range of ₹ 5,00,000/- to ₹ 6,50,000/- as may be decided by the Nomination and Remuneration Committee from time to time.
II.	Perquisites*	Perquisites including allowances in such form and to such extent as may be decided by the Nomination and Remuneration Committee subject to a ceiling of annual salary. The perquisites may include, but are not limited to, house rent allowance, use of company's car with driver (for official and personal use), telephone expenses (for official and personal use), medical reimbursement, club fees, leave travel concession, gratuity, contribution to Provident Fund and Superannuation Fund and all other benefits as are applicable to senior employees of the Company (including but not limited to leave entitlement, encashment of leave, entitlement to housing and other loans in accordance with schemes of the Company).
III.	Profit Linked Incentives	As may be decided by the Nomination and Remuneration Committee subject to the ceiling of double the annual salary. The performance linked incentives to be calculated based on profits calculated at the end of financial year.

*The valuation of perquisites will be as per Income Tax Rules, 1962, in cases where the same is otherwise not possible to be valued.

*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 six months basic salary.

Item No. 6 – To appoint Mrs. Harpreet Kaur Kang as an Independent 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 Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013, the rules made thereunder and Regulations 16, 17 & 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Harpreet Kaur Kang (DIN: 03049487), who was appointed as an Additional Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation for a term of consecutive three years starting from 6th February, 2019."

Item No. 7 – To re-appoint Mr. Rajender Mohan Malla as an Independent Director of the Company:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013, read with Schedule IV of the Companies Act, 2013, the rules made thereunder and Regulations 16, 17 & 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Rajender Mohan Malla (DIN: 00136657), who was appointed as an Additional Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation for a term of consecutive two years starting from 27th September, 2018."

Item No. 8 – To re-appoint Mr. Prafull Anubhai as an Independent Director of the Company:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013, read with Schedule IV of the Companies Act, 2013, the rules made thereunder and Regulations 16, 17 & 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Prafull Anubhai (DIN: 00136657), Independent Director, whose period of office is expiring at this Annual General Meeting and who has submitted a declaration confirming he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment for a second term in accordance with the provisions of the Companies Act, 2013, rules made thereunder and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company not liable to retire by rotation for a term of five consecutive years starting from the conclusion of 46th Annual General Meeting."

Item No. 9 – To re-appoint Dr. Subash Khanchand Bijlani as an Independent Director of the Company:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013, read with Schedule IV of the Companies Act, 2013, the rules made thereunder and Regulations 16, 17 & 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. Subash Khanchand Bijlani (DIN: 01040271), Independent Director, whose period of office is expiring at this Annual General Meeting and who has submitted a declaration confirming he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment for a second term in accordance with the provisions of the Companies Act, 2013, rules made thereunder and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company not liable to retire by rotation for a term of three consecutive years starting from the conclusion of 46th Annual General Meeting."

Item No. 10 – To re-appoint Mr. Ashok Kumar Kundra as an Independent Director of the Company:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013, read with Schedule IV of the Companies Act, 2013, the rules made thereunder and Regulations 16, 17 & 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Ashok Kumar Kundra (DIN: 00154024), Independent Director, whose period of office is expiring at this Annual General Meeting and who has submitted a declaration confirming he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment for a second term in accordance with the provisions of the Companies Act, 2013, rules made thereunder and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company not liable to retire by rotation for a term of three consecutive years starting from the conclusion of 46th Annual General Meeting."

Item No. 11 – To ratify remuneration payable to Cost Auditors for the financial year ending 31st March, 2020:

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, 2020, be paid the remuneration of ₹ 5,78,906/- plus out of pocket expenses and applicable taxes.

RESOLVED FURTHER THAT Mr. Shri Paul Oswal, Chairman & Managing Director and Mr. Sanjay Gupta, 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
Dated: 9th May, 2019

(Sanjay Gupta)
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. THE BLANK PROXY FORM IS ENCLOSED ALONGWITH ATTENDENCE SLIP.

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

2. The Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.

3. **The Register of Members and the Share Transfer Books of the Company shall remain closed from closed from 20th Sept, 2019 to 30th Sept, 2019 (both days inclusive).**

4. The Members holding shares in physical mode are requested to notify the change in their address, if any, at the earliest to the Registrar & Transfer Agent/Company. However, members holding shares in electronic mode may notify the change in their address, if any, to their respective Depository Participants.

