

## **Independent Auditor's Report**

To the Members of VTL Investments Limited

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of VTL Investments Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss and the Statement of Cash flows for the year ended, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial Statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, of the state of affairs of the Company as at 31 March 2019, the profit and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the 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 independence requirements that are relevant to our audit of the 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 Code of Ethics. 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.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the 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.

### **Responsibilities of Management and Those Charged with Governance 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 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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 controls 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 and its subsidiary companies which are companies incorporated in India, 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit, 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 statement of cash flows 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 2019 taken on record by the Board of directors, none of the directors is disqualified as on 31st March 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 internal financial control over financial reporting of those companies, for reasons stated therein.
- (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 we report that no remuneration has been paid by the Company to its directors during the year and accordingly provisions of section 197 of the act are not applicable.



SCV & Co. LLP  
(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 financial statements. Refer Note 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 were no amounts which were to be transferred, to the Investor Education and Protection Fund by the Company.

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

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



(Sanjiv Mohan)  
Partner  
M. No. 086066

Place: Ludhiana  
Date: 08/05/2019

**Annexure – “A” TO THE INDEPENDENT AUDITORS REPORT**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members of VTL Investments Limited 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 control over financial reporting of VTL Investments Limited (“the Company”) as of 31<sup>st</sup> March 2019 in conjunction with our audit of financial statements of company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by 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 were 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 of the company.

**Meaning of Internal Financial Controls over Financial Reporting**

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



- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

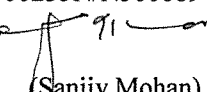
#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

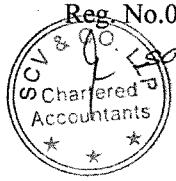
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

#### **Opinion**

In our opinion, to the best of our information and according to the explanation 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 31 March 2019, 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: 08/05/2019

For SCV & Co. LLP  
Chartered Accountants  
Reg. No.000235N/N500089  
  
(Sanjiv Mohan)  
Partner  
M. No. 086066



**Annexure - B to the Independent Auditors' Report**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of VTL Investments Limited of even date)

- (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 there are no dues of income tax, service tax, duty of custom, duty of excise which have not been deposited with the appropriate authorities on account of any dispute.
- (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.

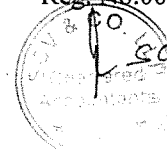
(xiv) According to the information and explanations given to us, the company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Thus the provisions of paragraph 3(xii) of the Order are not applicable.

(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: 08/05/2019

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



(Sanjiv Mohan)  
Partner  
M. No. 086066



To Mr. Kamraj Naypal

VTL INVESTMENTS LIMITED  
BALANCE SHEET As at 31st March, 2019


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

Particulars	Note No.	As at 31st March 2019	As at 31 March 2018
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	400.00	400.00
(b) Reserves and surplus	4	4,923.72	5,679.67
		<u>5,323.72</u>	<u>6,079.67</u>
<b>(2) Non-current liabilities</b>			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (net)		-	-
(c) Other long term liabilities		-	-
(d) Long-term provisions		-	-
		<u>-</u>	<u>-</u>
<b>3 Current liabilities</b>			
(a) Short-term borrowings		-	-
(b) Trade payables		-	-
(c) Other current liabilities	5	0.43	1.00
(d) Short-term provisions		-	-
		<u>0.43</u>	<u>1.00</u>
<b>TOTAL</b>		<u>5,324.15</u>	<u>6,080.68</u>
<b>II ASSETS</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Property, Plant and Equipment		-	-
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
		<u>-</u>	<u>-</u>
(b) Non-current investments	6	540.42	601.92
(c) Long-term loans and advances	7	71.51	74.92
(d) Other non-current assets		-	-
		<u>611.94</u>	<u>676.84</u>
<b>(2) Current assets</b>			
(a) Current investments	8	3,234.45	4,058.03
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and bank balances	9	34.03	22.76
(e) Other current assets	10	1,443.73	1,323.04
		<u>4,712.22</u>	<u>5,403.84</u>
<b>TOTAL</b>		<u>5,324.15</u>	<u>6,080.68</u>

