



# VARDHMAN HOLDINGS LIMITED

Registered Office: Chandigarh Road, Ludhiana – 141 010 (Punjab), India.

Phones: 0161-2228943-48; Fax: 0161-2601048 & 2220766

PAN No.: AABCV8088P; CIN: L17111PB1962PLC002463

E-mail: secretarial.lud@vardhman.com; Website: www.vardhman.com

**Ref. VHL:SCY:SEPT:2014-2015**

**Dated: 08.09.2014**

**The National Stock Exchange of India Limited,**

“Exchange Plaza”, Plot No. C/1, G Block,  
Bandra Kurla Complex, Bandra (East),  
Mumbai– 400 051, Maharashtra.  
Fax No.: 022-26598237 and 26598155  
Email Id: [cnlist@nse.co.in](mailto:cnlist@nse.co.in).

**The Bombay Stock Exchange Limited,**

1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building, P.J. Towers,  
Dalal Street, Fort,  
MUMBAI-400 001.  
SCRIP CODE: 500439

**SUB: Compliance of Clause 31 of the Listing Agreement**

Dear Sir,

Pursuant to Clause 31 of the Listing Agreement, please find enclosed Annual Report of Vardhman Holdings Limited for the year ended 31<sup>st</sup> March, 2014.

Kindly acknowledge the receipt.

Thanking you,  
Yours faithfully,

For VARDHMAN HOLDINGS LIMITED

(Shashi Ranjan-Kumar)  
AUTHORISED SIGNATORY

### BOARD OF DIRECTORS

MR. SHRI PAUL OSWAL	<i>Chairman</i>
MR. CHAMAN LAL JAIN	
MR. JAGDISH RAI SINGAL	
MR. SURINDER SINGH BAGAI	
MR. SAT PAL KANWAR	
MRS. APINDER SODHI	
MR. SACHIT JAIN	
MRS. SUCHITA JAIN	
MR. OM PRAKASH SHARMA	
MRS. SHAKUN OSWAL	<i>Executive Director</i>

### AUDITORS

M/S R. DEWAN & COMPANY

### REGISTRAR AND TRANSFER AGENT

M/S ALANKIT ASSIGNMENTS LIMITED

### REGISTERED OFFICE

Chandigarh Road, Ludhiana-141010  
 Phones: (0161) 2228943-48  
 Fax: (0161) 2601048 & 220766  
 Website: [www.vardhman.in](http://www.vardhman.in)  
 E-mail: [secretarial.lud@vardhman.com](mailto:secretarial.lud@vardhman.com)

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## NOTICE

NOTICE is hereby given that the 50TH Annual General Meeting of the Members of the Company will be held on Thursday, the 25th day of September, 2014 at 3.00 p.m. at Regd. Office, Vardhman Premises, Chandigarh Road, Ludhiana - 141 010 to transact the following business:-

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report and Audited Balance Sheet as at 31st March, 2014 and Statement of Profit & Loss for the year ended on that date together with the Auditors' Report thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mr. Sachit Jain, who retires by rotation in accordance with Articles of Association of the Company and being eligible, offers himself for reappointment.
4. To appoint Statutory Auditors of the Company for the period of next five (5) Financial Years commencing from 2014-15 to 2018-19 and to fix their remuneration.

**"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 50th Annual General Meeting till the conclusion of 55th Annual General Meeting of the Company, at such remuneration and reimbursement of out-of-pocket expenses and service tax as may be finalized by the Chairman of the Company subject to ratification by members at every Annual General Meeting during their tenure."

### SPECIAL BUSINESS:

5. To appoint Mr. Surinder Singh Bagai as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Surinder Singh Bagai (DIN: 00077382), who was appointed as an Independent Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of three (3) consecutive years starting from the date of this Annual General Meeting to the conclusion of the 53rd Annual General Meeting of the Company."

6. To appoint Mr. Jagdish Rai Singal as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Jagdish Rai Singal (DIN: 00699341), who was appointed as an Independent Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of three (3) consecutive years starting from the date of this Annual General Meeting to the conclusion of the 53rd Annual General Meeting of the Company."

7. To appoint Mr. Sat Pal Kanwar as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Sat Pal Kanwar (DIN: 01504398), who was appointed as an Independent Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of three (3) consecutive years starting from the date of this Annual General Meeting to the conclusion of the 53rd Annual General Meeting of the Company."

8. To appoint Mr. Om Prakash Sharma as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the

Listing Agreement, Mr. Om Prakash Sharma (DIN: 02721270), who was appointed as an Independent Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of three (3) consecutive years starting from the date of this Annual General Meeting to the conclusion of the 53rd Annual General Meeting of the Company."

9. To appoint Mrs. Apinder Sodhi as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mrs. Apinder Sodhi (DIN: 06642994), who was appointed as an Independent Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of three (3) consecutive years starting from the date of this Annual General Meeting to the conclusion of the 53rd Annual General Meeting of the Company."

10. To adopt new Memorandum & Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard 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 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Memorandum & Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Memorandum & Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

11. To increase the sitting fees payable to Directors and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special**

## Resolution:

**"RESOLVED THAT** pursuant to Articles of Association of the Company and section 197 of the Companies Act, 2013 and Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the sitting fees payable to the directors be and is hereby increased from ₹ 4,000/- (Rupees Four Thousand Only) and ₹ 3,000/- (Rupees Three Thousand Only) per meeting to ₹ 6,000/- (Rupees Six Thousand Only) and ₹ 5,000/- (Rupees Five Thousand Only) per meeting for attending the Board Meeting and Committee Meeting respectively with effect from 1st January, 2014 and further increased to ₹ 10,000/- (Rupees Ten Thousand Only) and ₹ 7,500/- (Rupees Seven Thousand Five Hundred Only) per meeting for attending the Board Meeting and Committee Meeting respectively with effect from 1st October, 2014.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this resolution."

**BY ORDER OF THE BOARD**

**PLACE:** Ludhiana

**(S.P Oswal)**

**DATE:** 9<sup>th</sup> August, 2014

**Chairman**

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. THE BLANK PROXY FORM IS ENCLOSED.

However, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

2. The Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. Subject to the provisions of Section 126 of the Companies Act, 2013 (corresponding to Section 206A of the Companies Act, 1956), dividend as recommended by the Board of Directors, if declared at the meeting, will be dispatched/remitted commencing on or from 26th September, 2014.
4. **The Register of Members and the Share Transfer Books of the Company shall remain closed from 27th August, 2014 to 25th September, 2014 (both days inclusive).**
5. 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.

6. The information pursuant to Corporate Governance Clause of the Listing Agreement(s) regarding the Directors seeking appointment/re-appointment in the Annual General Meeting as proposed in Item Nos. 3, 5, 6, 7, 8 and 9 of the Notice is also being annexed hereto separately and forms part of the Notice.
7. 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.
8. 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.
9. Members are requested to bring their copy of Annual report along with them to the Annual General Meeting.
10. 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.

#### 11. Voting through electronic means:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and Clause 35B of the Listing Agreement, the Company is pleased to provide members a facility to exercise their right to vote at the 50th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

The e-voting period commences on 17th September, 2014 (9:00 am) and ends on 19th September, 2014 (5:00 pm). During this period shareholder's of the Company, holding shares either in physical form or in De-materialized form, as on the cut-off date of 27th August, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after end of voting period on 19th September, 2014. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

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

- (i) The voting period begins on 17th September, 2014 (9:00 am) and ends on 19th September, 2014 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in De-materialized form, as on the cut-off date (record date) of 27th August, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period
- (iii) Click on "Shareholders" tab.
- (iv) Now, select the "VARDHMAN HOLDINGS LIMITED" from the drop down menu and click on "SUBMIT"
- (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 de-mat form and had logged on to [www.evotingindia.com](http://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 De-mat Form and Physical Form

<b>PAN</b>	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both de-mat 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.</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>
<b>DOB</b>	<p>Enter the Date of Birth as recorded in your de-mat account or in the company records for the said de-mat account or folio in dd/mm/yyyy format.</p>
<b>Dividend Bank Details</b>	<p>Enter the Dividend Bank Details as recorded in your de-mat account or in the company records for the said de-mat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If 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.

- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in de-mat 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 De-mat 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 140823001 <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 De-mat account holder has forgotten the same 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) Note for Institutional Shareholders:
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://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](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details they have to create 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](mailto: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.