5. The information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the Directors seeking appointment/re-appointment in the Annual General Meeting is also being annexed hereto separately and forms part of the Notice. The Director has furnished the requisite declarations for his re-appointment.

6. Members desiring any information, as regards Accounts, are requested to write to the Company at its Registered Office at least 10 days before the date of Annual General Meeting so as to enable the Management to keep the information ready.

7. The copies of relevant documents can be inspected at the Registered Office of the Company on any working day between 10:30 A.M. to 12:30 P.M.

8. Members holding shares in the same/identical name(s) under different folios are requested to apply for consolidation of such folios and send relevant share certificates to the Company/Registrar and Transfer Agent.

9. The Ministry of Corporate Affairs, Government of India, has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars allowing Companies to send official documents to their members electronically.

   In support of the Green Initiative, your Company proposes to send the documents like Notice calling the Annual General Meeting and Annual Report containing Balance Sheet, Statement of Profit & Loss and Director's Report etc. and other communications in electronic form.

   The Members are requested to support this Green Initiative by registering/ updating their e-mail addresses with the Depository Participant (in case of shares held in dematerialized form) or with Registrar & Transfer Agent, Alankit Assignments Limited, New Delhi (in case of shares held in physical form).

10. The Annual Report 2018-19 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 2018-19 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 and Bank Account 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 46th 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 27th September, 2019 (9:00 a.m.) and ends on 29th September, 2019 (5:00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after end of voting period on 29th September, 2019. 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

	For Members holding shares in Demat Form and Physical Form
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN: 190831058 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 the App Store and the Windows Phone Store, respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 23rd September, 2019 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. Ashok K. Singla & 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, 2019

(Sanjay Gupta)
Company Secretary

Annexure to the Notice:

Statement pursuant to Section 102 of the Companies Act, 2013:

Item No. 4 of the Special Business:

The Members of the Company, vide their resolution dated 2nd February, 2017 passed through Postal Ballot had appointed Mrs. Suchita Jain as Joint Managing Director of the Company and fixed the remuneration payable to her for a period of 5 years starting from 24th August, 2017 to 23rd August, 2021.

Now, considering the performance of Mrs. Suchita Jain in the fabric business and her active involvement in other corporate functions, the Board of Directors of your Company in its meeting held on 6th February, 2019 had proposed to revise the remuneration payable to Mrs. Suchita Jain as per the resolution given in the Notice.

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

Memorandum of Interest:

Except Mrs. Suchita Jain, being appointee, Mr. Shri Paul Oswal and Mr. Sachit Jain, being appointee's relative, none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 4.

Item No. 5 of the Special Business:

The Board of Directors vide its resolution dated 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. His appointment was approved by the Members in their Annual General Meeting held on 5th September, 2016.

The Board of Directors vide its resolution dated 6th February, 2019 had re-appointed Mr. Neeraj Jain as Joint Managing Director of the Company for a period of five consecutive years starting from 1st April, 2019 to 31st March, 2024. 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.

The Board recommends the Ordinary Resolution as set out at Item No. 5 for approval by the Members. Accordingly, your approval is solicited.

Memorandum of Interest:

Except Mr. Neeraj Jain, being appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 5.

Item No. 6 of the Special Business:

The Board of Directors of the Company in its meeting held on 6th February, 2019 had appointed Mrs. Harpreet Kaur Kang as an Additional Director of the Company pursuant to section 161(1) of the Companies Act, 2013 and Articles of Association of the Company. She will hold office upto the date of ensuing Annual General Meeting.

The Company has received requisite notice in writing from a Member proposing appointment of Mrs. Harpreet Kaur Kang as a candidate for the office of Independent Director of the Company for a term of consecutive three years starting from 6th February, 2019.

The Company has also received consent from Mrs. Harpreet Kaur Kang and also declaration confirming that she is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 as well as Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.

Mrs. Harpreet Kaur Kang is Independent of the Management and in the opinion of the Board, fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for appointment as an Independent Director of the Company. A copy of the draft letter for appointment as an Independent Director setting out the terms and conditions would be available for inspection without any fee to the members at the Registered Office of the Company during normal business hours on any working day. A brief profile of Mrs. Harpreet Kaur Kang is provided at the end of this statement.