See accompanying notes forming part of the financial statements 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 : 8 May 2019



For and on behalf of the board of directors

*Rajeev Thapar*  
Rajeev Thapar  
Director

*Suchita Jain*  
Suchita Jain  
Director

VTL INVESTMENTS LIMITED  
STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2019

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

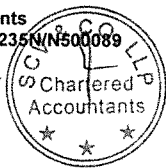
Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
i Revenue from operations	11	588.26	1,113.43
ii Other income	12	-	0.21
iii Total Revenue ( i + ii )		<u>588.26</u>	<u>1,113.64</u>
iv Expenses :			
Other expenses	13	96.55	74.79
Total Expenses		<u>96.55</u>	<u>74.79</u>
v Profit before tax ( iii - iv )		491.71	1,038.85
vi Tax expense :			
- Current Tax		79.45	186.50
- MAT Credit Entitlement		(37.34)	(171.90)
vii Profit for the year ( v - vi )		<u>449.60</u>	<u>1,024.25</u>
Earnings per equity share ( of ` 10/- each )			
Basic		11.24	25.61
Diluted		11.24	25.61
See accompanying notes forming part of the financial statements	1-22		

As per our report of even date

S. CV & CO LLP

Chartered Accountants

Firm Regn. No.: 000235/N/500089



(Sanjiv Mohan)

Partner

M. No. 88066

PLACE : Ludhiana

DATED

8 May 2019

For and on behalf of the board of directors

  
Rajeev Thapar  
Director

  
Suchita Jain  
Director

		For the year ended 31st March, 2019		For the year ended 31st March, 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before Tax		491.71		1,038.85
Adjustments for :				
Profit on sale of Current Investments	(321.60)		(780.94)	
Profit on sale of Non Current Investments	-		(88.66)	
Profit on sale of Fixed Asset	-		-	
Provision for fall in value of Investments	82.38		54.18	
Reversal of reduction in the carrying amount of Current Investments	-		-	
		(239.23)		(815.41)
Operating profit before working capital changes		252.48		223.44
Adjustments for :				
( Increase)/Decrease in trade and other receivables	(83.35)		(89.11)	
Increase/( Decrease) in trade payables and other liabilities	(0.58)		(19.87)	
		(83.93)		(108.98)
Cash Generation from Operations		168.56		114.46
Taxes Paid		(76.04)		(188.39)
<b>Net Cash from / (used ) in Operating activities</b> (A)		<b>92.52</b>		<b>(73.93)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Investments	(1,798.43)		(2,571.87)	
Sale of Investments	2,922.74		2,599.93	
Sale of fixed asset	-		-	
<b>Net Cash from / (used) in investing activities</b> (B)		<b>1,124.31</b>		<b>28.06</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Dividend Paid (including tax thereon)	(1,205.55)			
<b>Net Cash from Financing Activities</b> (C)		<b>(1,205.55)</b>		
<b>Net Increase in cash &amp; cash equivalents</b> (A+B+C)		<b>11.27</b>		<b>(45.87)</b>
Cash & cash equivalents as at the beginning		22.76		68.63
Cash & cash equivalents as at the end		34.03		22.76
See accompanying notes forming part of the financial statements	1-22			

As per our report of even date attached

For SCV &amp; CO LLP

Chartered Accountants

Firm Regn. No.: 000235N/NS00089

Sanjiv Mohan

Partner

(M.No. 86066)

Place : Ludhiana

DATED: 5 May 2019



For and on behalf of the board of directors

*Rajeev Thapar*  
Rajeev Thapar  
Director

*Suchita Jain*  
Suchita Jain  
Director

## Notes to Financial Statements for the year ended 31st March, 2019

### 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 materialize.

#### 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, 2019

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, 2019

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

## 3 SHARE CAPITAL

Particulars	As at 31st March 2019		As at 31 March 2018	
	Number	Amount	Number	Amount
<b>Authorised</b> 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
<b>Issued, subscribed and fully Paid-up shares</b> Equity Shares of ` 10/- each	40,00,000	400.00	40,00,000	400.00
<b>Total</b>	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 2019		As at 31 March 2018	
	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 2019		As at 31 March 2018	
	Number	Amount	Number	Amount
<b>Holding Company</b>				
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 2019		As at 31 March 2018	
	Number	Amount	Number	Amount
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 2019		As at 31 March 2018	
	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.