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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

12. The Ministry of Corporate Affairs ("MCA") has vide Circular Nos. 17/2011 and 18/2011 dated April 21, 2011 and April 19, 2011 respectively, taken a 'Green Initiative in Corporate Governance', by allowing paperless compliances through electronic mode, allowing to send documents such as Notice convening General Meetings, Audited Financial Statements, Directors' Report, Auditors' Report, etc. and any other notice/ documents, henceforth in electronic form in lieu of the paper form. In case you wish to support your Company's concern to prevent global environment degradation, you are requested to please register your e-mail ID with your DP, if you hold the Company's shares in electronic form, under intimation to the Registrar & Transfer Agent through your registered e-mail ID. However, if you hold the shares in physical form, then you may register your e-mail ID with the Registrar & Transfer Agent of the Company by sending a letter under your Registered signature at the below mentioned address:

**Alankit Assignments Ltd.**  
**1E/13, Alankit Hights.**  
**Jhandewalana extension**  
**New Delhi - 110055**  
**Phone: (011) 42541234 & 2354123**  
**Fax: (011) 41543474,**  
**E-mail: [rta@alankit.com](mailto:rta@alankit.com)**

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



## Information pursuant to the Corporate Governance Clause of the Listing Agreement(s) regarding Directors seeking re-appointment in the Next Annual General Meeting

Name of the Director	Mr. Sachit Jain	Mr. Surinder Singh Bagai	Mr. Jagdish Rai Singal	Mr. Sat Pal Kanwar	Mr. Om Prakash Sharma	Mrs. Apinder Sodhi
Date of Birth	08.07.1966	07.03.1929	03.01.1946	28.05.1939	26.12.1939	21.11.1962
Date of Appointment	30.03.2005	08.02.1971	17.10.2005	13.05.2008	24.07.2009	27.07.2013
Expertise in specific functional area	Business Executive having rich experience of about 20 years in Textiles Industry.	Leading expert of Taxation and Company Law	Rich business Experience of more than 40 years with expertise in international trade.	More than 35 years of rich experience in chemical industry	Business Executive for 39 years	Management Professional
Qualification	B.Tech., M.B.A (Gold Medalist)	M.A., L.L.B.	B.A.	Under Graduate	M.A Public Administration	M.B.A.
Directorships of Other Companies	<ol style="list-style-type: none"> <li>1. Vardhman Special Steels Limited.</li> <li>2. Vardhman Textiles Limited.</li> <li>3. Vardhman Apparels Limited.</li> <li>4. Vardhman Yarns and Threads Limited.</li> <li>5. Syracuse Investment and Trading Company Private Limited..</li> <li>6. Adinath Investment and Trading Company.</li> <li>7. Devakar Investment and Trading Company Private Limited.</li> <li>8. Mahavir Spinning Mills Private Limited.</li> <li>9. Srestha Holdings Limited</li> <li>10. Anklesh Investments Private Limited</li> <li>11. Pradeep Mercantile Company Private Limited</li> <li>12. Plaza Trading Company Private Limited.</li> <li>13. Marshall Investment &amp; Trading Company Private Limited.</li> <li>14. Santon Finance &amp; Investment Company Limited.</li> <li>15. Flamingo Finance &amp; Investment Company Limited.</li> <li>16. Ramaniya Finance &amp; Investment. Company Limited.</li> <li>17. Vardhman Spinning and General Mills Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. Bagai Investment Company (A Private Company with Unlimited Liability)</li> <li>2. Primrose Properties and Traders (Unlimited)</li> <li>3. Wasti Properties (Unlimited)</li> <li>4. Dilkush Trading and Investment Company Private Limited.</li> <li>5. Maneklal Enterprises Private Limited.</li> <li>6. SCI-tech Centre.</li> <li>7. Eastern India Powertech Limited.</li> <li>8. DLF Building &amp; Services Private Limited.</li> <li>9. Bagai Tax Law Services LLP.</li> <li>10. Gautam Traders.</li> <li>11. Wasti Syndicate.</li> </ol>	<ol style="list-style-type: none"> <li>1. Eastman Auto and Power Limited.</li> <li>2. Eastman Cast &amp; Forge Limited.</li> <li>3. ADDO Auto Limited.</li> <li>4. Eastman Honkong Private Limited.</li> <li>5. Rohit's Heritage Jewellers Private Limited.</li> <li>6. Eastman Industries Limited.</li> <li>7. Maxxis Infrastructure Limited.</li> </ol>	<ol style="list-style-type: none"> <li>1. Veera Trading &amp; Textiles Comapny Private Limited</li> <li>2. Luxmi Trading Company Private Limited</li> </ol>	Nil	Nil

# Vardhman Holdings Limited

	18. VTL Investments Limited. 19. Vardhman Nisshinbo Garments Company Limited. 20. UTI Asset Management Company Limited. 21. Vardhman Acrylics Limited. 22. The Alloy Steel Producers Association of India.					
Chairman/Member of Committees of Other Companies	1. Member of Stakeholders Relationship Committee of Vardhman Textiles Limited. 2. Chairman and Member of Audit Committee of Vardhman Yarns and Threads Limited. 3. Chairman and Member of Audit Committee of Vardhman Nisshinbo Garments Company Limited. 4. Chairman and Member of Stakeholders Relationship Committee of Vardhman Holdings Limited. 5. Member of Corporate Social Responsibility Committee of Vardhman Textiles Limited. 6. Member of H.R. committee of UTI Asset Management Company Limited. 7. Chairman of Corporate Social Responsibility Committee of Vardhman Acrylics Limited	1. Chairman of the Audit Committee of Eastern India Powertech Limited.	Nil	Nil	Nil	Nil
No. of Shares Held	2,330	770	10	1,212	Nil	Nil
Relationship with other Directors	Related to Mr. Shri Paul Oswal, Mrs. Shakun Oswal and Mrs. Suchita Jain	Not related to any Director	Not related to any Director	Not related to any Director	Not related to any Director	Not related to any Director

## **ANNEXURE TO THE NOTICE:**

### **STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

#### **(ITEM NOS 5 - 11)**

#### **Item Nos. 5-9:**

In accordance with the provisions of Section 149 of the Companies Act, 2013 which came into effect from April 1, 2014, every listed company is required to have at least one-third of the total number of directors as Independent Directors who are not liable to retire by rotation and who shall hold office upto a term of consecutive five years.



The Company had appointed Mr. Surinder Singh Bagai, Mr. Jagdish Rai Singal, Mr. Sat Pal Kanwar, Mr. Om Prakash Sharma and Mrs. Apinder Sodhi as Non-Executive Independent Directors, liable to retire by rotation, under the Companies Act, 1956. Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and amended Clause 49 of the Listing Agreement by the Securities and Exchange Board of India (SEBI) have inter alia stipulated the conditions for the appointment of Independent Directors by a listed company.

Therefore, It is proposed to appoint Mr. Surinder Singh Bagai, Mr. Jagdish Rai Singal, Mr. Sat Pal Kanwar, Mr. Om Prakash Sharma and Mrs. Apinder Sodhi as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for three (3) consecutive years for a term up to the conclusion of the 53rd Annual General Meeting of the Company. All these Directors are not disqualified from being appointed as Independent Directors in terms of Section 164 of the Act and have given their consent to act as Directors. The Company has also received declarations from all these Directors that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In this regard requisite notice in writing from the members has been received, proposing appointment of Mr. Surinder Singh Bagai, Mr. Jagdish Rai Singal, Mr. Sat Pal Kanwar, Mr. Om Prakash Sharma and Mrs. Apinder Sodhi, as candidates for the office of Independent Director of the Company.

In the opinion of the Board, all these Directors fulfill the conditions for appointment as Independent Directors as specified in the Act, Rules made thereunder and the Listing Agreement and also they are independent of the management.

Brief profiles alongwith other details of all these Directors are provided in the Notice of 50th Annual General Meeting of the Company under Corporate Governance Report forming part of the Annual Report.

Copy of the draft letters for appointment as Independent Directors setting out the terms and conditions would be available for inspection without any fee to the members at the Registered Office of the Company during normal business hours on any working day.

The Board recommends the Ordinary Resolutions set out at Item Nos. 5 to 9 of the Notice for approval by the shareholders.

#### **MEMORANDUM OF INTEREST:**

Other than the appointee himself/herself, none of the other Directors, key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the proposed Resolutions as set out in item numbers 5 to 9 of this Notice.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

#### **Item No. 10:**

The existing Memorandum and Articles of Association ("MOA & AOA") of the Company are based on the Companies Act, 1956 and several regulations in the existing MOA & AOA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the Companies Act, 2013. ("Act")

The Act is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the substantive Sections of the Act which deal with the general working of companies. With the coming into force of the Act, several regulations of the existing MOA & AOA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing MOA & AOA by a new set of Memorandum & Articles of Association.

The new MOA & AOA to be substituted in place of the existing MOA & AOA are based on Table 'A' and Table 'F' of the Act which sets out the model Memorandum & Articles of Association for a company limited by shares. The proposed new draft MOA & AOA is being uploaded on the Company's website for perusal by the shareholders.

Accordingly, the Board commends the Special Resolution set out at Item No. 10 of the Notice for approval by the shareholders.

#### **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 Special Resolution set out at Item No. 10 of the Notice.

#### **Item No. 11:**

The Board of Directors, in accordance with Articles of Association of the Company, had approved the matter in respect of increase in the sitting fees payable to Directors from ₹ 4,000/- and ₹ 3,000/- per meeting to ₹ 6,000/- and ₹ 5,000/- for attending the Board Meeting and Committee Meeting respectively, in their meeting held on 11th November, 2013, subject to approval by the shareholders of the Company. Subsequently, the Board of Directors, in their meeting held on 9th August, 2014, further increased the sitting fees payable to Directors from Rs. 6,000/- and ₹ 4,000/- per meeting to ₹ 10,000/- & ₹ 7,500/- for attending the Board Meeting and Committee Meeting respectively subject to approval by the shareholders of the Company.

