

**55<sup>th</sup>**  
**Annual Report**  
2018-19



**Vardhmān**

**Vardhman Holdings Limited**



## BOARD OF DIRECTORS

Mr. Shri Paul Oswal	<i>Chairman and Managing Director</i>
Mrs. Shakun Oswal	<i>Director</i>
Mr. Sachit Jain	<i>Director</i>
Mr. Suchita Jain	<i>Director</i>
Mr. Chaman Lal Jain	<i>Director</i>
Mr. Vikas Kumar	<i>Director</i>
Mr. Jagdish Rai Singal	<i>Independent Director</i>
Mr. Sat Pal Kanwar	<i>Independent Director</i>
Mrs. Apinder Sodhi	<i>Independent Director</i>
Mr. Om Parkash Sharma	<i>Independent Director</i>
Mr. Rajeev Kumar Mittal	<i>Independent Director</i>
Mr. Sanjeev Jain	<i>Independent Director</i>

### CHIEF FINANCIAL OFFICER

Ms. Poorva Bhatia

### COMPANY SECRETARY

Ms. Swati Mangla

### AUDITORS

M/s. R. Dewan & Company  
Chartered Accountants  
Ludhiana

### REGISTERED & CORPORATE OFFICE

Vardhman Premises, Chandigarh Road,  
Ludhiana-141 010  
Phones: (0161) 2228943-48  
Fax: (0161) 2601048  
E-mail: secretarial.lud@vardhman.com  
Web site: www.vardhman.com  
**CIN:** L17111PB1962PLC002463  
**PAN:** AABCV8088P

### REGISTRAR AND TRANSFER AGENT

M/s. Alankit Assignments Limited  
New Delhi

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# NOTICE

NOTICE is hereby given that the **FIFTY FIFTH ANNUAL GENERAL MEETING** of members of Vardhman Holdings Limited will be held on Monday, the 30<sup>th</sup> day of September, 2019 at 10.00 a.m. at the Registered Office of the Company situated at Chandigarh Road, Ludhiana, to transact the following business:-

## ORDINARY BUSINESS:

### Item No. 1 – Adoption of Financial Statements

To receive, consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the Financial Year ended 31<sup>st</sup> March, 2019 together with Report of Board of Directors and Auditors thereon.

### Item No. 2 – Declaration of Dividend

To declare a dividend of Rs. 5/- per equity share for the year ended 31<sup>st</sup> March, 2019.

### Item No. 3a– Appointment of Mr. Sachit Jain as a director liable to retire by rotation

To appoint a Director in place of Mr. Sachit Jain (DIN No. 00746409), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

### Item No. 3b – Appointment of of Mrs. Suchita Jain as a director liable to retire by rotation

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

### Item No. 4 – Appointment of Statutory Auditors

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:-

**“RESOLVED THAT** M/s. R. Dewan & Company, Chartered Accountants (Registration No. 017883N), be and are hereby appointed as Statutory Auditors of the Company for a term starting from conclusion of the 55<sup>th</sup> Annual General Meeting till the conclusion of 58<sup>th</sup> Annual General Meeting of the Company, at such remuneration and reimbursement of out-of-pocket expenses and applicable taxes as may be finalized from time to time by the Board of Directors of the Company on the recommendation of the Audit Committee.”

## SPECIAL BUSINESS:

### Item No. 5 - To re-appoint Mr. S.P. Oswal as the Managing Director of the Company

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:-

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, Mr. S.P. Oswal, be and is hereby re-appointed as the Managing Director of the Company, not liable to retire by rotation, for a period of Three (3) years w.e.f. 9<sup>th</sup> August, 2019, at a remuneration as detailed below:-

SR. NO.	REMUNERATION	DETAILS
I.	Basic Salary	Rs. 1,70,000 - 10,000 - Rs. 1,90,000 per month.
II.	Special Allowance	Rs. 25,000/- p.m.
III.	Perquisites	The following perquisites shall be allowed in addition to the basic salary and special allowance.
a)	Car & Telephone	Free use of Company's car for official work as well as for personal purposes along with driver and telephone at Company's cost.
b)	Medical Reimbursement	Reimbursement of medical expenses incurred by the appointee (including medi-claim insurance premium) on self and his family, on actual basis.