## 4 RESERVES AND SURPLUS

Particulars	As at 31st March 2019	As at 31 March 2018
<b>Other Reserves :</b>		
<b>General Reserve</b>		
Balance as per the last financial statements	1,855.23	1,855.23
<b>Statutory Reserve (Required u/s 45-IC of RBI Act, 1934)</b>		
Balance as per the last financial statements	767.58	562.73
Add: Transferred from surplus balance in the statement of profit and loss	90.00	204.85
	857.58	767.58
<b>Surplus i.e. Balance in the Statement of Profit and Loss</b>		
Balance as per the last financial statements	3,056.86	2,237.46
Add: Profit for the period transferred from Statement of Profit and Loss	449.60	1,024.25
Less: Appropriations		
Dividend	1,000.00	
Dividend Distribution tax	205.55	
Transferred to Statutory Reserve	90.00	204.85
Closing Balance	2,210.90	3,056.86
<b>Total Reserves and Surplus</b>	<b>4,923.72</b>	<b>5,679.67</b>

## 5 OTHER CURRENT LIABILITIES

PARTICULARS	As at 31st March 2019	As at 31 March 2018
Statutory Remittances	0.21	0.56
Expenses payable	0.22	0.45
	0.43	1.00

## 6 NON-CURRENT INVESTMENTS

PARTICULARS	As at 31st March 2019	As at 31 March 2018
<b>I Long Term investment (at cost)</b>		
<b>I TRADE INVESTMENTS</b>		
<b>Investment in equity instruments (Quoted)</b>		
-Investment in Holding company		
10,03,473(Previous year 10,03,473) Equity shares of Rs. 10/- each fully paid-up of Vardhman Textiles Ltd.	302.55	302.55
-Investment in Others		
3,78,000(Previous year 3,78,000) Equity shares of Rs. 10/- each fully paid-up of Vardhman Special Steels Ltd.	161.08	161.08
70,330 (Previous Year 70,330) equity shares of Rs. 10/- each fully paid-up of Vardhman Acrylics Limited	15.29	15.29
<b>Investment in Preference shares (Quoted)</b>		
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
Less: Diminuation in value of investment	61.50	123.00
	61.50	-
	<b>540.42</b>	<b>601.92</b>
1. Aggregate amount of Quoted Investments	601.92	601.92
2. Market Value of Quoted Investments	11,306.95	12,976.26
3. Aggregate amount of Unquoted Investments	-	-
4. Aggregate Provision for diminution in value of Investments	61.50	-



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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

## 7 Long-term loans and advances

PARTICULARS	As at 31st March 2019	As at 31 March 2018
Advance income-tax ( net of provision for taxation 1378.33 lacs (Previous year 1301.14 lacs )	71.51	74.92
	<u>71.51</u>	<u>74.92</u>