Accordingly, your approval is solicited by way of special resolution.

#### **MEMORANDUM OF INTEREST:**

Except Mr. S.S. Bagai, Mr. J.R. Singal, Mr. S.P. Kanwar, Mr. O.P. Sharma, Mrs. Apinder Sodhi and Mr. C.L. Jain, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 11.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

**BY ORDER OF THE BOARD**

**PLACE: Ludhiana**  
**DATE: 9<sup>th</sup> August, 2014**

**(S.P Oswal)**  
**Chairman**

## DIRECTORS' REPORT

Dear Members,

The Directors of your Company have pleasure in presenting their 50th Annual Report on the affairs of the Company together with the Audited Accounts of the Company for the year ended 31st March, 2014.

### 1. FINANCIAL RESULTS:

The Financial Results for the year are as under: -

	(Amount in ₹)	
PARTICULARS	2013-14	2012-13
Revenue from Operations	186,968,627	124,836,819
Other Income	12,034,661	14,186,615
Profit before Depreciation, Interest and Tax (PBDIT)	181,323,782	124,654,965
Interest and Financial Expenses	—	—
Profit before Depreciation & Tax (PBDT)	181,323,782	124,654,965
Depreciation	353,873	148,782
Profit before Tax (PBT)	180,969,909	124,506,183
Provision for		
– Current Tax	11,950,000	10,100,000
– Deferred Tax	—	—
– Mat Credit Entitlement	(5,850,000)	—
– tax adjustment for earlier years	386,600	—
Profit after Tax (PAT)	174,483,309	114,406,183
Balance Brought forward	604,279,998	535,475,629
Profit available For Appropriations	778,763,307	649,881,811
Appropriations:		
Proposed Dividend on Equity Shares	9,574,608	9,574,608
Corporate Dividend Tax on Proposed Dividend	1,627,205	1,627,205
Transfer to General Reserve	17,500,000	11,500,000
Transfer to Statutory Reserve	34,900,000	22,900,000
Balance carried to		
Balance Sheet	715,161,495	604,279,999
Earnings per Share (₹)	54.67	35.85
Dividend per Share (₹)	3.00	3.00

### 2. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

#### a. FINANCIAL ANALYSIS:

During the year, the Revenue from operations was ₹ 186,968,627 as against ₹ 124,836,819 in the previous year. The Company earned other income of ₹ 12,034,661 during the year as against ₹ 14,186,615

during last year. The Company earned profit before depreciation, interest and tax of ₹ 181,323,782 as against ₹ 124,654,965 in the previous year. After providing for depreciation of ₹ 353,873 (Previous Year ₹ 148,782), current tax of ₹ 11,950,000 (Previous Year ₹ 10,100,000), the profit after tax was ₹ 174,483,309 as against ₹ 114,406,183 last year.

The balance available for appropriation after adding balance in surplus account is ₹ 778,763,307. Out of this, a sum of ₹ 9,574,608 and ₹ 1,627,205 have been appropriated towards proposed dividend and corporate dividend tax respectively thereon, ₹ 17,500,000 is proposed to be transferred to general reserve, ₹ 34,900,000 is proposed to be transferred to Special reserve and the balance of ₹ 715,161,495 is proposed to be carried as surplus to the balance sheet.

#### b. RESOURCE UTILISATION:

##### FIXED ASSETS:

The fixed assets as at 31st March, 2014 were ₹ 10,576,266 as against previous year's fixed assets of ₹ 8,722,884. During the year, there were additions of fixed assets amounting to ₹ 2,207,255 (Previous Year ₹ Nil).

##### CURRENT ASSETS

The current assets as on 31st March, 2014 were ₹ 1,244,312,397 as against ₹ 1,031,202,568 in the previous year.

#### c. FINANCIAL CONDITIONS AND LIQUIDITY:

Management believes that the Company's liquidity and capital resources are sufficient to meet its expected working capital needs and other anticipated cash requirements. The position of liquidity and capital resources of the Company is given below: -

	(Amount in ₹)	
	2013-14	2012-13
<b>Cash and Cash Equivalents:</b>		
Beginning of the Year	19,456,298	1,520,768
End of the Year	4,046,473	19,456,298
<b>Net Cash provided/(used) by:</b>		
Operating Activities	134,137,590	88,332,870
Investing Activities	(138,450,413)	(61,147,103)
Financing Activities	(11,097,002)	(9,250,237)

#### d. INTERNAL CONTROL SYSTEM:

The Company has well defined internal control system. The Company takes abundant care to design, review and monitor the working of internal control system. Internal audit in the organization is an independent appraisal activity and all significant issues are brought to the attention of the Audit Committee of the Board.

**e. MANAGEMENT PERCEPTION OF RISK AND CONCERNS:**

The Company is prone to all the financial risks and capital market fluctuations.

**f. HUMAN RESOURCES/INDUSTRIAL RELATIONS:**

The Company is not carrying on any manufacturing activity and no workers were employed during the year.

**3. PUBLIC DEPOSITS:**

The Company has not accepted and does not intend to accept any deposits from the public. As at 31st March, 2014, there are no outstanding/unclaimed deposits from the public.

**4. DIVIDEND:**

The Board of Directors of your Company is pleased to recommend a dividend of ₹ 3/- per share on the fully paid-up equity shares of the Company.

**5. DIRECTOR:**

Mr. Sachit Jain, Director of your Company, retire by rotation at the conclusion of the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

**6. CORPORATE GOVERNANCE:**

The Company has in place a system of Corporate Governance. A report on Corporate Governance forming part of the Annual Report of the Company is annexed hereto. A certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Corporate Governance Clause of the Listing Agreement is annexed to the report on Corporate Governance.

**7. AUDITORS:**

M/s. R. Dewan & Company, Chartered Accountants, Ludhiana, Auditors of the Company, retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment for a term of five years starting from conclusion of 50th Annual General Meeting til the conclusion of 55th Annual General Meeting in 2018-19.

**8. AUDITORS' REPORT:**

The Auditors' Report on the Accounts of the Company for the year under review is self-explanatory and requires no comments.

**9. STATEMENT OF PARTICULARS OF EMPLOYEES:**

During the year, no employee of the Company received a salary of more than ₹ 60.00 lac. per annum or ₹ 5.00 lac. per month. Accordingly, no particulars of employees are to be given pursuant to the provisions of Section 217(2A) of the Companies Act, 1956.

**10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Particulars with respect to conservation of energy and other areas as per Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are Nil.

**11. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that-

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) Appropriate accounting policies have been selected and applied consistently, and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the profits of the Company for the year ended on 31st March, 2014;
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) The annual accounts have been prepared on a going concern basis.

**12. ACKNOWLEDGEMENT:**

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

**For and on behalf of the Board**

**Place: Ludhiana**  
**Dated: 17th May, 2014**

**(S.P. Oswal)**  
**Chairman**

## CORPORATE GOVERNANCE REPORT

This Report on Corporate Governance forms part of the Annual Report. This section besides being in compliance of the provisions of Listing Agreement gives an insight into the process of functioning of the Company. The Company is committed to transparency and business ethics in discharge of its corporate responsibilities.

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on corporate governance envisages attainment of the highest levels of transparency, accountability and equity in all facets of its operations and in all its interactions with its stakeholders. The Company believes that all its actions must serve the underlying goal of enhancing overall shareholders value over a sustained period of time.

### 2. BOARD OF DIRECTORS:

#### (a) Board Meetings:

During the financial year 2013–14, four Board Meetings were held on 23<sup>rd</sup> May, 2013, 27<sup>th</sup> July, 2013, 11<sup>th</sup> November, 2013 and 8<sup>th</sup> February, 2014.

#### (b) Composition:

As at 31<sup>st</sup> March, 2014, the Board of Directors comprised of ten Directors, with Mr. Shri Paul Oswal as the Chairman and Mrs. Shakun Oswal as the Executive Director. Out of the total strength of ten Directors, five Directors were independent and this met the stipulated requirement.

The composition, attendance and Directorships/Committee Memberships of the Board of Directors of the Company during the financial year 2013–14 is given as follows :–

Name of Director	Designation & Category	Number of Board Meetings attended	Attendance at Last Annual General Meeting	Directorship in other Companies	Other Committee Membership	Board Chairmanships in other Companies	Committee Chairmanships in other Companies
Mr. Shri Paul Oswal	Non Executive Chairman Non Independent	4	Yes	11	–	5	–
Mrs. Shakun Oswal	Executive Director, Non Independent	3	Yes	4	–	–	–
Mr. Sachit Jain	Non Executive Director, Non Independent	1	No	13	3	1	3
Mrs. Suchita Jain	Non Executive Director, Non Independent	1	No	7	1	–	–
Mr. Chaman Lal Jain	Non Executive Director Non Independent	3	No	–	–	–	–
Mrs. Apinder Sodhi	Non-Executive, Independent Director	3	Yes	–	–	–	–
Mr. Surinder Singh Bagai	Non Executive, Independent Director	–	No	1	–	–	1
Mr. Jagdish Rai Singal	Non Executive, Independent Director	1	No	5	–	–	–
Mr. Om Parkash Sharma	Non Executive, Independent Director	3	No	–	–	–	–
Mr. Sat Pal Kanwar	Non-Executive, Independent Director	4	No	–	–	–	–

#### Notes:

- i) Mr. Shri Paul Oswal, Mrs. Shakun Oswal, Mr. Sachit Jain and Mrs. Suchita Jain are related to one another. No other Director of the Company is related to any other Director of the Company.

