

Independent Auditor's Report

To the Members of VTL Investments Limited

Report on the Financial Statements

We have audited the accompanying financial statements of VTL Investments Limited ('the Company'), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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



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

Opinion

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

Report on Other Legal and Regulatory Requirements

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

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

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. on the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of sub-section (2) of section 164 of the Act; and
 - f. with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure- B"; and
 - g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to explanations given to us;
- (i) the Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note No. 14 to the financial statements.
- (ii) the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.



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

For SCV & Co. LLP
Chartered Accountants
Reg. No.000235N/N500089



(Sanjiv Mohan)
Partner
M. No. 086066

Place: Ludhiana
Date: 10th May 2018

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2018, we report that:

(i) The Company does not have any fixed assets at the end of the financial year. Therefore the provisions of this clause are not applicable to the company.

(ii) The Company has not held any inventory during the year. Therefore the provisions of this clause are not applicable to the company.

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

(iv) According to the information and explanations given to us, the Company has not granted any loan and has not made any investment in body corporate during the year and therefore provisions of section 186 of the Companies Act, 2013 are not applicable to the company. The company has not granted loans to directors or to the person in whom directors are interested. Therefore the provisions of the section 185 of the Companies Act, 2013 are not applicable to the company.

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

(vi) According to the information and explanations given to us, the provisions of clause 3(vi) regarding maintenance of cost records are not applicable to the company.

(vii) (a) According to the information and explanations given to us and on the basis of the records of the Company examined by us, in our opinion, the Company has been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess, goods and service tax and other statutory dues with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts in respect of statutory dues payable were outstanding as on the last day of the financial year concerned for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the disputed dues that have not been deposited on account of matters pending before the appellate authorities in respect of income tax are given below:

S. No.	Name of Statute	Amount (in Lacs)	Financial Year to which it relates	Forum at which dispute is pending
1	Income Tax Act, 1961	3.70	2002-03	Commissioner of Income Tax (Appeals)
2	Income Tax Act, 1961	6.39	2003-04 and 2009-10	Commissioner of Income Tax (Appeals)



(viii) The Company has not taken any loan from banks or financial institutions and has not issued any debentures. Therefore the provisions of clause 3(viii) are not applicable to the Company.

(ix) The Company has not taken any loan from banks or financial institutions. Therefore the provisions of clause 3(ix) are not applicable to the Company.

(x) According to the information and explanations given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.

(xi) No managerial remuneration has been paid during the year so the provisions of this clause are not applicable to the company.

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

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


(xiv) According to the information and explanations given to us, the company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Thus the provisions of paragraph 3(xii) of the Order are not applicable.

(xv) According to information and explanations given to us, and based on our examination of the records of the company, the company has not entered into non-cash transactions with director or person connected with him. Accordingly, provisions of paragraph 3 (xv) of the Order are not applicable.

(xvi) According to the information and explanations given to us, the company has obtained registration under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Ludhiana
Date: 10th May 2018

For SCV & Co. LLP
Chartered Accountants
Reg. No. 000235N/N500089



(Signature)
(Sanjiv Mohan)
Partner
M. No. 086066

Annexure - B to the Auditors' Report

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

Report on Internal Financial Controls

We have audited the internal financial controls over financial reporting of VTL Investment Limited ("the Company") as of 31st March 2018 in conjunction with our audit of the 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

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

Place: Ludhiana
Date: 10th May 2018

For SCV & Co. LLP
Chartered Accountants
No.000235N/N500089



(Sanjiv Mohan)
Partner
M. No. 086066

VTL INVESTMENTS LIMITED
BALANCE SHEET As at 31st March, 2018

(All amounts in Rs. Lacs, unless otherwise stated)

Particulars	Note No.	As at 31st March 2018	As at 31 March 2017
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	400.00	400.00
(b) Reserves and surplus	4	5,679.67	4,655.43
		<u>6,079.67</u>	<u>5,055.43</u>
(2) Non-current liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (net)		-	-
(c) Other long term liabilities		-	-
(d) Long-term provisions		-	-
3 Current liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables		-	-
(c) Other current liabilities	5	1.00	20.88
(d) Short-term provisions		-	-
		<u>1.00</u>	<u>20.88</u>
TOTAL		<u>6,080.68</u>	<u>5,076.30</u>
II ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Property, Plant and Equipment		-	-
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(b) Non-current investments	6	601.92	1,332.35
(c) Long-term loans and advances	7	74.92	73.03
(d) Other non-current assets		-	-
		<u>676.84</u>	<u>1,405.38</u>
(2) Current assets			
(a) Current investments	8	4,058.03	2,540.25
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and bank balances	9	22.76	68.63
(e) Other current assets	10	1,323.04	1,062.04
		<u>5,403.84</u>	<u>3,670.92</u>
TOTAL		<u>6,080.68</u>	<u>5,076.30</u>