## 8 CURRENT INVESTMENTS

PARTICULARS	As at 31st March 2019	As at 31 March 2018
<b>Investment in Equity Fund/Liquid Funds/Debt Funds/Monthly Income Plans (Quoted)</b>		
2594.18 (Previous Year Nil) Units of Rs. 10/- each of Aditya Birla Sunlife equity fund growth	18.75	-
952766.89 (Previous Year 2355396.94) Units of Rs. 10/- each of Birla Enhanced Arbitrage Fund Direct Dividend Reinvestment	105.41	260.07
Less: Diminuation in value of investment	<u>0.37</u>	<u>0.01</u>
32047.16 (Previous Year 14795.17) Units of Rs. 10/- each of Aditya Birla Sun life Advantage fund dividend direct growth	140.00	65.00
Less: Diminuation in value of investment	<u>3.47</u>	<u>2.40</u>
50,00,000 (Previous Year 50,00,000) Units of Rs. 10/- each of DSP Blackrock ACE Direct Growth fund	500.00	500.00
Less: Diminuation in value of investment	<u>-</u>	<u>13.35</u>
Nil (Previous Year 12298.07) Units of Rs. 1000/- each of DSP Money Manager Fund	-	287.25
Nil (Previous Year 4853.63) Units of Rs. 1000/- each of HDFC Liquid fund Direct plan growth option	-	160.00
Nil (Previous Year 22219.45) Units of Rs. 10/- each of Kotak Select Focus Fund Direct Plan Growth	-	7.50
Less: Diminuation in value of investment	<u>-</u>	<u>0.02</u>
448765.14 (Previous Year 1170199.41) Units of Rs. 10/- each of Kotak Equity Arbitrage Fund Direct Plan Fortnight dividend	105.61	277.52
Less: Diminuation in value of investment	<u>-</u>	<u>1.84</u>
347,871.51 (Previous Year 1,50,658.98) Units of Rs. 10/- each of L&T India Value Fund	135.00	60.00
Less: Diminuation in value of investment	<u>2.94</u>	<u>3.59</u>
Nil (Previous Year 27,80,412) Units of Rs. 10/- each of L&T Arbitrage Opp Fund-Direct Growth	-	285.92
Less: Diminuation in value of investment	<u>-</u>	<u>0.85</u>
Nil (Previous Year 12400.65) Units of Rs. 1000/- each of Mirae Asset Managment Fund	-	223.23
670,732.03 (Previous Year 157,136.91) Units of Rs. 10/- each of Mirae Asset India Equity Fund	332.50	77.50
Less: Diminuation in value of investment	<u>-</u>	<u>3.88</u>
Nil (Previous Year 8,347) Units of Rs 1000 each of HDFC Cash Mqmt Savings-DD	-	88.78
Nil (Previous Year 1,000) Units of Rs. 1000/- each of ECL Finance Limited	-	1,000.00
60170.22 (Previous Year 19,22,324) Units of Rs. 10/- each of HDFC Arbitrage fund	6.47	206.13
42,00,000 (Previous Year 42,00,000) Units of Rs. 10/- each of UTI Fixed term income fund direct lan growth	420.00	420.00
113.92 (Previous Year Nil) Units of Rs. 10/- each of Reliance Liquid Fund	5.12	-
3616.24 (Previous Year Nil) Units of Rs. 10/- each of Sbi Liquid Fund Direct growth	105.06	-
2791773.97 (Previous Year Nil) Units of Rs. 10/- each of Sbi Arbitrage Opputunities Direct Dividend	397.93	-
Less: Diminuation in value of investment	<u>1.78</u>	<u>-</u>
221016.42 (Previous Year Nil) Units of Rs. 10/- each of Kotak Standard Multicap Direct Plan Growth	77.50	-
101586.97 (Previous Year Nil) Units of Rs. 10/- each of Axis Focused 25 Fund - Direct Plan	30.00	-
Less: Diminuation in value of investment	<u>0.31</u>	<u>-</u>
50 (Previous Year Nil) Units of Rs. 1000000/- each of JM Financial Products Ltd Sr	500.00	-
<b>ii Investment in equity Share (Quoted)</b>		
5400 (Previous Year 4400) shares of Rs 5 each of Axiscades Engineering Technologies Ltd	9.02	7.45
Less: Diminuation in value of investment	<u>5.69</u>	<u>1.40</u>





## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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