### 3. AUDIT COMMITTEE

The Audit Committee comprised of three Directors viz. Mrs. Apinder Sodhi, Mr. Sat Pal Kanwar and Mr. Om Parkash Sharma as on 31<sup>st</sup> March, 2014. Mrs. Apinder Sodhi is the Chairperson of the Audit Committee. All members of the Audit Committee are financially literate and one of the members has accounting/financial management expertise. The terms of reference of the Audit Committee are as contained in Corporate Governance Clause of the Listing Agreement.

The Audit Committee met four times during the financial year 2013–14 on 23<sup>rd</sup> May, 2013, 27<sup>th</sup> July, 2013, 11<sup>th</sup> November, 2013 and 8<sup>th</sup> February, 2014.

The attendance of the members of the Audit Committee during the financial year 2013–14 is given below:–

Committee Members	Category	No. of Audit Committee Meetings Attended
Mrs. Apinder Sodhi	Non–Executive, Independent Director	3
Mr. Sat Pal Kanwar	Non–Executive, Independent Director	4
Mr. Om Parkash Sharma	Non–Executive, Independent Director	3

#### 4. DIRECTORS' REMUNERATION:

##### i) Executive Director:

The Company pays remuneration to Mrs. Shakun Oswal, Executive Director as approved by the Board of Directors and the Members of the Company in the General Meeting.

A detail of remuneration paid to the Executive Director during the period 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2014 is as given below:

(in ₹ Lacs)

Name	Designation	Salary	Perquisites & Allowances	P.F. Contribution	Commission	Medical Reimbursement	Gross remuneration
Mrs. Shakun Oswal	Executive Director	10.12	3.20	–	–	0.83	14.15

##### ii) Non– Executive Directors:

Non–Executive Directors have not been paid any remuneration except sitting fee for attending Board and Committee Meetings. The details of sitting fee paid to the Directors during the financial year 2013–14 are given hereunder: –

S. No.	Name of The Director	Sitting fee (₹)
1.	Mr. Chaman Lal Jain	12,000
2.	Mr. Surinder Singh Bagai	–
3.	Mr. Jagdish Rai Singal	4,000
4.	Mr. Om Parkash Sharma	25,000
5.	Mrs. Apinder Sodhi	22,000
6.	Mr. Sat Pal Kanwar	32,000

##### iii) Shareholding:

The shareholding of the Directors in the equity share capital of the Company as at 31<sup>st</sup> March, 2014 is given as follows:–

S.No.	Name of Director	Number of Shares held	S.No.	Name of Director	Number of Shares held
1.	Mr. Shri Paul Oswal	54,249	6.	Mr. Chaman Lal Jain	5
2.	Mrs. Shakun Oswal	19,084	7.	Mr. Om Parkash Sharma	NIL
3.	Mr. Sachit Jain	2,330	8.	Mr. Jagdish Rai Singal	10
4.	Mrs. Suchita Jain	27,101	9.	Mr. Surinder Singh Bagai	770
5.	Mrs. Apinder Sodhi	NIL	10.	Mr. Sat Pal Kanwar	1,212

#### 5. INVESTORS' GRIEVANCE COMMITTEE:

The Investors' Grievance Committee comprises of Mr. Sachit Jain, Mr. Chaman Lal Jain and Mrs. Shakun Oswal. The Chairman and Compliance Officer of the Committee is Mr. Sachit Jain.

During the financial year 2013–14, one meeting of the Investors' Grievance Committee was held on 28<sup>th</sup> March, 2014.

During the financial year 2013–14, the Company had received 33 complaints. The complaints are related to transfer, dematerialisation, dividend etc., and all the complaints have been duly resolved by the Company. Further, there is no pendency in respect of shares received for transfer during the financial year 2013–14.

## 6. GENERAL BODY MEETINGS:

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

Nature of Meeting	Day, Date and Time of the Meeting	Venue	Number of Special Resolutions
49 <sup>th</sup> Annual General Meeting for financial year ended 31 <sup>st</sup> March, 2013	Saturday, 31 <sup>st</sup> August, 2013 at 05.00 p.m.	Registered. Office, Chandigarh Road, Ludhiana-141 010.	Nil
48 <sup>th</sup> Annual General Meeting for financial year ended 31 <sup>st</sup> March, 2012	Saturday, 1 <sup>st</sup> September, 2012 at 12.00 Noon	Registered. Office, Chandigarh Road, Ludhiana-141 010.	Nil
47 <sup>th</sup> Annual General Meeting for financial year ended 31 <sup>st</sup> March, 2011	Saturday, 23 <sup>rd</sup> July, 2011 at 05.00 p.m.	Registered. Office, Chandigarh Road, Ludhiana-141 010.	Nil

The Company has not passed any resolution through postal ballot during the financial year 2013–14.

## 7. DISCLOSURES:

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

Further, the Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement. The Company may also take up the non mandatory requirements of Clause 49 in due course of time.

## 8. MEANS OF COMMUNICATION:

The Company communicates with the shareholders at large through its Annual Reports, publication of financial results, press releases in leading newspapers and by filing of various reports and returns with the statutory bodies like Stock Exchanges and the Registrar of Companies. The quarterly results are normally published in the 'Financial World and Financial Express' and 'Desh Sewak' and are also made available at Company's web-site [www.vardhman.in](http://www.vardhman.in).

## 9. GENERAL INFORMATION FOR SHAREHOLDERS:

### i) 50<sup>th</sup> Annual General Meeting:

Date	: 25 <sup>th</sup> September, 2014
Time	: 03.00 P.M
Venue	: Registered.Office, Chandigarh Road, Ludhiana – 141 010

### ii) Financial Calendar 2014–15 (Tentative):

First Quarter Results	: July, 2014
Second Quarter Results	: October, 2014
Third Quarter Results	: February, 2015
Annual Results	: May, 2015

iii) Dates of Book Closure : 27<sup>th</sup> August, 2014 to 25<sup>th</sup> September, 2014 (Both days inclusive)

iv) Dividend payment date : Within 30 days after declaration

### v) Listing

The equity shares of the Company are listed on the following Stock Exchanges:

1. The Bombay Stock Exchange Limited (BSE),  
Floor 25, P.J. Towers, Dalal Street, Mumbai–400 001.
2. The National Stock Exchange of India Limited (NSE),  
"Exchange Plaza", Bandra–Kurla Complex, Bandra (East), Mumbai–400 051.

The Company has duly paid the listing fee to both the aforesaid Stock Exchanges for the financial year 2013–14.

### vi) Stock Code

1. The Bombay Stock Exchange Limited (BSE) : 500439
2. The National Stock Exchange of India Limited (NSE) : VHL



## vii) Stock Market Data

The month-wise highest, lowest and closing stock prices of the Company in NSE & BSE during the financial year 2013-14 are given as follows: –

Financial Year 2013-14	Share Prices of the Company on NSE				Share prices of the Company on BSE			
	Highest (₹)	Lowest (₹)	Closing (₹)	Percent change over last month's closing	Highest (₹)	Lowest (₹)	Closing (₹)	Percent change over last month's closing
April	545.00	431.51	437.00	(5.41)	544.90	408.00	462.00	0.37
May	600.00	457.00	510.05	16.72	525.00	465.00	524.05	13.43
June	511.00	486.00	505.00	(0.99)	551.00	500.00	500.00	(4.59)
July	500.00	475.00	500.00	(0.99)	508.95	460.20	500.00	0.00
August	500.00	458.00	460.05	(7.99)	500.00	465.55	465.55	(6.89)
September	464.00	430.05	451.00	(1.98)	465.00	436.00	450.00	(3.34)
October	550.00	471.95	546.00	21.06	505.00	440.00	460.00	2.22
November	543.00	452.35	480.00	(12.08)	507.00	465.00	483.00	5.00
December	512.80	455.00	490.00	2.08	496.00	461.30	476.00	(1.45)
January	520.00	470.00	471.05	(3.87)	491.80	460.10	471.90	(0.86)
February	500.00	440.10	480.10	1.92	490.00	455.35	470.20	(0.36)
March	555.00	450.00	485.00	1.02	533.75	452.00	475.00	1.02

## viii) Information regarding dividend payment:

- Dividends remaining unpaid/unclaimed upto the financial year 2006-2007 have been transferred to the Investors' Education and Protection Fund (IEPF). Further, pursuant to the provisions of Section 205A read with Section 205C of the Companies Act, 1956, dividend declared in the financial year 2007-2008 and onwards, which remains unpaid/unclaimed for a period of 7 years, is required to be transferred to the IEPF. The last date of transferring the Un-claimed/unpaid dividend for the years 2007-08 and 2008-09 are 29<sup>th</sup> September, 2015 and 23<sup>rd</sup> August, 2016 respectively. Accordingly, Members who have not claimed/received their dividend for the financial year 2007-2008 and onwards are requested to make their claim to the Company immediately.
- The Company provides the facility of paying dividend through Electronic Clearing Service (ECS). Shareholders who wish to avail this facility should give necessary directions to Depository Participants (in case shares are held in dematerialised form) or to the Registrar and Transfer Agent of the Company (in case the shares are held in physical form).