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

**RESOLVED FURTHER THAT** Mr. Sachit Jain, Director, be and is hereby authorised to execute an agreement on behalf of the Company with Mr. S.P. Oswal.”

## BY ORDER OF THE BOARD

Sd/-  
(Swati Mangla)  
Company Secretary  
Membership No. ACS-50475

PLACE: Ludhiana  
DATE: 24<sup>th</sup> May, 2019

## NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. THE BLANK PROXY FORM IS ENCLOSED.**  
  
However, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
3. Corporate members intending to send their authorised representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorised under the said resolution to attend and vote on their behalf at the meeting.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN and bank details to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN and bank details to Alankit Assignments Limited. A blank form in this regard is being sent with this Annual Report.
7. The Members holding shares in physical mode are requested to notify the change in their address, if any, at the earliest to the Registrar & Transfer Agent/Company. However, members holding shares in electronic mode may

notify the change in their address, if any, to their respective Depository Participants.

8. **The Register of Members and the Share Transfer Books of the Company shall remain closed from September 20, 2019 to September 30, 2019. (both days inclusive).**
9. The information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 regarding the Directors seeking appointment/re-appointment in the Annual General Meeting is also being annexed hereto separately and forms part of the Notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
10. Members desiring any information, as regards Accounts, are requested to write to the Company at its Registered Office at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready.
11. The copies of relevant documents can be inspected at the Registered Office of the Company on any working day between 10.30 a.m. to 12.30 p.m.
12. Members holding shares in the same/identical name(s) under different folios are requested to apply for consolidation of such folios and send relevant share certificates to the Company/Registrar and Transfer Agent.
13. The Ministry of Corporate Affairs, Government of India, has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars allowing Companies to send official documents to their members electronically. In support of the Green Initiative, your Company proposes to send the documents like Notice calling the Annual General Meeting and Annual Report containing Balance sheet, Statement of Profit & Loss and Director's Report etc. and other communications in electronic form. The members are requested to support this Green Initiative by registering/ updating their e-mail addresses with the Depository Participant (in case of shares held in dematerialized form) or with Registrar and Transfer Agent, Alankit Assignments Limited, New Delhi (in case of shares held in physical form).
14. The Results of the resolutions passed at the AGM of the Company will be declared within 48 working hours of conclusion of AGM. The results declared alongwith the Scrutinizer's report shall be placed on the Company's website [www.vardhman.com](http://www.vardhman.com) and on the website of CDSL and will be communicated to the stock exchanges.

15. The Annual Report 2018-19 is being sent through electronic mode only to the members whose email addresses are registered with the Company/Depository Participant(s), unless any member has requested for a physical copy of the report. For members who have not registered their email addresses, physical copies of the Annual Report 2018-19 are being sent by permitted mode.

16. M/s. Harsh Goyal & Associates, Company Secretaries have been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner (including the ballot forms received from members who do not have access to the e-voting process). The Scrutinizer shall within a period of three working days from the conclusion of e-voting period, unblock the votes in presence of at least two witnesses, not in employment of the Company and make a report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

17. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment, Rules 2015, and Regulation 44 of the SEBI (Listing Obligations And Disclosure Requirements) Regulation 2015, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Limited. The facility for voting, through ballot paper, will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are annexed to the Notice.

## 18. The instructions for shareholders voting electronically are as under:

- (i) The e-voting period commences on 27<sup>th</sup> September, 2019 (9:00 a.m.) and ends on 29<sup>th</sup> September, 2019 (5:00 p.m.). During this period shareholder's of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23<sup>rd</sup> September, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after end of voting period. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

- (iii) The shareholders should log on to the e-voting website **www.evotingindia.com**.

- (iv) Click on "Shareholders" tab.

- (v) Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (vi) Next enter the Image Verification as displayed and Click on Login.

- (vii) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any company, then your existing password is to be used.

- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number is printed on Attendance slip provided with the Annual report.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on **"SUBMIT"** tab.