See accompanying notes forming part of the financial statement: 1-22

As per our report of even date

For SCV & CO LLP

Chartered Accountants

Firm Regn. No.: 000235N/N500089



(Sanjiv Mohan)

Partner

M. No. 86066

PLACE : Ludhiana

DATED : 10-05-2018

For and on behalf of the board of directors

Rajeev Thapar
Director

D.L. Sharma
Director

VTL INVESTMENTS LIMITED
STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2018

(All amounts in Rs. Lacs, unless otherwise stated)

Particulars	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
i Revenue from operations	11	1,113.43	932.61
ii Other income	12	0.21	59.63
iii Total Revenue (i + ii)		<u>1,113.64</u>	<u>992.24</u>
iv Expenses :			
Other expenses	13	74.79	12.70
Total Expenses		<u>74.79</u>	<u>12.70</u>
v Profit before tax (iii - iv)		1,038.85	979.54
vi Tax expense :			
- Current Tax		186.50	200.75
- MAT Credit Entitlement		(171.90)	(196.33)
vii Profit for the year (v - vi)		<u>1,024.25</u>	<u>975.12</u>
Earnings per equity share (of ` 10/- each)			
Basic		25.61	24.38
Diluted		25.61	24.38
See accompanying notes forming part of the financial statement:	1-22		

As per our report of even date

For and on behalf of the board of directors

For SCV & CO LLP

Chartered Accountants

Firm Regn. No.: 000235N/N500089



(Sanjit Mohan)

Partner

M. No. 36066

PLACE : Ludhiana

DATED : 10-05-2018

Rajeev Thapar

Rajeev Thapar
Director

D.L. Sharma
D.L. Sharma
Director

		For the year ended 31st March, 2018	For the year ended 31st March, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before Tax		1,038.85	979.54
Adjustments for :			
Profit on sale of Current Investments	(780.94)	(535.18)	
Profit on sale of Non Current Investments	(88.66)	(317.08)	
Profit on sale of Fixed Asset	-	(55.63)	
Provision for fall in value of Investments	54.18	-	
Reversal of reduction in the carrying amount of Current Investments	-	-	
		(815.41)	(907.88)
Operating profit before working capital changes		223.44	71.66
Adjustments for :			
(Increase)/Decrease in trade and other receivables	(89.11)	(281.54)	
Increase/(Decrease) in trade payables and other liabilities	(19.87)	20.53	
		(108.98)	(261.01)
Cash Generation from Operations		114.46	(189.35)
Taxes Paid		(188.39)	(48.62)
Net Cash from / (used) in Operating activities (A)		(73.93)	(237.97)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Investments	(2,571.87)	(2,295.58)	
Sale of Investments	2,599.93	2,540.62	
Sale of fixed asset	-	57.68	
Net Cash from / (used) in investing activities (B)		28.06	302.71
C. CASH FLOW FROM FINANCING ACTIVITIES			
Dividend Paid (including tax thereon)	-	-	
Net Cash from Financing Activities (C)		-	-
Net Increase in cash & cash equivalents (A+B+C)		(45.87)	64.74
Cash & cash equivalents as at the beginning		68.63	3.89
Cash & cash equivalents as at the end		22.76	68.63
See accompanying notes forming part of the financial statements 1-22			

As per our report of even date attached

For SCV & CO LLP

Chartered Accountants

Firm Regu. No.: 000235N/N500082

Sajiv Mohan
Partner

(M.No. 86886)

Place : Ludhiana
DATED : 10-05-2018

For and on behalf of the board of directors

Rajeev Thapar
DirectorD.L. Sharma
Director

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

1. CORPORATE INFORMATION :

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

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:

2. SIGNIFICANT ACCOUNTING POLICIES :

a) Accounting Convention:

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

b) Use of Estimates:

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

c) Revenue Recognition:

i) Income from Investments:

- a) Dividend income is recognized when the company's right to receive payment is established.
- b) The difference between the acquisition cost and face value of the debt instruments is recognized as interest income over the tenor of the instrument.