## ix) Registrar & Transfer Agent:

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

M/s. Alankit Assignments Limited (Unit: Vardhman Holdings Limited)  
Alankit Heights, 1E/13, Jhandewalan Extension, New Delhi-110 055.  
Phone: 011-42541234 & 23541234, Fax: 011-41543474, E-mail: rta@alankit.com

## x) Share Transfer System:

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

The shares of the Company are traded on the Stock Exchanges compulsorily in dematerialised form. The Company has participated as an issuer both with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The shareholders may operate through any of the depositories, based on tariffs, quality and range of services being offered by them. The International Securities Identification Number (ISIN) is INE 701 A01023.



**xi) Distribution of Shareholding pattern of the Company as on 31<sup>st</sup> March, 2014.**

Range of Number of Shares	SHAREHOLDERS		SHARES	
	Number	Percent	Number	Percent
Up to – 500	7,452	98.32	249,643	7.82
501 – 1,000	40	0.53	28,854	0.90
1,001 – 5,000	47	0.62	103,479	3.24
5,001 – 10,000	12	0.16	91,154	2.86
10,001 – Above	28	0.37	2,718,406	85.18
<b>Total</b>	<b>7,579</b>	<b>100</b>	<b>3,191,536</b>	<b>100</b>

**xii) Dematerialisation of shares:**

As on 31<sup>st</sup> March 2014, 96.94 percent of the share capital comprising 3,093,876 equity shares out of the total of 3,191,536 equity shares was dematerialized.

**xiii) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion dates and likely impact on Equity:**

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments during the year.

**xiv) Address for correspondence:**

Registered Office : Chandigarh Road, Ludhiana-141 010.  
Telephone : 0161-2228943-48  
Fax : 0161-2601048, 2220766  
E-mail : secretarial.lud@vardhman.com

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DPs).

## DECLARATION UNDER CLAUSE 49

All the Board Members and Senior Management have affirmed compliance to the Code of Conduct for the Financial Year 2013-14.

Place: Gurgaon  
Dated: 17th May, 2014

(S.P. Oswal)  
Chairman

## AUDITORS' CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE UNDER CORPORATE GOVERNANCE CLAUSE OF THE LISTING AGREEMENT

To  
The Shareholders,  
Vardhman Holdings Limited

We have examined the compliance of conditions of corporate governance by Vardhman Holdings Limited for the year ended on 31st March, 2014, as stipulated in Clause 49 of the listing agreement of the said Company with stock exchanges in India.

The Compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

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

M/s. R. Dewan & Company  
Chartered Accountants  
Firm Registration No.: 017883N

(RAJIV DEWAN)  
Partner  
Membership No. 084718

Place : Ludhiana  
Dated : 17th May, 2014

## SECRETARIAL COMPLIANCE CERTIFICATE

Registration No. of Company : L17111PB1962PLC002463  
Nominal Capital : ₹ 40,00,00,000/-

To,  
The Members  
M/s Vardhman Holdings Limited

I have examined the Registers, Records, Books & Papers of **M/s Vardhman Holdings Limited** as required to be maintained under the Companies Act, 1956 and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial Year ended on **31st March 2014**. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of aforesaid financial year:

1. The Company has kept and maintained registers as stated in Annexure 'A' to this Certificate, and entries therein have been recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to the Certificate, with the Registrar of Companies.
3. The Company, being a Public Limited Company, comments are not required.
4. The Board of Directors met 4 times on 23.05.2013, 27.07.2013, 11.11.2013, and 08.02.2014 in respect of which proceedings were recorded and signed in the Minutes book maintained for the purpose.
5. The Company has closed its Register of Members during the financial year under review.
6. The Annual General Meeting for the financial year ended on 31st March 2013 was held on 31st August 2013 after giving notices to the Members of the Company and the resolution passed thereat were recorded in minutes book maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors or persons or firms or companies referred to under section 295 of the Act.
9. The Company has not entered into contracts falling within the purview of section 297 of the Act.
10. The Company has made entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approval from the Board of Directors, Members or the Central Government.
12. The board of directors has approved the issue of duplicate share certificates during the Financial Year.
13. The company has:
  - (i) Delivered the certificates on allotment of securities and on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act;
  - (ii) Deposited the amount of dividend declared in a separate Bank Account within five days from the date of declaration of such dividend;
  - (iii) Paid/posted warrants for dividends to all the members within a period of 30 (thirty) days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to Unpaid dividend Account of the company.
  - (iv) Transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and interest accrued thereon, which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund;
  - (v) Compiled with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was one appointment of an Additional Director during the financial year.
15. The Company has not appointed Managing Director/ Whole Time Director/ Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/ or such authorities prescribed under the various provisions of the Act during the financial year under review.
18. The Directors have disclosed their interest in other firms /Companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued Equity Shares or debentures during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. The Company wherever necessary has kept in abeyance rights to dividend pending registration of transfer of shares in compliance with the provisions of the Act.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The Company has not made any borrowings during the financial year.

# Vardhman Holdings Limited

25. The Company has made loans and investments, or given guarantees or provided securities to other bodies corporate and has made entries in the register kept for the purpose, as applicable.
26. The Company has not altered the provisions of the Memorandum with respect to the Situation of the Company's Registered Office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the Objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the Name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to the Share Capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. As per the explanations provided by the officers of the Company, there was no prosecution initiated against or show cause notice(s) received by the Company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the Financial Year.
33. The company was not required to deposit any contribution towards Provident Fund with the prescribed authorities pursuant to Section 418 of the Act during the financial year under review.

For Krishna Kumar Sharma & Co.  
Company Secretaries

CS Krishna Kumar Sharma  
(Proprietor)  
CP No. 7747

Date: 17.05.2014

Place: Delhi

## ANNEXURE 'A'

### *Registers as maintained by the Company*

1. Minutes Book of Board Meeting, General Meetings and resolutions passed by circulation u/s 193.
2. Register of member's u/s 150.
3. Register of directors, manager and secretary u/s 303.
4. Copies of Annual Return.
5. Register of particulars of firms and companies in which directors are interested made u/s 301.
6. Register of Director's shareholding u/s 307.
7. Books of accounts u/s 209.

## ANNEXURE 'B'

Forms and Returns as filed by the company with the Registrar of Companies during the financial year ending on 31st March 2014.

Sl. No.	Form No./ Documents	Filed Under Section	Date of Filing
1.	Form 32	303	04.06.2013
2.	Form 25C	269	06.07.2013
3.	Form 32	303	01.08.2013
4.	Form 23	192	07.09.2013
5.	Form 32	303	07.09.2013
6.	Form 66	383A	21.09.2013
7.	Form 23AC & 23ACA	220	27.09.2013
8.	Form 20B	159	14.10.2013
9.	Form 11NV	205A	28.10.2013

## INDEPENDENT AUDITORS' REPORT

To  
The Shareholders,  
Vardhman Holdings Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Vardhman Holdings Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management Responsibility for the Financial Statements

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms

of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

- As required by section 227(3) of the Act, we report that:
  - We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

for R. Dewan & Co.,  
Chartered Accountants,

Place: Ludhiana  
Date: 17/05/2014

(Rajiv Dewan)  
Partner  
M. No.084718

**The Annexure referred to in paragraph 1 of Section "Report on other Legal and Regulatory Requirements" of Our Report of even date to the members of Vardhman Holdings Limited on the accounts of the company for the year ended 31st March, 2014.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- The company is maintaining records showing full particulars including quantitative details and situation of fixed assets.
  - According to the information and explanation given to us the company has physically verified the fixed assets at the close of the year. No discrepancies were noticed on such verification. In our opinion the frequency of physical verification of fixed assets is reasonable having regard to the size of the company and nature of its business.
  - According to the information and explanation given to us, the company has not disposed of substantial part of fixed asset during the year. No material disposal of fixed assets were made, which does not affect the company as going concern.
- The company has not held any inventory during the year, therefore, the provision of clause 4(ii)(a), 4(ii)(b) and 4(ii)(c) of

# Vardhman Holdings Limited

the Order are not applicable to the company.