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- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN: 190829081 for <**VARDHMAN HOLDINGS LIMITED**> on which you choose to vote.
- (xiii) On the voting page, you will see **"RESOLUTION DESCRIPTION"** and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the **"RESOLUTIONS FILE LINK"** if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on **"SUBMIT"**. A confirmation box will be displayed. If you wish to confirm your vote, click on **"OK"**, else to change your vote, click on **"CANCEL"** and accordingly modify your vote.
- (xvi) Once you **"CONFIRM"** your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting" available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download

the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

## (xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 23<sup>rd</sup> September, 2019 may follow the same instructions as mentioned above for e-Voting.

(xxii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at **www.evotingindia.com**, under help section or write an email to **helpdesk.evoting@cdslindia.com**

MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM, AND PROXIES THEREOF, ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION.

**BY ORDER OF THE BOARD**

Sd/-  
(Swati Mangla)  
Company Secretary  
Membership No. ACS-50475

PLACE: Ludhiana  
DATE: 24<sup>th</sup> May, 2019

## ANNEXURE TO THE NOTICE

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

(For Items no. 4 and 5)

### ITEM NO. 4

M/s. R. Dewan & Co., Chartered Accountants (Firm Registration no. 017883N) were appointed as Statutory Auditors of the Company by the Members for a term of five consecutive years starting from the conclusion of 50th Annual General Meeting till the conclusion of 55th Annual General Meeting of the Company. Their tenure of five years is going to complete at the conclusion of the forthcoming Annual General Meeting. Upon the recommendation of Audit Committee, the Board of Directors in its meeting held on 24<sup>th</sup> May, 2019 had re-appointed M/s. R. Dewan & Co., Chartered Accountants, as Statutory Auditors of the Company for a second term of 3 (three) years at such remuneration as may be finalised from time to time by the Board of Directors of the Company on the recommendation of the Audit Committee.

M/s. R. Dewan & Co. is a Chartered Accountants firm having rich experience of more than 15 years. The firm is having extensive experience in the field of Statutory & Internal Audit of Public & Private Sector Undertakings including banks & Co-operative societies. Apart from Audit, the firm is dealing in all types of matters relating to direct taxes. M/s R. Dewan & Co. is empanelled with various Government Institutions viz. Comptroller and Auditor General of India (CAG), Reserve Bank of India (RBI), Commercial Banks, Public Financial Institutions etc. The re-appointment of Statutory Auditors is subject to the approval of the members.

The Board of Directors recommend the re-appointment of Statutory Auditors as set out at Item No. 4 of the Notice for approval of the Members.

### Memorandum of Interest

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed re-appointment of Statutory Auditors as set out at Item No. 4 of the Notice.

### ITEM NO. 5

The members of the Company in their Annual General Meeting held on 22<sup>nd</sup> September, 2017 had approved appointment of Mr. S.P. Oswal as Managing Director of the Company for three years term w.e.f 09.08.2016. The present term of his appointment is expiring on 09.08.2019. However, the Board of Directors in its meeting held on 24<sup>th</sup> May, 2019 has re-appointed Mr. S.P. Oswal as Managing Director for a period of three years w.e.f. 09.08.2019 to 09.08.2022, at remuneration as detailed in the resolution. The said re-appointment of Mr. S.P. Oswal is subject to the approval of the members. The Board of Directors recommend the Special Resolution as set out at Item No. 5 of the Notice for approval of the members.

### Memorandum of Interest:

Except Mr. S.P. Oswal, being appointee and Mrs. Shakun Oswal, Mr. Sachit Jain and Mrs. Suchita Jain, being relatives of appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the proposed Special resolution set out at Item No. 5 of the Notice.



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Information Pursuant To Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the Directors seeking appointment/re-appointment in the Annual General Meeting.