ii) Interest Income:

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

d) Employee Benefits:

(a) Short Term Employee Benefits:

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

(b) Post Employment Benefits:

i) Defined Contribution Plans:

Provident Fund:

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

ii) Defined Benefit Plans

(1.1) Gratuity :

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

(1.2) Leave with Wages :

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



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

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

e) Property, Plant and Equipment:

Property, Plant and Equipment are stated at historical cost less accumulated depreciation.

f) Depreciation:

- i) Depreciation on Property, Plant and Equipment is provided on Straight Line Method on the basis of useful lives of such assets specified in Schedule II to the Companies Act, 2013.
- ii) Depreciation on assets costing Rs. 5000/- or below is charged @ 100% per annum on proportionate basis.

g) Investments:

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

h) Accounting for Taxes on Income

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

i) Earning per Share :

Basic Earnings per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

j) Impairment of Assets:

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

k) Provisions and Contingent Liabilities :

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

- a) the company has a present obligation as a result of a past event;
- b) a probable outflow of resources embodying economic benefits is expected to settle the obligation; and
- c) the amount of the obligation can be reliably estimated

ii) Contingent liability is disclosed in case there is :

- a)
 - i) possible obligation that arises from past events and existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise; or
 - ii) a reliable estimate of the amount of the obligation cannot be made.
- b) a present obligation arising from past events but is not recognized
 - i) when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - ii) a reliable estimate of the amount of the obligation cannot be made.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in Rs. Lacs, unless otherwise stated)

3 SHARE CAPITAL

Particulars	As at 31st March 2018		As at 31 March 2017	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of Rs.10/- each (Par Value)	1,00,00,000	1,000.00	1,00,00,000	1,000.00
	1,00,00,000	1,000.00	1,00,00,000	1,000.00
Issued, subscribed and fully Paid-up shares				
Equity Shares of `10/- each	40,00,000	400.00	40,00,000	400.00
Total	40,00,000	400.00	40,00,000	400.00

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

Equity shares	As at 31st March 2018		As at 31 March 2017	
	Number	Amount	Number	Amount
At the beginning of the reporting period	40,00,000	400.00	40,00,000	400.00
Add: Issued during the year	-	-	-	-
Outstanding at the end of the reporting period	40,00,000	400.00	40,00,000	400.00

b. Terms/ rights attached to equity shares

The company has one classes of shares viz. Equity Shares having a par value of `10/- each. Each holder of equity shares is entitled to one vote per share.

The company declares and pays dividends. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and then the equity shareholders are entitled for such dividend.

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

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

Equity shares issued by the company, shares held by holding company, ultimate holding company and their subsidiaries/associates are as below:

Particulars	As at 31st March 2018	As at 31 March 2017
	Number	Number
Holding Company		
Vardhman Textiles Limited	40,00,000	40,00,000

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

Particulars	As at 31st March 2018	As at 31 March 2017
	Number	Number
Equity shares allotted as fully paid up by way of bonus shares	-	-
Equity shares allotted as fully paid up pursuant to contract (s) without payment being received in cash	-	-
Equity Shares bought back	-	-

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

Class of shares and Name of shareholder	As at 31st March 2018		As at 31 March 2017	
	Number	% of Shareholding	Number	% of Shareholding
Vardhman Textiles Limited	40,00,000	100.00	40,00,000	100.00

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



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in Rs. Lacs, unless otherwise stated)

4 RESERVES AND SURPLUS

Particulars	As at 31st March 2018	As at 31 March 2017
Other Reserves :		
General Reserve		
Balance as per the last financial statements	1,855.23	1,855.23
Statutory Reserve (Required u/s 45-IC of RBI Act, 1934)		
Balance as per the last financial statements	562.73	367.70
Add: Transferred from surplus balance in the statement of profit and loss	204.85	195.03
	767.58	562.73
Surplus i.e. Balance in the Statement of Profit and Loss		
Balance as per the last financial statements	2,237.46	1,457.37
Add: Profit for the period transferred from Statement of Profit and Loss	1,024.25	975.12
Less: Appropriations		
Transferred to Statutory Reserve	204.85	195.03
Closing Balance	3,056.86	2,237.46
Total Reserves and Surplus	5,679.67	4,655.43

5 OTHER CURRENT LIABILITIES

PARTICULARS	As at 31st March 2018	As at 31 March 2017
Statutory Remittances	0.56	0.14
Expenses payable	0.45	20.74
	1.00	20.88