- iii) The company has neither granted nor taken loans, secured or unsecured to or from companies, firm or other parties covered in the register maintained under section 301 of the Act, 1956 therefore provision of 4(iii)(a), (b), (c) and (d) of the Companies (Auditors Report), Order, 2003 are not applicable to the company.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for purchases of fixed assets. During the course of audit, we have not observed any continuing failure to correct major weakness in internal control system. There were no transactions in respect of purchase of inventory and sale of goods during the year.
- v) In our opinion and according to the information and explanation given to us, there are no contracts or arrangement, the particulars of which need to be entered in the register maintained under section 301 of the Companies Act, 1956.
- vi) According to the information and explanation given to us, the Company has not accepted any deposits covered under the provisions of section 58-A and 58-AA or any other relevant provision of the Companies Act, 1956. And the Companies (Acceptance of Deposits) Rules, 1975. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vii) In our opinion, the company has an internal audit system commensurate with this size and nature of its business.
- viii) The provision of Clause 4(viii) of the Order regarding maintenance of cost records is not applicable to the company.
- ix) a) According to the records of the company, statutory dues including Provident fund, Investors Education and Protection fund, Income Tax, Wealth tax, Service tax and other material statutory dues applicable to the company, if any, have been regularly deposited with appropriate authorities. According to the information and explanation given to us, no undisputed amount payable in respect of aforesaid dues were outstanding as at 31st March, 2014, for a period of more than six months from the date they become payable.
- b) According to the records of the company, the details of disputed statutory dues aggregating to Rs. 1638152/- that have not been deposited on account of matter pending before the Appellate Authorities in respect of Income Tax are given below:

Nature of Dues / Name of Statute	Disputed Amount (in ₹)	Forum where dispute is pending
Income Tax Act, 1961	410324/-	A.Y. 2008-09 CIT(Appeal)
Income Tax Act, 1961	6748/-	A.Y. 2009-10 CIT(Appeal)
Income Tax Act, 1961	1178080/-	A.Y. 2011-12 CIT(Appeal)
Income Tax Act, 1961	43000/-	A.Y. 1997-98 CIT(Appeal)

- x) In our opinion and according to the information and explanation given to us, the company neither has any accumulated losses nor it has incurred any cash losses in the current financial year covered under audit and in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanation given to us, the company neither has any loan from the banks nor any debenture. Accordingly the provisions of clause 4(xi) of the Order are not applicable to the Company.
- xii) According to the information & explanations given to us the company has not granted loans or advances on the basis of security by way of pledge of shares, debenture and other securities. Accordingly the provisions of clause 4(xii) of the Order are not applicable to the Company.
- xiii) The company is not engaged in the business of any Chit fund/nidhi/mutual benefit fund or society. Accordingly the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- xiv) According to the information & explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- xv) The company has not given any guarantee for loans taken by others from bank or financial institutions. Accordingly, the provisions of clause 4(xv) of the Order are not applicable to the Company.
- xvi) The company has not raised any term loans during the year. Accordingly, the provisions of clause 4(xvi) of the Order are not applicable to the Company.
- xvii) The company has not raised any loan on short term basis during the year. Accordingly, the provisions of clause 4(xvii) of the Order are not applicable to the Company.
- xviii) According to the information & explanations given to us, the company has not made any preferential allotment of shares during the year to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix) According to the information & explanations given to us, the company has not issued any debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable to the Company.
- xx) According to the information & explanations given to us, the company has not raised any money by way of public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable to the Company.
- xxi) According to the information & explanations given to us, no fraud on or by the company has been noticed or reported during the year.

for R. Dewan & Co.,  
Chartered Accountants,

Place: Ludhiana  
Date: 17/05/2014

(Rajiv Dewan)  
Partner  
M. No.084718

**BALANCE SHEET as at 31<sup>st</sup> March, 2014**

(Amount in ₹)

Particulars	Note No.	As at March, 2014	As at March, 2014
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	31,924,360	31,924,360
(b) Reserves and surplus	4	1,989,572,427	1,826,290,931
		<u>2,021,496,787</u>	<u>1,858,215,291</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	5	—	178,277
		<u>—</u>	<u>178,277</u>
<b>(3) Current liabilities</b>			
(a) Short-term borrowings		—	—
(b) Trade payables		—	—
(c) Other current liabilities	6	3,241,713	3,211,790
(d) Short-term provisions	7	11,375,401	11,245,236
		<u>14,617,114</u>	<u>14,457,026</u>
<b>TOTAL</b>		<u>2,036,113,900</u>	<u>1,872,850,594</u>
<b>II ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	8	10,576,266	8,722,884
(ii) Intangible assets		—	—
(iii) Capital work-in-progress		—	—
		<u>10,576,266</u>	<u>8,722,884</u>
(b) Non-current investments	9	778,230,988	831,230,988
(c) Long-term loans and advances	10	2,994,249	1,694,155
(d) Other non-current assets		—	—
		<u>791,801,503</u>	<u>841,648,027</u>
<b>(2) Current assets</b>			
(a) Current investments	11	1,196,809,248	977,840,955
(b) Inventories		—	—
(c) Trade receivables		—	—
(d) Cash and bank balances	12	4,046,473	19,456,298
(e) Short-term loans and advances	13	—	50,004
(f) Other current assets	14	43,456,676	33,855,310
		<u>1,244,312,397</u>	<u>1,031,202,568</u>
<b>TOTAL</b>		<u>2,036,113,900</u>	<u>1,872,850,594</u>

See accompanying notes forming part of the financial statements

1 to 30

As per our report of even date  
For R. Dewan & Co.,  
Chartered Accountants  
Firm Registration No.: 017883N

RAJIV DEWAN  
Partner  
Membership No.: 084718

Place : Ludhiana  
Dated: 17th May, 2014

For and on behalf of Board of Directors

SACHIT JAIN  
Director

SUCHITA JAIN  
Director

**STATEMENT OF PROFIT AND LOSS for the year ended 31<sup>st</sup> March, 2014**

(Amount in ₹)

Particulars	Note no.	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
i Revenue from operations	15	186,968,627	124,836,819
ii Other income	16	12,034,661	14,186,615
<b>iii Total Revenue (i + ii)</b>		<b>199,003,288</b>	<b>139,023,434</b>
iv Expenses :			
Cost of material consumed		—	—
Purchase of Stock-in-Trade		—	—
Change in inventories of finished goods and work in progress		—	—
Employee benefits expense	17	1,935,646	2,116,224
Finance costs		—	—
Depreciation and amortization expenses	8	353,873	148,782
Other expenses	18	15,743,860	12,252,245
<b>Total Expenses</b>		<b>18,033,379</b>	<b>14,517,251</b>
v Profit before tax (iii – iv)		180,969,909	124,506,183
vi Tax expense :			
– Current Tax		11,950,000	10,100,000
– Deferred tax		—	—
– Mat Credit Entitlement		(5,850,000)	—
– Tax adjustments of earlier years		386,600	—
vii Profit for the year (v – vi)		<b>174,483,309</b>	<b>114,406,183</b>
<b>Earnings per equity share</b>			
[Earning per equity share ₹10/– (Previous Year: ₹10)]			
Basic		54.67	35.85
Diluted		54.67	35.85
<b>Earnings per equity share (Excluding extraordinary items)</b>			
[Earning per equity share ₹10/– (Previous Year: ₹10)]			
Basic		54.67	35.85
Diluted		54.67	35.85

See accompanying notes forming part of the financial statements 1 to 30

As per our report of even date  
For R. Dewan & Co.,  
Chartered Accountants  
Firm Registration No.: 017883N

RAJIV DEWAN  
Partner  
Membership No.: 084718

Place : Ludhiana  
Dated: 17th May, 2014

For and on behalf of Board of Directors

SACHIT JAIN  
Director

SUCHITA JAIN  
Director



## CASH FLOW STATEMENT for the year ended 31<sup>st</sup> March, 2014

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March, 2014	Previous Year 31 <sup>st</sup> March, 2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items	180,969,909	124,506,183
Adjustments for :		
Depreciation and amortization	353,873	148,781
Net Gain on sale of Current Investments	(41,192,937)	(10,349,381)
Net Gain on sale of Non-Current Investments	(202,522)	–
Net loss on sale of Long term Investments	–	5,015,408
Adjustment to the carrying amount of investment	11,670,324	(2,950,198)
Provisions no longer required written Back	(116,655)	(670,632)
	<b>(29,487,917)</b>	<b>(8,806,022)</b>
Operating profit before working capital changes	151,481,992	115,700,161
Adjustments for :		
(Increase)/Decrease in trade receivables & Other assets	(3,693,047)	(11,327,124)
Increase/( Decrease) in trade payables and other liabilities	(6,344)	(1,336,364)
	<b>(3,699,391)</b>	<b>(12,663,488)</b>
Cash Generation from Operations	147,782,601	103,036,673
Taxes Paid	(13,645,011)	(14,703,803)
<b>Net Cash flow from / (used) in Operating activities (A)</b>	<b>134,137,590</b>	<b>88,332,870</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	(662,536,044)	(542,327,313)
Sale of Investments	526,292,886	481,180,210
Purchase of Fixed Assets	(2,207,255)	–
<b>Net Cash from / (used) in investing activities (B)</b>	<b>(138,450,413)</b>	<b>(61,147,103)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend Paid (including tax thereon)	(11,097,002)	(9,250,237)
<b>Net Cash from/(used) in Financing Activities (C)</b>	<b>(11,097,002)</b>	<b>(9,250,237)</b>
<b>Net Increase in cash &amp; cash equivalents (A+B+C)</b>	<b>(15,409,825)</b>	<b>17,935,530</b>
<b>Cash &amp; cash equivalents as at the beginning</b>	<b>19,456,298</b>	<b>1,520,768</b>
<b>Cash &amp; cash equivalents as at the end</b>	<b>4,046,473</b>	<b>19,456,298</b>

See accompanying notes forming part of the financial statements 1 to 30

As per our report of even date  
For R. Dewan & Co.,  
Chartered Accountants  
Firm Registration No.: 017883N

RAJIV DEWAN  
Partner  
Membership No.: 084718

Place : Ludhiana  
Dated: 17th May, 2014

For and on behalf of Board of Directors

SACHIT JAIN  
Director

SUCHITA JAIN  
Director

## Notes to Financial Statements for the year ended March 31, 2014.

### 1. CORPORATE INFORMATION :

Vardhman Holdings 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.