Name of the Director	Sachit Jain	Suchita Jain	Shri Paul Oswal
Date of Birth	08.07.1966	20.03.1968	08.04.1942
Date of Appointment	30.03.2005	30.03.2005	12.04.1971
Expertise in specific functional area	Business Executive having experience of more than 29 years in Textiles & Steel Industry.	Rich experience of more than 26 years in Textiles Industry.	Rich business experience of more than 50 years in Textiles Industry
Qualification	B.Tech, MBA	M.Com	M.Com (Gold Medalist)
Directorships in other Listed Companies as on 31 <sup>st</sup> March, 2019	1. Vardhman Textiles Limited 2. Vardhman Acrylics Limited 3. Vardhman Special Steels Limited	1. Vardhman Textiles Limited 2. Vardhman Special Steels Limited	1. Vardhman Textiles Limited 2. Vardhman Acrylics Limited
Chairman/Member of Committees of Other Listed Companies as on 31 <sup>st</sup> March, 2019	Stakeholders' Relationship Committee ➤ Vardhman Textiles Limited-Member	Stakeholders' Relationship Committee ➤ Vardhman Special Steels Limited-Member	Audit Committee- Nil  Stakeholders' Relationship Committee- Nil
No. of Shares held	2,330	28,416	56,880
Relationship with other Director(s)	Related to Mr. Shri Paul Oswal, Mrs. Shakun Oswal and Mrs. Suchita Jain.	Related to Mr. Shri Paul Oswal, Mrs. Shakun Oswal and Mr. Sachit Jain.	Related to Mrs. Shakun Oswal, Mr. Sachit Jain and Mrs. Suchita Jain

# DIRECTORS' REPORT

Dear Members,

The Directors of your Company have pleasure in presenting their 55<sup>th</sup> Annual Report of the business and operations of the Company along with the Audited Financial Statements for the year ended, 31<sup>st</sup> March, 2019.

## 1. FINANCIAL RESULTS:

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

(₹ in lakhs)

PARTICULARS	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Revenue from operations (Net)	3,201.75	4,929.51	904.57	2,784.03
Other Income	139.54	136.14	139.54	136.14
Income from Associates	-	-	19,455.28	15,539.45
Profit before Depreciation, Interest & Tax (PBDIT)	3,044.32	4,715.03	22,202.42	18,109.00
Interest and Financial expenses	-	-	-	-
Profit before Depreciation and Tax (PBDT)	3,044.32	4,715.03	20,202.42	18,109.00
Depreciation	0.88	1.44	0.88	1.44
Profit before Tax (PBT)	3,043.44	4,713.59	20,201.54	18,107.56
Provision for Tax - Current	218.49	756.57	218.48	756.56
- Deferred Tax	(199.79)	(516.04)	(199.79)	(516.04)
-MAT Credit Entitlement	-	-	-	-
<b>Profit after tax (PAT)</b>	<b>3,024.74</b>	<b>4,473.06</b>	<b>20,182.85</b>	<b>17,867.04</b>
Other Comprehensive Income	(2,436.71)	3015.00	(2,436.71)	3015.00
Total Comprehensive Income	588.03	7,488.06	17,746.14	20,882.05
Balance brought forward	4,0377.45	34,202.98	1,62,805.69	1,43,237.24
Profit available for appropriation	588.03	7,488.06	17,746.14	20,882.05
<b>Appropriations:</b>				
Proposed Dividend on Equity Shares	159.58	159.58	159.58	159.58
Corporate Dividend Tax	32.80	32.49	32.80	32.49
Transfer to General Reserve	-	-	-	-
Transfer to Statutory Reserve	604.95	1,121.53	604.95	1,121.53
Closing balance of surplus i.e. balance in statement of Profit & Loss	4,0168.15	4,0377.45	1,79,754.50	1,62,805.69
Earnings per share (₹)				
- Basic	94.77	140.15	632.39	559.83
- Diluted	94.77	140.15	632.39	559.83
Dividend per share (₹)	5.00	5.00	5.00	5.00

## 2. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

### A. FINANCIAL ANALYSIS:

#### (i) STANDALONE

During the year under review, your Company has registered Revenue from Operations of ₹ 3,201.75 lakhs as compared to ₹ 4,929.51 lakhs in the previous year. The Company earned other income of ₹ 139.54 lakhs during the year as against ₹ 136.14 lakhs during last year.