15801 (Previous Year 7182) Shares of Rs 1 each of Balrampur Chini Mills Ltd	19.62		10.55	
Less: Diminuation in value of investment	-	19.62	5.11	5.43
Nil (Previous Year 751) Shares of Rs 10 each of Bharat Bijlee Ltd		-		10.57
5700(Previous Year 5700) Shares of Rs 10 each of Central Depository Services (India) Limited	20.26		20.26	
Less: Diminuation in value of investment	6.44	13.82	4.15	16.11
8299 (Previous Year 2556) Shares of Rs 10 each of Deepak Fertilisers & Petrochemicals Corporation Ltd	20.04		10.22	
Less: Diminuation in value of investment	9.12	10.92	2.85	7.37
3210(Previous Year 3210) Shares of Rs 2 each of Gujarat Ambuja Exports Ltd		6.36		6.36
10150 (Previous Year 5689) Shares of Rs 10 each of Heidelberg Cement India Ltd	15.80		8.92	
Less: Diminuation in value of investment	-	15.80	0.82	8.10
23591(Previous Year 8700) Shares of Rs 2 each of Jindal Saw Ltd	23.01		10.04	
Less: Diminuation in value of investment	2.63	20.38	-	10.04
6169 (Previous Year 2087) Shares of Rs 1 each of K R B L Ltd	26.55		12.33	
Less: Diminuation in value of investment	5.80	20.75	3.22	9.10
3900(Previous Year 2900) Shares of Rs 2 each of KEC International Ltd	12.61		9.66	
Less: Diminuation in value of investment	0.92	11.69	-	9.66
13000 (Previous Year 1450) Shares of Rs 2 each of Lumax Auto Technologies Ltd	20.72		10.89	
Less: Diminuation in value of investment	2.56	18.16	-	10.89
Nil (Previous Year 2500) Shares of Rs 10 each of Narayana Hrudayalaya Ltd	-		7.41	
Less: Diminuation in value of investment	-	-	0.43	6.98
1330(Previous Year 900) Shares of Rs 2 each of Ratnamani Metals & Tubes Ltd	13.46		9.11	
Less: Diminuation in value of investment	1.38	12.08	1.45	7.66
3746 (Previous Year 1754) Shares of Rs 1 each of Shipra Medicare Ltd	19.63		11.15	
Less: Diminuation in value of investment	6.85	12.78	3.01	8.13
1045 (Previous Year 440) Shares of Rs 10 each of SRF LTD	18.74		8.64	
Less: Diminuation in value of investment	-	18.74	0.04	8.60
6668 (Previous Year 2625 ) Shares of Rs 10 each of Surya Roshni Ltd	22.43		10.05	
Less: Diminuation in value of investment	5.61	16.82	0.04	10.01
1255 (Previous Year 1650) Shares of Rs 10 each of Tata Elxsi Ltd	13.67		17.90	
Less: Diminuation in value of investment	1.58	12.09	1.65	16.26
10833 (Previous Year 7044) Shares of Rs 2 each of Titaqarh Waqons Ltd	14.50		11.80	
Less: Diminuation in value of investment	6.92	7.58	4.07	7.73
4192 (Previous Year Nil) Shares of Rs 1 each of Cadila Healthcare Ltd	16.30		-	
Less: Diminuation in value of investment	1.75	14.55	-	-
1394 (Previous Year Nil) Shares of Rs 1 each of Colgate Palmolive (I) Ltd	17.99		-	
Less: Diminuation in value of investment	0.45	17.54	-	-
13143 (Previous Year Nil) Shares of Rs 10 each of Equitas Holdings Ltd		16.89	-	
6031 (Previous Year Nil) Shares of Rs 1 each of Exide Industries Ltd	15.85		-	
Less: Diminuation in value of investment	2.66	13.19	-	-
2772 (Previous Year Nil) Shares of Rs 5 each of General Insurance Corporation Ltd	9.64		-	
Less: Diminuation in value of investment	2.94	6.70	-	-
6226 (Previous Year Nil) Shares of Rs 2 each of ICICI Bank Ltd		22.51	-	
3529 (Previous Year Nil) Shares of Rs 10 each of Muthoot Finance Ltd		15.27	-	
1533 (Previous Year Nil) Shares of Rs 10 each of Sbi Life Insurance Company Ltd	11.32		-	
Less: Diminuation in value of investment	2.38	8.94	-	-
6724 (Previous Year Nil) Shares of Rs 1 each of State Bank of India		18.13	-	
2579 (Previous Year Nil) Shares of Rs 1 each of Trent Ltd	9.84		-	
Less: Diminuation in value of investment	0.51	9.33	-	-
<b>TOTAL</b>		<b>3,234.45</b>		<b>4,058.03</b>
1. Aggregate amount of Quoted Investments		3,309.51		4,112.21
2. Aggregate Market Value of Quoted Investments		3,426.07		4,134.32
3. Aggregate amount of Unquoted Investments		-		-
4. Aggregate Provision for diminution in value of Investments		75.06		54.18