### 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 referred to in section 211(3C) and other relevant provisions of the Companies Act, 1956.

#### 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:

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

##### ii) Interest Income:

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

##### iii) Receipt against License Agreement:

Revenue in respect of receipt against License Agreement is recognised on accrual basis in accordance with the terms of the relevant agreement.

#### d) Employee Benefits:

##### (a) Short Term Employee Benefits:

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

##### (b) Post Employment Benefits:

##### i) Defined Contribution Plans:

###### (1.1) Superannuation :

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

###### (1.2) 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 of 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.

##### (c) The actuarial gain/loss is recognized in statement of profit and loss account.

Notes to Financial Statements for the year ended March 31, 2014.

**e) Fixed Assets:**

Fixed Assets are stated at historical cost less accumulated depreciation.

**f) Depreciation:**

Depreciation on all assets is provided on straight line method in accordance with and in the manner specified in Schedule XIV to the Companies Act, 1956.

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

**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) Provision and Contingent Liabilities :**

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

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

ii) Contingent liability is disclosed in case there is :

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

# Vardhman Holdings Limited

Notes to Financial Statements for the year ended March 31, 2014.

## 3. SHARE CAPITAL

Particulars	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
	Number	Amount in ₹	Number	Amount in ₹
<b>Authorised</b>				
Equity Shares of ₹10/- each (Par Value)	30,000,000	300,000,000	30,000,000	300,000,000
Redeemable Cumulative Preference Shares of ₹10/- each (par value)	10,000,000	100,000,000	10,000,000	100,000,000
	<b>40,000,000</b>	<b>400,000,000</b>	<b>40,000,000</b>	<b>400,000,000</b>
<b>Issued</b>				
Equity Shares of ₹10/- each	3,191,536	31,915,360	3,191,536	31,915,360
	<b>3,191,536</b>	<b>31,915,360</b>	<b>3,191,536</b>	<b>31,915,360</b>
<b>Subscribed and fully Paid-up</b>				
Equity Shares of ₹10/- each	3,191,536	31,915,360	3,191,536	31,915,360
Add: Forfeited Shares (Amount originally paid-up)		9,000		9,000
<b>Total</b>	<b>3,191,536</b>	<b>31,924,360</b>	<b>3,191,536</b>	<b>31,924,360</b>

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

Equity Shares	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
	Number	Amount in ₹	Number	Amount in ₹
At the beginning of the reporting period	3,191,536	31,915,360	3,191,536	31,915,360
Add: Issued during the year	—	—	—	—
Outstanding at the end of the reporting period	<b>3,191,536</b>	<b>31,915,360</b>	<b>3,191,536</b>	<b>31,915,360</b>

### b. Terms/ rights attached to equity shares

The company has one class 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 shareholder. The rate of dividend for redeemable cumulative preference shares is decided by the board of directors as and when issued.

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

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

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

Particulars	As at 31.03.2014 Number	As at 31.03.2013 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 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
	Number	% of Shareholding	Number	% of Shareholding
Equity Share of Rs. 10 each fully paid-up				
Adinath Investment & Trading Company	1,048,770	32.86	1,048,770	32.86
Devakar Investment & Trading Company (P) Limited	806,353	25.27	806,353	25.27
Pradeep Mercantile Co.(P) Ltd.	249,072	7.80	249,072	7.80

### f. Terms of securities convertible into equity/preference shares

N.A

Notes to Financial Statements for the year ended March 31, 2014.

	Amount in ₹	
Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>4. RESERVES AND SURPLUS</b>		
Capital Reserves	11,388	11,388
Capital Redemption Reserve	7,000,000	7,000,000
Securities Premium Account	78,127,600	78,127,600
Other Reserves :		
General Reserve		
Balance as per the last financial statements	948,471,944	936,971,944
Add: Transferred from surplus balance in the Statement of profit And loss	17,500,000	11,500,000
Closing Balance	965,971,944	948,471,944
Statutory Reserve (u/s 45-IC of RBI Act, 1934)		
Balance as per last financial statements	188,400,000	165,500,000
Add: Transferred from surplus balance in the statement of profit and loss	34,900,000	22,900,000
Surplus i.e. Balance in the Statement of Profit and Loss	223,300,000	188,400,000
Balance as per the last financial statements	604,279,998	535,475,629
Add: Profit for the period transferred from Statement of Profit and Loss	174,483,309	114,406,182
Less: Appropriations		
Proposed equity dividend (amount per share ₹ 3 Per Share (Previous Year: ₹ 3 per share)	9,574,608	9,574,608
Tax on dividend	1,627,205	1,627,205
Transferred to general reserve	17,500,000	11,500,000
Transferred to Statutory Reserve	34,900,000	22,900,000
Closing Balance	715,161,495	604,279,999
<b>Total Reserves and Surplus</b>	<b>1,989,572,427</b>	<b>1,826,290,931</b>
<b>5 LONG TERM PROVISIONS</b>		
Provision for employee benefits :		
– Leave encashment	–	50,300
– Gratuity	–	105,477
– Super Annuation Payable	–	22,500
	–	178,277
<b>6 OTHER CURRENT LIABILITIES</b>		
Unpaid dividends#	718,040	613,230
Other payables		
– Others	2,523,673	2,598,560
	3,241,713	3,211,790
# unpaid dividends do not include any amount due and outstanding required to be credited to the Investors' Education and Protection Fund		
<b>7 SHORT TERM PROVISIONS</b>		
Provision for employee benefits :		
Leave encashment	173,588	43,423
Other provisions :		
Provision for proposed equity dividend	9,574,608	9,574,608
Provision for tax on proposed dividend	1,627,205	1,627,205
	11,375,401	11,245,236

### 8. FIXED ASSETS

Particulars	ORIGINAL COST			Balance as at 31.03.2014	DEPRECIATION			Balance as at 31.03.2014	NET BLOCK	
	Balance as at 1.4.2013	Additions	Disposal		Balance as at 01.04.2013	Depreciation during the year	Eliminated on disposal of assets		Balance as at 31.03.2014	Balance as at 31.03.2013
<b>TANGIBLE ASSETS</b>										
1. Freehold land	114,500	–	–	114,500	–	–	–	–	114,500	114,500
2. Buildings	9,127,692	–	–	9,127,692	519,308	148,780	–	668,088	8,459,604	8,608,384
3. Vehicle	–	2,207,255	–	2,207,255	–	205,093	–	205,093	2,002,162	–
Current Year	9,242,192	2,207,255	–	11,449,447	519,308	353,873	–	873,181	10,576,266	8,722,884
Previous Year	9,242,192	–	–	9,242,192	370,526	148,782	–	519,308	8,722,884	

### 9. NON-CURRENT INVESTMENTS

Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>Long Term investments (at cost unless otherwise stated)</b>		
<b>I TRADE INVESTMENTS</b>		
<b>Investment in equity instruments</b>		
a. of Associates (Quoted)		
15,402,598 (Previous Year 15,402,598) Equity Shares of ₹ 10/– each fully paid up of Vardhman Textiles Limited	669,158,294	669,158,294
b. of Associates (Unquoted)		
Nil (Previous Year 300,000) Equity Shares of ₹10/– each fully paid up of Vardhman Textile Components Limited	–	3,000,000
25,000 (Previous Year 25,000) Equity Shares of ₹10/– each fully paid up of Vardhman Spinning & General Mills Limited	250,000	250,000
c. of Other entities (Quoted)		
815,561 (Previous Year 815,561) Equity Shares of ₹10/– each fully paid up of Vardhman Acrylics Limited	3,076,337	3,076,337
3,080,517 (Previous Year 3,080,517) Equity Shares of ₹10/– each fully paid up of Vardhman Special Steels Limited	55,745,069	55,745,069
<b>II OTHER THAN TRADE</b>		
a Investment in equity instruments of other entities (quoted)		
112 (Previous year 112) Equity shares of ₹10/– each fully paid–up of Garware Nylon Ltd.	1,250	1,250
Less : Provision for Diminution in value of Investments	1,250	1,250
1,150 (Previous year 1,150) Equity shares of ₹1/– each fully paid–up of Hindustan Unilever Ltd.	1,288	1,288
50 (Previous year 50) Equity shares of ₹10/– each fully paid–up of Vinod Paper Mills Limited	500	500
Less : Provision for Diminution in value of Investments	500	–

Notes to Financial Statements for the year ended March 31, 2013.