The Board recommends the Ordinary Resolution as set out at item number 6 of the Notice for approval by the Members.

Memorandum of Interest:

Except Mrs. Harpreet Kaur Kang, being appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 6.

Item No. 7 of the Special Business:

The Board of Directors of the Company had appointed Mr. Rajender Mohan Malla as an Additional Director of the Company pursuant to section 161(1) of the Companies Act, 2013 and Articles of Association of the Company. He will hold office upto the date of ensuing Annual General Meeting.

The Company has received requisite notice in writing from a member proposing appointment of Mr. Rajender Mohan Malla as a candidate for the office of Independent Director of the Company for a term of consecutive two years starting from 27th September, 2018.

The Company has also received consent from Mr. Rajender Mohan Malla and also declaration confirming that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 as well as Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.

Mr. Rajender Mohan Malla is Independent of the Management and in the opinion of the Board, fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for appointment as an Independent Director of the Company. A copy of the draft letter for appointment as an Independent Director setting out the terms and conditions would be available for inspection without any fee to the Members at the Registered Office of the Company during normal business hours on any working day. A brief profile of Mr. Rajender Mohan Malla is provided at the end of this statement.

The Board recommends the Special Resolution as set out at item number 7 of the Notice for approval by the Members.

Memorandum of Interest:

Except Mr. Rajender Mohan Malla, being appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 7.

Item No. 8 to 10 of the Special Business:

Mr. Prafull Anubhai, Dr. Subash Khanchand Bijlani and Mr. Ashok Kumar Kundra were appointed as Independent Directors of the Company for a term of five consecutive years, pursuant to approval of the Members under the provisions of the Companies Act, 2013 through resolutions passed at the 41st Annual General Meeting held on 24th September, 2014. Now, the term of appointment of all these Directors expires at 46th Annual General Meeting.

Considering the rich experience, knowledge, skills, valuable contribution to the Company and overall performance evaluation of these Independent Directors, the Board of Directors of the Company in its meeting held on 9th May, 2019 had approved and recommended the re-appointment of Mr. Prafull Anubhai, Dr. Subash Khanchand Bijlani and Mr. Ashok Kumar Kundra as Independent Directors for a second term of five consecutive years in case of Mr. Prafull Anubhai and three consecutive years in case of Dr. Subash Khanchand Bijlani and Mr. Ashok Kumar Kundra to the Members of the Company for their approval.

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

Mr. Prafull Anubhai, Dr. Subash Khanchand Bijlani and Mr. Ashok Kumar Kundra have given declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, they fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Directors.

The Company has received notice in writing from Members along with a requisite deposit proposing the candidature of Mr. Prafull Anubhai, Dr. Subash Khanchand Bijlani and Mr. Ashok Kumar Kundra to be re-appointed as Independent Directors of the Company in accordance with the provisions of the Companies Act, 2013.

Their brief Profile is provided at the end of this statement.

The Board of Directors recommends the Special Resolutions as set out at Item Nos. 8 to 10 for approval of the Members. Accordingly, your approval is solicited.

Memorandum of Interest:

Except Mr. Prafull Anubhai, Dr. Subash Khanchand Bijlani and Mr. Ashok Kumar Kundra, being appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolutions set out at Item Nos. 8 to 10.

Item No. 11 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, 2019 had re-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, 2020.

Accordingly, the consent of the members is solicited for passing an Ordinary Resolution as set out at Item No. 11 of the notice for ratification of payment of remuneration of ₹ 5,78,906/- to the Cost Auditors for the Financial Year ending 31st March, 2020. The Board recommends the Ordinary Resolution as set out at Item No. 11 of the Notice for approval by the members.

Memorandum of Interest:

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 11.