## 9 CASH AND BANK BALANCES

PARTICULARS	As at 31st March 2019	As at 31 March 2018
<b>Cash and cash equivalents</b>		
a) Balances with banks		
- On current accounts	34.03	22.76
	<b>34.03</b>	<b>22.76</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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

## 10 OTHER CURRENT ASSETS

PARTICULARS	As at 31st March 2019	As at 31 March 2018
MAT Credit Receivable	405.57	368.23
Other Recoverable * (unsecured, considered good)	1,038.16	954.81
	<u>1,443.73</u>	<u>1,323.04</u>

\* Other Recoverable includes margin money with PMS advisors is 1037.95 lacs (PY 954.57 lacs)

## 11 REVENUE FROM OPERATIONS

PARTICULARS	For the year ended As at 31st March 2019	For the year ended As at 31 March 2018
Interest Received (Gross)	73.33	63.89
Income from Investments :		
Dividend Income from long term investments		
-Holding company	150.52	153.52
-Others	11.53	1.05
Dividend income from current Investments	31.28	25.37
Net Gain on sale of Investments		
- Current Investments	321.60	780.94
- Noncurrent Investments	-	88.66
Revenue from operations (net)	<u>588.26</u>	<u>1,113.43</u>

## 12 OTHER INCOME

PARTICULARS	For the year ended As at 31st March 2019	For the year ended As at 31 March 2018
Excess Provision written back	-	0.21
	<u>-</u>	<u>0.21</u>

## 13 OTHER EXPENSES

PARTICULARS	For the year ended As at 31st March 2019	For the year ended As at 31 March 2018
Professional charges	13.55	17.49
Rates and Taxes	0.01	0.02
Auditors Remuneration:		
Audit Fee	0.24	0.24
Provision for fall in Value of Current Investment (As per AS-13)	82.38	54.18
Miscellaneous	0.38	2.87
	<u>96.55</u>	<u>74.79</u>



## Notes to Financial Statements for the year ended 31st March, 2019

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

The Company has contested the additional demand in respect of income tax amounting to Rs. 8.69 lacs (Previous Year 10.09 lacs). As against this no amount has been deposited under protest. Provision of Rs.74.45 lacs (Previous Year Rs. 12.31 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.

### 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:

Particulars	(Amount in Rs. Lacs)	
	Current Year	Previous Year
Net Profit after tax attributable to equity shareholders	449.60	1,024.25
Total (A)	<b>449.60</b>	<b>1,024.25</b>
Weighted average number of equity shares	40.00	40.00
Total (B)	<b>40.00</b>	<b>40.00</b>
Basic earning per Share (Rs) (A)/(B)	<b>11.24</b>	<b>25.61</b>
Diluted earning per Share (Rs)* (A)/(B)	<b>11.24</b>	<b>25.61</b>
Face value per equity share (Rs)	10.00	10.00

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.  |
|                                     | * Vardhman Nisshinbo Garments Company Ltd (wef: 23.01.2019) |
| 3. JV/Associates of Holding Company | *Vardhman Yarns & Threads Ltd                               |
|                                     | *Vardhman Nisshinbo Garments Company Ltd (upto 22.01.2019)  |



## Notes to Financial Statements for the year ended 31st March, 2019

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

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

(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	150.52	153.52	1.41	1.05	151.93	154.58
Dividend Paid	1,000.00	-	-	-	1,000	-

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.

As per our report of even date attached  
For SCV & CO LLP  
Chartered Accountants  
Firm Registration No. : 000735N

Sanjiv Mohan  
Partner  
(M.No.86066)

Place : Ludhiana

Dated : 8 May 2019



For and on behalf of the Board of Directors

  
Rajeev Thapar  
Director

  
Suchita Jain  
Director