6 NON-CURRENT INVESTMENTS

PARTICULARS	As at 31st March 2018	As at 31 March 2017
I Long Term investment (at cost)		
I TRADE INVESTMENTS		
Investment in equity instruments (Quoted)		
- Investment in Holding company		
10,03,473 (Previous year 10,23,473) Equity shares of Rs.10/- each fully paid-up of Vardhman Textiles Ltd.	302.55	308.58
- Investment in Others		
3,78,000 (Previous year 2,26,800) Equity shares of Rs.10/- each fully paid-up of Vardhman Special Steels Ltd.	161.08	85.48
70,330 (Previous Year 70,330) equity shares of Rs. 10/- each fully paid-up of Vardhman Acrylics Limited	15.29	15.29
II OTHER THAN TRADE		
Investment in Fixed Maturity plans (Quoted)		
Nil (Previous Year 80,00,000) Units of Rs. 10/- each of DSP Blackrock 3 Years close ended equity fund	-	800.00
Investment in Preference shares (Quoted)		
820 (Previous Year 820) 16.46% Non Convertible Redeemable cumulative Preference Shares of ` 7500/- each fully paid of IL & FS Financial Services Ltd.	123.00	123.00
	601.92	1,332.35

1. Aggregate amount of Quoted Investments	601.92	1,332.35
2. Market Value of Quoted Investments	12,976.26	15,009.49
3. Aggregate amount of Unquoted Investments	-	-
4. Aggregate Provision for diminution in value of Investments	-	-



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in Rs. Lacs, unless otherwise stated)

7 Long-term loans and advances

PARTICULARS	As at 31st March 2018	As at 31 March 2017
Advance income-tax (net of provision for taxation 1301.14 lacs (Previous year `1114.64 lacs)	74.92	73.03
	<u>74.92</u>	<u>73.03</u>

8 CURRENT INVESTMENTS

PARTICULARS	As at 31st March 2018	As at 31 March 2017
i Investment in Equity Fund/Liquid Funds/Debt Funds/Monthly income Plans (Quoted)		
Nil (Previous Year 1307121.76) Units of Rs. 10/- each of Birla Active Debt MM FoF- Growth	-	244.63
2355396.94 (Previous Year Nil) Units of Rs. 10/- each of Birla Enhanced Arbitrage Fund Direct Dividend Reinvestment	260.07	-
Less: Diminuation in value of investment	<u>0.01</u>	260.06
14795.17 (Previous Year Nil) Units of Rs. 10/- each of Aditya Birla Sun life Advantage fund	65.00	-
Less: Diminuation in value of investment	<u>2.40</u>	62.60
50,00,000 (Previous Year Nil) Units of Rs. 10/- each of DSP Blackrock ACE DIR G MAT	500.00	-
Less: Diminuation in value of investment	<u>13.35</u>	486.65
12298.07 (Previous Year Nil) Units of Rs. 1000/- each of DSP Money Manager Fund		287.25
4853.83 (Previous Year Nil) Units of Rs. 1000/- each of HDFC Liquid fund Direct plan growth option		180.00
22219.45 (Previous Year Nil) Units of Rs. 10/- each of Kotak Select Focus Fund Direct Plan Growth	7.50	-
Less: Diminuation in value of investment	<u>0.02</u>	7.48
1170199.41 (Previous Year Nil) Units of Rs. 10/- each of Kotak Equity Arbitrage Fund Direct Plan Fortnight dividend	277.52	-
Less: Diminuation in value of investment	<u>1.84</u>	275.68
1,50,658.98 (Previous Year Nil) Units of Rs. 10/- each of L&T India Value Fund	60.00	-
Less: Diminuation in value of investment	<u>3.59</u>	56.41
27,80,412 (Previous Year Nil) Units of Rs. 10/- each of L&T Arbitrage Opp Fund-Direct Growth	285.92	-
Less: Diminuation in value of investment	<u>0.85</u>	285.08
12400.65 (Previous Year Nil) Units of Rs. 1000/- each of Mirae Asset Managment Fund		223.23
15,71,36.91 (Previous Year Nil) Units of Rs. 10/- each of Mirae Asset India Equity Fund	77.50	-
Less: Diminuation in value of investment	<u>3.88</u>	73.62
8347 (Previous Year Nil) Units of Rs 1000 each of HDFC Cash Mgmt Savings-DD		88.78
Nil (Previous Year 394.109) Units of Rs. 1000/- each of SBI PLF Direct Plan Growth	-	10.00
1,000 (Previous Year 1,000) Units of Rs. 1000/- each of ECL Finance Limited	1,000.00	1,000.00
19,22,324 (Previous Year 18,27,539.60) Units of Rs. 10/- each of HDFC Arbitrage fund	206.13	195.95
Nil (Previous Year 25392.91) Units of Rs. 1000/- each of Kotak Floater Short term fund direct plan growth	-	669.67
42,00,000 (Previous Year 42,00,000) Units of Rs. 10/- each of UTI Fixed term income fund direct plan growth	420.00	420.00
ii Investment in equity Share (Quoted)		
4400 (Previous Year Nil) Units of Rs 5 each of Axiscades Engineering Technologies Ltd	7.45	-
Less: Diminuation in value of investment	<u>1.40</u>	6.06