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

Name of the Director	Mr. Neeraj Jain	Mrs. Harpreet Kaur Kang	Mr. Rajender Mohan Malla
Date of Birth	09.10.1967	20.09.1973	15.05.1953
Date of Appointment	31.03.2010	06.02.2019	05.08.2015
Expertise in specific functional area	Business Executive having experience of more than 27 years in textile industry.	Expertise in subjects: International Business, Consumer Behavior and Business Communication	Eminent Banker having rich experience in banking and finance field.
Qualification	B.Com, C.A.	Master's Degree in Journalism from Punjab Agricultural University and Advance Business Program in International Business and International Marketing from Harvard University, USA	M.Com, MBA (Finance), CAIIB
Directorships in other Listed Companies as on 31st March, 2019	Nil	Nil	1. IOL Chemicals & Pharmaceuticals Limited 2. Bharat Financial Inclusion Limited 3. Central Depository Services (India) Limited 4. Waree Technologies Limited
Chairman/Member of Committees of other Listed Companies as on 31st March, 2019	Nil	Nil	**Audit Committee:** 1. Bharat Financial Inclusion Limited 2. Central Depository Services (India) Limited **Stakeholders' Relationship Committee:** 1. Bharat Financial Inclusion Limited
Shareholding in the Company	2,200	Nil	Nil
Relationship with other Director(s)	Not related to any Director	Not related to any Director	Not related to any Director

Name of the Director	**Mr. Prafull Anubhai**	**Dr. Subash Khanchand Bijlani**	**Mr. Ashok Kumar Kundra**
Date of Birth	20.01.1938	06.09.1942	15.04.1943
Date of Appointment	26.07.1980	30.03.2005	28.01.2009
Expertise in specific functional area	Industrialist and Business Consultant having experience of more than 46 years.	Industrial & Business experience of more than 54 years.	Retired from Indian Administrative services.
Qualification	B.Com, B.Sc.(Eco.)-London	D.M. (Doctor of Management) from Maryland, USA and B.Sc Tech (Mech Eng) from Manchester, UK	M.A. Eco. and Ph.D
Directorships in other Listed Companies as on 31st March, 2019	1. Gruh Finance Limited 2. Unichem Laboratories Limited	Nil	Punjab Alkalies & Chemicals Limited
Chairman/Member of Committees of other Listed Companies as on 31st March, 2019	**Audit Committee:** 1. Unichem Laboratories Limited 2. Gruh Finance Limited **Stakeholders' Relationship Committee:-** Unichem Laboratories Limited	Nil	Nil
Shareholding in the Company	Nil	Nil	Nil
Relationship with other Director(s)	Not related to any Director	Not related to any Director	Not related to any Director

NOTE

NOTE

NOTE

Corporate Information

Board of Directors

Mr. Shri Paul Oswal
Chairman & Managing Director

Mr. Prafull Anubhai

Mr. Sachit Jain

Dr. Subash Khanchand Bijlani

Mr. Ashok Kumar Kundra

Mr. Darshan Lal Sharma

Mr. Devendra Bhushan Jain

Mr. Rajender Mohan Malla

Dr. Parampal Singh

Mrs. Harpreet Kang

Mrs. Suchita Jain
Vice-Chairperson & Joint Managing Director

Mr. Neeraj Jain
Joint Managing Director

Chief Financial Officer

Mr. Rajeev Thapar

Company Secretary

Mr. Sanjay Gupta

Auditors

M/s. Deloitte Haskins & Sells LLP,
Chartered Accountants, New Delhi

Bankers

ICICI Bank Limited
State Bank of India
Bank of India
Canara Bank
Exim Bank
Oriental Bank of Commerce
HDFC Bank
Axis Bank

Registrar & Transfer Agent

Alankit Assignments Limited, New Delhi

Works

- **Anant Spinning Mills**, Mandideep
- **Arihant Spinning Mill**, Malerkotla
- **Arisht Spinning Mills**, Baddi
- **Auro Dyeing (Unit-I & II)**, Baddi
- **Auro Spinning Mills**, Baddi
- **Auro Textiles (Unit- I & II)**, Baddi
- **Auro Weaving Mills**, Baddi
- **Mahavir Spinning Mills (Textile Division) (Unit-I & II)**, Baddi
- **Vardhman Spinning and General Mills**, Ludhiana
- **Vardhman Spinning Mills**, Baddi
- **Vardhman Fabrics**, Budhni
- **Vardhman Yarns**, Satlapur
- **Vardhman Fabrics (Power Division)**, Budhni
- **Vardhman Yarns (Power Division)**, Satlapur

Branches

- P-22, 3rd Floor, Flat No. 6, C.I.T. Road, Scheme IV, Kolkata-700 014.
- Chandigarh Road, Ludhiana-141010.
- 314, Solaris II, Opposite L & T Gate No. 6, Saki Vihar Road, Andheri (East), Mumbai-400 072.
- 504, Dalamal House, Nariman Point, Mumbai - 400 021.
- 309-310, Surya Kiran Building, 19, Kasturba Gandhi Marg, New Delhi-110 001.
- 377-B, Muthuswami Industrial Complex, Palladam Road, Tirupur - 638 604.
- 1st Floor, Palm Court, Opposite Management Development Institute, MG Road, Sector -16, Gurugram - 122 001.