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in Rs. Lacs, unless otherwise stated)

7182 (Previous Year Nil) Units of Rs 1 each of Balrampur Chini Mills Ltd	10.55	-
Less: Diminuation in value of investment	<u>5.11</u>	5.43
751(Previous Year Nil) Units of Rs 10 each of Bharat Bijlee Ltd		10.57
Less: Diminuation in value of investment		-
5700(Previous Year Nil) Units of Rs 10 each of Central Depository Services (India) Limited	20.26	-
Less: Diminuation in value of investment	<u>4.15</u>	16.11
2556(Previous Year Nil) Units of Rs 10 each of Deepak Fertilisers & Petrochemicals Corporation Ltd	10.22	-
Less: Diminuation in value of investment	<u>2.65</u>	7.37
3210(Previous Year Nil) Units of Rs 2 each of Gujarat Ambuja Exports Ltd		6.36
Less: Diminuation in value of investment		-
5689(Previous Year Nil) Units of Rs 10 each of Heidelberg Cement India Ltd	8.92	-
Less: Diminuation in value of investment	<u>0.82</u>	8.10
8700(Previous Year Nil) Units of Rs 2 each of Jindal Saw Ltd		10.04
Less: Diminuation in value of investment		-
2087(Previous Year Nil) Units of Rs 1 each of K R B L Ltd	12.33	-
Less: Diminuation in value of investment	<u>3.22</u>	9.10
2900(Previous Year Nil) Units of Rs 2 each of KEC International Ltd		9.66
Less: Diminuation in value of investment		-
1450(Previous Year Nil) Units of Rs 10 each of Lumax Auto Technologies Ltd		10.89
Less: Diminuation in value of investment		-
2500(Previous Year Nil) Units of Rs 10 each of Narayana Hrudayalaya Ltd	7.41	-
Less: Diminuation in value of investment	<u>0.43</u>	6.98
900(Previous Year Nil) Units of Rs 2 each of Ratnamani Metals & Tubes Ltd	9.11	-
Less: Diminuation in value of investment	<u>1.45</u>	7.66
1754(Previous Year Nil) Units of Rs 1 each of Shilpa Medicare Ltd	11.15	-
Less: Diminuation in value of investment	<u>3.01</u>	8.13
440(Previous Year Nil) Units of Rs 10 each of SRF LTD	8.64	-
Less: Diminuation in value of investment	<u>0.04</u>	8.60
2625(Previous Year Nil) Units of Rs 10 each of Surya Roshni Ltd	10.05	-
Less: Diminuation in value of investment	<u>0.04</u>	10.01
1650(Previous Year Nil) Units of Rs 10 each of Tata Elxsi Ltd	17.90	-
Less: Diminuation in value of investment	<u>1.65</u>	16.26
7044(Previous Year Nil) Units of Rs 2 each of Titagarh Wagons Ltd	11.80	-
Less: Diminuation in value of investment	<u>4.07</u>	7.73
TOTAL		<u>4,058.03</u>
		<u>2,540.25</u>

1. Aggregate amount of Quoted Investments	4,112.21	2,540.25
2. Aggregate Market Value of Quoted Investments	4,134.32	2,630.82
3. Aggregate amount of Unquoted Investments	-	-
4. Aggregate Provision for diminuation in value of Investments	54.18	-

9 CASH AND BANK BALANCES

PARTICULARS	As at 31st March 2018	As at 31 March 2017
Cash and cash equivalents		
a) Balances with banks		
- On current accounts	22.76	68.63
	<u>22.76</u>	<u>68.63</u>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in Rs. Lacs, unless otherwise stated)

10 OTHER CURRENT ASSETS

PARTICULARS	As at 31st March 2018	As at 31 March 2017
MAT Credit Receivable	368.23	196.33
Other Recoverable * (unsecured, considered good)	954.81	865.71
	<u>1,323.04</u>	<u>1,062.04</u>

* Other Recoverable includes margin money from PMS advisors is 954.57 lacs (PY 860.78 lacs)

11 REVENUE FROM OPERATIONS

PARTICULARS	For the year ended As at 31st March 2018	For the year ended As at 31 March 2017
Interest Received (Gross)	63.89	63.73
Income from Investments :		
Dividend Income from long term investments		
-Holding company	153.52	-
-Others	1.05	-
Dividend income from current Investments	25.37	18.63
Net Gain on sale of Investments		
- Current Investments	780.94	535.18
- Noncurrent Investments	88.66	317.08
Revenue from operations (net)	<u>1,113.43</u>	<u>932.61</u>

12 OTHER INCOME

PARTICULARS	For the year ended As at 31st March 2018	For the year ended As at 31 March 2017
Prior Period Income	-	4.00
Profit on sale of Fixed Asset	-	55.63
Excess Provision written back	0.21	-
	<u>0.21</u>	<u>59.63</u>

13 OTHER EXPENSES

PARTICULARS	For the year ended As at 31st March 2018	For the year ended As at 31 March 2017
Professional charges	17.49	6.51
Rates and Taxes	0.02	0.03
Auditors Remuneration:		
Audit Fee	0.24	0.23
Provision for fall in Value of Current Investment (As per AS-13)	54.18	-
Miscellaneous	2.87	5.93
	<u>74.79</u>	<u>12.70</u>



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

14 Contingent Liabilities (to the extent not provided for) :

The Company has contested the additional demand in respect of income tax amounting to Rs. 10.09 lacs (previous Year 12.48 lacs). As against this no amount has been deposited under protest. Provision of Rs.12.31 lacs (Previous Year Rs. 14.70 lacs). in this respect has not been made as the company has filed various appeals with appellate authorities is confident to get the desired relief in appeals.

15. Employee Benefits :

The Company has not employed any employee during the year and therefore, no disclosure is required in accordance with Accounting Standard – 15 (Revised) on Employee Benefits.

16. Segment Reporting :

The Company has only one reportable business segment and therefore, no separate disclosure is required in accordance with Accounting Standard 17 on "Segment Reporting" notified by the Companies (Accounting Standards) Rules, 2006.

17. Earning Per Share :

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

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

	(Amount in lacs)	
Net Profit after tax attributable to equity shareholders	1,024.25	975.12
Total (A)	1,024.25	975.12
Weighted average number of equity shares	40,00,000.00	40,00,000.00
Total (B)	40,00,000.00	40,00,000.00
Basic EPS (A/B)		24.38
Basic EPS (Previous Year)		24.38

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

19. Related Party Disclosure:

(a) Disclosure of Related Parties with whom Business transactions took place during the year.

- | | |
|-------------------------------------|----------------------------------|
| 1. Holding Company | Vardhman Textiles Limited |
| 2. Fellow Subsidiary | Vardhman Acrylics Limited |
| | *VMT Spg Co Ltd. |
| 3. JV/Associates of Holding Company | *Vardhman Yarns & Threads Ltd |
| | *Vardhman Nisshimbo garments Ltd |



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

* Vardhman Spinning & Gen Mills Ltd.
Vardhman Special Steels Ltd

Note: *No transaction has taken place during the year.

During the year, 151200 shares of vardhman special steels ltd have been purchased for Rs 75.60 lacs.

(b) Details of transactions entered into with related parties during the year as required by Accounting Standard (AS) -18 on "Related Party Disclosures" notified by the Companies (Accounting Standards) Rules, 2006 are as under :

(Amount in Rs. Lacs)

Particulars	Holding Company		Fellow Subsidiary Companies		TOTAL	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Dividend received	153.52	-	1.05	-	154.58	-

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

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

22. Other Disclosures:-

Balance Sheet of a Non Deposit taking Non-Banking Financial Company (As required in terms of Annex I and Annex XII of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016)

22 (a) CRAR

S.No	Particulars	Current year	Previous year
1	CRAR (%)	100.36	100.95
2	CRAR-Tier I Capital (%)	100.36	100.95
3	CRAR-Tier II Capital (%)	-	-
4	Amount of subordinated debt raised as Tier-II capital	-	-
5	Amount raised by issue of Perpetual Debt Instruments	-	-

22 (b) Investments

(Amount in Lacs.)