Vardhmān

Delivering Excellence. Since 1965.

VARDHMAN TEXTILES LIMITED

CHANDIGARH ROAD, LUDHIANA - 141 010

CIN: L17111PB1973PLC003345

VARDHMAN TEXTILES LIMITED
CIN: L17111PB1973PLC003345
Regd. Office: Chandigarh Road, Ludhiana-141 010 (Punjab), India.
Phone No.: 0161-2228943-48, Fax: 0161-2601048
E-mail: secretarial.lud@vardhman.com; Website: www.vardhman.com

ATTENDANCE SLIP
E-VOTING PARTICULARS

46TH ANNUAL GENERAL MEETING

2019

I/We hereby record my/ our presence at the 46th Annual General Meeting of Vardhman Textiles Limited held at the Registered Office of the Company situated at Chandigarh Road, Ludhiana-141 010 on Monday, the 30th day of September, 2019 at 3:00 p.m.

....	....	....
Member's Folio/DP ID-Client ID No.	Member's /Proxy's name in Block Letters	Member's/Proxy's Signature

Note:
1. Please complete the Folio / DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the entrance of the meeting place.
2. Electronic copy of the Annual Report for 2018-19 and Notice of the Annual General Meeting (AGM) alongwith Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company/Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for 2018-19 alongwith Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy.

ELECTRONIC VOTING PARTICULARS

EVSN (E-Voting Sequence Number)	USER ID / Folio No. / DP / Client ID	SEQUENCE NO.
190831058		

NOTE: Please read instructions given at Point No. 12 of the Notice of 46th Annual General Meeting annexed in the Annual Report for 2018-19 of the Company, carefully before voting electronically.

VARDHMAN TEXTILES LIMITED
CIN: L17111PB1973PLC003345
Regd. Office: Chandigarh Road, Ludhiana-141 010 (Punjab), India.
Phone No.: 0161-2228943-48, Fax: 0161-2601048
E-mail: secretarial.lud@vardhman.com; Website: www.vardhman.com

PROXY FORM

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

I/We, ... being the holder(s) of......................shares of the above named Company bearing folio no.. hereby appoint :

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 46th Annual General Meeting of the Company, to be held on Monday, the 30th September, 2019 at 3:00 p.m. at Registered Office of the Company situated at Chandigarh Road, Ludhiana-141 010 and at any adjournment thereof in respect of such resolutions as are indicated below:-