S.No	Particulars	Current year	Previous year
1	Value of Investments		
	Gross Value of Investments		
	c) In India	4714.13	3872.60
	d) Outside India	-	-



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

	Provisions for Depreciation		
	(a) In India	54.18	-
	(b) Outside India	-	-
	Net Value of Investments		
	(a) In India	4659.95	3872.60
	(b) Outside India	-	-
2	Movement of provisions held towards depreciation on investments		
	(a) Opening balance	-	-
	(b) Add: Provisions made during the year	54.18	-
	(c) Less:- Write off/ write back of excess provisions during the year	-	-
	(d) Closing balance	54.18	-

22 (c) Exposures

(i) Exposure to Real Estate Sector

(Amount in Lacs.)

S.No	Category	Current year	Previous year
1	(a) Direct exposure	-	-
	(i) Residential mortgages -		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented: (Individual housing loans up to H 15 lakh may be shown seperately)	-	-
	(ii) Commercial real estate -		
	Lending secured by mortgages on commercial real estate (office building, retail space, multipurpose commercial premises, multi-family residential buildings, multitenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure would also include non-fund based (NFB) limits	-	-
	(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
	(a) Residential	-	-
	(b) Commercial real estate	-	-

(ii) Exposure to Capital Market

(Amount in Lacs.)

S.No	Category	Current year	Previous year
(i)	Direct investment in equity shares, convertible	4659.95	3872.60



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

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

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

S.No	Particulars	Current year	Previous year
1	Provisions for depreciation on investment.	54.18	-
2	Provision towards NPA	-	-
3	Provision made towards income-tax	186.50	200.75
4	Other provision and contingencies	10.09	12.48
5	Provision for standard assets	-	-



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

22(d) Asset Liability Management

Maturity pattern of certain items of assets and liabilities

(Amount in lacs.)

	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from banks	-	-	-	-	-	-	-	-	-
Market Borrowings	-	-	-	-	-	-	-	-	-
Assets									
Advances	-	-	-	-	-	-	-	-	-
Investments	670.47		1026.95	1000.00	1360.61	-	123.00	478.92	4659.95

Note: Though the aggregate amount of advances and investments are mentioned in the column in 'Total' above, details are given only for those advance and investments where maturity pattern can be ascertained.



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

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

(Amount in Lacs)

	Current Year	Previous Year
Current Investments :		
1. Quoted :		
(i) Shares : (a) Equity	165.08	-
(b) Preference		
(ii) Debentures and Bonds		
(iii) Units of Mutual Funds		2,540.25
(iv) Government Securities		
(v) Others		
- Units of Fixed Maturity Plans		
- Units of Income/Debt Plans (Net)		
- Units of Liquid Floater Plans		
2. Unquoted :		
(i) Shares : (a) Equity		
(b) Preference		
(ii) Debentures and Bonds		
(iii) Units of Mutual Funds		
(iv) Government Securities		
(v) Others		
- Units of Private Equity Fund (Health Care)		
- Units of Income/Debt Plans (Net)		
- Units of Liquid Floater Plans		
TOTAL (A=1+2)	165.08	2,540.25
Long Term investments :		
1. Quoted :		
(i) Shares : (a) Equity	479.82	409.35
(b) Preference	123.00	123.00
(ii) Debentures and Bonds		
(iii) Units of Mutual Funds		800.00
(iv) Government Securities		-
(v) Others		-
2. Unquoted :		
(i) Shares : (a) Equity		-
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of Mutual Funds / Fixed Maturity Plans		-
(iv) Government Securities		-
(v) Others		-
TOTAL (B=1+2)	602.82	1,332.35
GRAND TOTAL (A+B)	767.90	3,872.60



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

As per our report of even date attached

For SCV & CO LLP

Chartered Accountants

Firm Registration No. : 000235N/N500066


Sanjiv Mohan

Partner

(M.No. 34066)

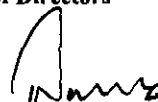
Place : Ludhiana

Dated : 10-05-2018



For and on behalf of the Board of Directors


Rajeev Thapar
Director


D.L. Sharma
Director