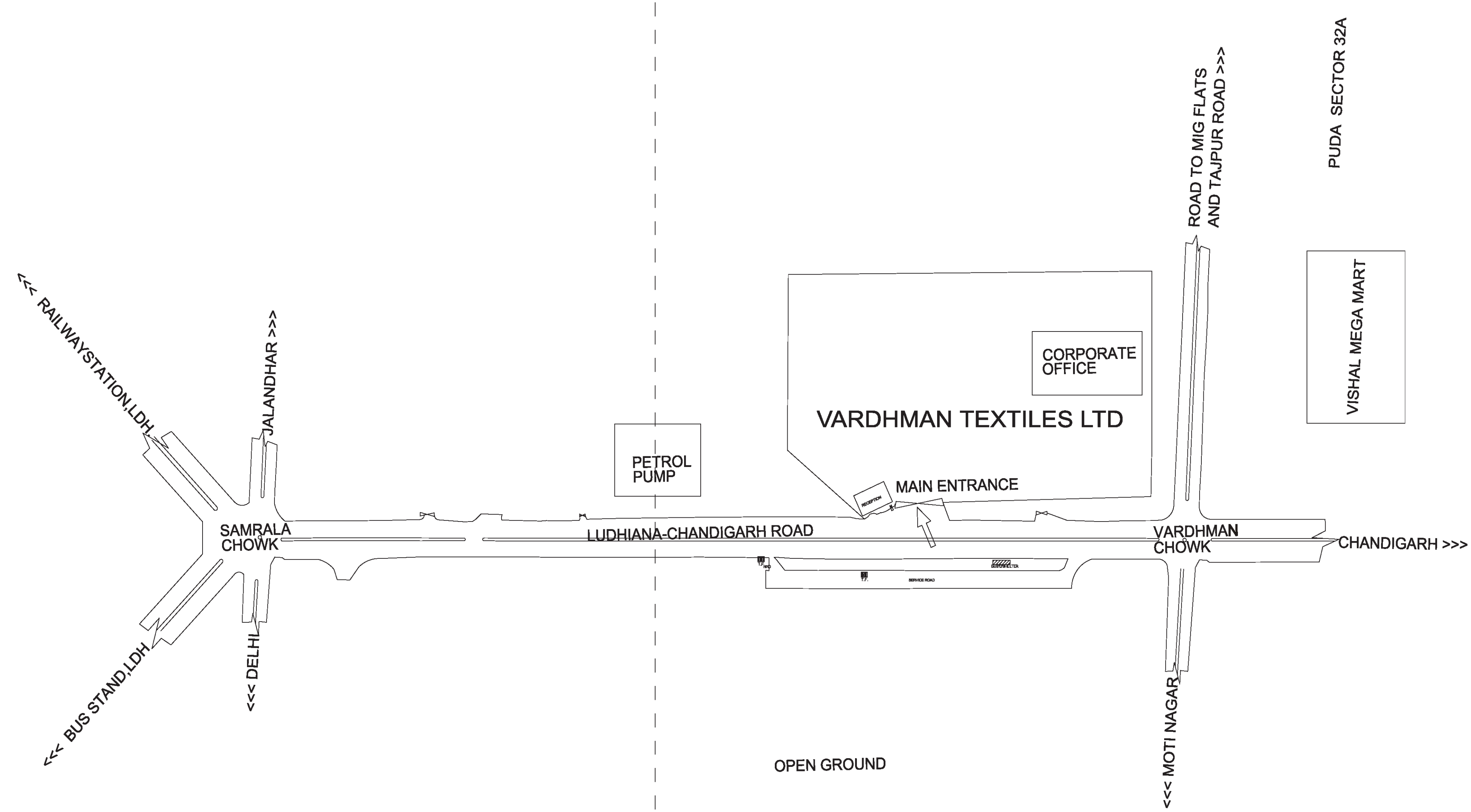
RESOLUTIONS:-	
Ordinary Business	
1.	To adopt Financial Statements.
2.	To declare Dividend.
3.	To re-appoint Mr. Neeraj Jain as a director liable to retire by rotation.
Special Business	
4.	To approve revision in the remuneration payable to Mrs. Suchita Jain, Vice-Chairperson & Joint Managing Director of the Company.
5.	To re-appoint Mr. Neeraj Jain as Joint Managing Director of the Company.
6.	To appoint Mrs. Harpreet Kaur Kang as an Independent Director of the Company.
7.	To re-appoint Mr. Rajender Mohan Malla as an Independent Director of the Company.
8.	To re-appoint Mr. Prafull Anubhai as an Independent Director of the Company.
9.	To re-appoint Dr. Subash Khanchand Bijlani as an Independent Director of the Company.
10.	To re-appoint Mr. Ashok Kumar Kundra as an Independent Director of the Company.
11.	To ratify remuneration payable to Cost Auditors for the financial year ending 31st March, 2020.

Signed this .... day of .... 2019.

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.



PUDA SECTOR 32A
ROAD TO MIG FLATS
AND TAJPUR ROAD >>>
VISHAL MEGA MART
CORPORATE
OFFICE
VARDHMAN TEXTILES LTD
<<< RAILWAYSTATION,LDH
JALANDHAR >>>
PETROL
PUMP
MAIN ENTRANCE
SAMRALA
CHOWK
LUDHIANA-CHANDIGARH ROAD
VARDHMAN
CHOWK
CHANDIGARH >>>
<<< DELHI
<<< BUS STAND,LDH
<<< MOTI NAGAR
OPEN GROUND