Particulars	Amount in ₹	
	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>b Investment in mutual funds (quoted)</b>		
Fixed maturity plans		
Nil (Previous Year 5,000,000) Units of ₹10/- each of HDFC Fixed Maturity Plan Series XI Growth – 36 Months \$	—	50,000,000
50,00,000 (Previous Year 50,00,000) Units of ₹10/- each of BSL Fixed Term Plan Series GI (1185 Days)	50,000,000	50,000,000
	<b>778,230,988</b>	<b>831,230,988</b>
1. Aggregate amount of Quoted Investments	777,982,738	827,982,738
2. Market Value of Quoted Investments	5,569,804,533	4,281,388,736
3. Aggregate amount of Unquoted Investments	250,000	3,250,000
4. Aggregate Provision for diminution in value of Investments	1,750	1,750
\$ Non current investments having maturity period less than 12 months as on date of balance sheet have been shown under the head current investments as per the requirement of Guidance Note on the Revised Schedule VI to the Companies Act, 1956 issued by "The Institute of Chartered Accountants of India".		

## 10. LONG TERM LOANS & ADVANCES

(unsecured, considered good)

Capital advances

Other loans and advances

— Loans to employees

Advance tax \*

2,994,249

2,994,249

8,316

1,685,839

1,694,155

\* Advance tax is net of provision for tax of ₹ 7,27,99,968 (Previous year of ₹ 18,42,99,968)

## 11. CURRENT INVESTMENTS

### CURRENT INVESTMENTS

#### (AT LOWER OF COST AND FAIR VALUE)

#### Investment in Equity instruments of other entities (quoted)

93,803 (Previous Year Nil) Equity Shares of ₹10/- each of Trident Limited

782,187

Total

782,187

#### Investment in Mutual Funds/Fixed Maturity Plans (quoted)

12,000 (Previous Year 12,000) Units of ₹10/- each of Peerless Liquid Fund Super Inst Plan

1,333,985

1,240,595

150,00,000 (Previous Year Nil) Units of ₹10/- each of DSP Blackrock FMP-Series110-12M- Reg-Growth

150,000,000

1,50,00,000 (Previous Year Nil) Units of ₹10/- each of SBI Debt Fund Series-366 Days-37 Regular Plan Growth

150,000,000

50,00,000 (Previous Year Nil) Units of ₹10/- each of HDFC Fixed Maturity Plan Series XI Growth – 36 Months #

50,000,000

Nil (Previous Year 5,510,159) Units of ₹10/- each of Kotak FMP Series 84-Growth

—

55,101,590

Nil (Previous Year 15,000,000) Units of ₹10/- each of Kotak FMP Series 77-Growth

—

150,000,000

351,333,985

206,342,185



# Vardhman Holdings Limited

Notes to Financial Statements for the year ended March 31, 2014.

Particulars	Amount in ₹	
	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>Investment in Bonds/Debentures (unquoted)</b>		
500 (Previous Year 500) Units of ₹100000/- each of IIFL Indexlnk 040716	50,000,000	50,000,000
	<u>50,000,000</u>	<u>50,000,000</u>
<b>Investment in Bonds/Debentures (Quoted)</b>		
500 (Previous Year 500) Units of ₹10000/- each of 6.00% NHAI Tax Free Bonds	5,000,000	5,000,000
29,668 (Previous Year 29668) Units of ₹1000/- each of 8.20% NHAI Tax Free Bonds	29,668,000	
Less : Provision for Diminution in value of Investments	<u>188,985</u>	<u>29,668,000</u>
12,362 (Previous Year 12362) Units of ₹1000/- each of 8.30% NHAI Tax Free Bonds	12,362,000	
Less : Provision for Diminution in value of Investments	<u>368,140</u>	<u>12,362,000</u>
100,000 (Previous Year 100000) Units of ₹1000/- each of 8.30% NHAI Tax Free Bonds	102,500,000	
Less : Provision for Diminution in value of Investments	<u>5,478,000</u>	<u>102,500,000</u>
750,000 (Previous Year 750000) Units of ₹100/- each of 8.20% Power Finance Corporation Ltd 2022	75,502,500	
Less : Provision for Diminution in value of Investments	<u>1,350,586</u>	<u>75,502,500</u>
250,000 (Previous Year 250000) Units of ₹100/- each of 8.20% Power Finance Corporation Ltd 2022	25,167,500	
Less : Provision for Diminution in value of Investments	<u>450,195</u>	<u>25,167,500</u>
1,000,000 (Previous Year 1000000) Units of ₹100/- each of 8.20% Power Finance Corporation Ltd 2022	101,950,000	
Less : Provision for Diminution in value of Investments	<u>3,080,781</u>	<u>101,950,000</u>
50,000 (Previous Year Nil) Units of ₹1000/- each of 8.51% HUDCO tax free bonds	50,000,000	—
Less : Provision for Diminution in value of Investments	<u>837,000</u>	<u>—</u>
	<u>390,396,313</u>	<u>352,150,000</u>
<b>Investment in Mutual Funds (unquoted)</b>		
Nil (Previous Year 527,657) Units of ₹10/- each of Reliance Short Term Fund – Retail Plan – Growth Option	—	10,000,000
Nil (Previous Year 4033923) Units of ₹10/- each of UTI–Short Term Income Fund – Institutional Growth Option	—	50,000,000
Nil (Previous Year 40,161) Units of ₹1000/- each of SBI–PLF–SI Daily Dividend	—	40,291,706
Nil (Previous Year 15,40,456) Units of ₹10/- each of SBI–Dynamic Bond Fund – Growth	—	20,000,000
Nil (Previous Year 1173192) Units of ₹10/- each of BSL Dynamic Bond Fund Retail Plan – Growth Option	—	20,000,000
Nil (Previous Year 63) Units of ₹100/- each of BSL Floating Rate Fund Short Term Dividend Plan	—	6,287
7,51,665 (Previous Year 47,934) Units of ₹10/- each of Reliance Equity Opportunity Fund Direct Growth Plan Growth Option	35,000,000	2,000,000
Less : Provision for Diminution in value of Investments	<u>—</u>	<u>21,899</u>
Nil (Previous Year 358,092) Units of ₹10/- each of SBI Magnum Income Fund– Reg Growth	—	10,000,000
17,10,970 (Previous Year 109,921) Units of ₹10/- each of ICICI Focused Bluechip Equity– Drt Growth	35,000,000	2,000,000
Less : Provision for Diminution in value of Investments	<u>—</u>	<u>57,690</u>
Nil (Previous Year 53,33,740) Units of ₹10/- each of ICICI Prudential Income Opportunities Fund Institutional Growth	—	70,000,000

## Notes to Financial Statements for the year ended March 31, 2014.

Particulars	Amount in ₹	
	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Nil (Previous Year 153.41) Units of ₹10/- each of Reliance liquid fund	—	234,817
	70,000,000	224,453,221
<b>Investment in Bonds/Debentures/Certificate of Deposits (Unquoted)</b>		
12,337 (Previous Year 12,337) 3% Debentures of ₹100/- each of Marwar Consultancy Pvt Ltd	1,233,700	1,233,700
12,521 (Previous Year 12,521) 3% Debentures of ₹ 100/- each of Vahin Advisors and Traders Pvt Ltd	1,252,100	1,252,100
12,399 (Previous Year 12,399) 3% Debentures of ₹ 100/- each of Jade Stone Development and Holding Pvt Ltd	1,239,900	1,239,900
14,641 (Previous Year 14,641) 3 % Debentures of ₹ 100/- each of Prabal Traders and Advisors Pvt Ltd	1,464,100	1,464,100
29,156 (Previous Year 29,156) 8.50% Debentures of ₹ 100/- each of Zwenzi Traders & advisors Pvt Ltd	2,915,600	2,915,600
29,238 (Previous Year 29,238) 8.25% Debentures of ₹ 100/- each of Sherin Advisors & Traders Pvt Ltd	2,923,800	2,923,800
42,547 (Previous Year 42,547) 10% Convertible Debentures of ₹ 100 each Darode Jog Realiti Private Ltd	4,254,700	4,254,700
47,659 (Previous Year 47,659) 10% Convertible Debentures of ₹ 100 each Amit Enterprises Promoters & Builders Private Limited.	4,765,900	4,765,900
92,503 (Previous year 92,503) 15% Convertible Debentures of ₹ 100 each Lavim Developers Private Limited	9,250,300	9,250,300
72,261 (Previous year 56,259) 10% Convertible Debentures of ₹ 100 each Ambojini Property Developers Private Limited	7,226,100	5,625,900
39,848 (Previous Year 34,985 ) Convertible Debentures of ₹ 100 each 10% Mantri Hamlet Private Limited	3,984,800	3,498,500
42,860 (Previous Year 42,860) Convertible Debentures of ₹ 100 each Swarg Advisors and Traders Pvt. Ltd.	4,286,000	4,286,000
78,418 (Previous Year 42,218 ) Convertible Debentures of ₹ 100 each Godrej Landmark Redevelopers P Ltd	7,841,800	4,221,800
40,934 (Previous Year 40,934) Convertible Debentures of ₹ 100 each Suryanagari Trading And Consultancy Pvt Ltd.	4,093,400	4,093,400
	56,732,200	51,025,700
<b>Investment in Equity Fund/Liquid Funds/Debt Funds/ Monthly Income Plans (Unquoted)</b>		
8,041 (Previous Year 616,226 ) Units of ₹10/- each of Reliance Medium Term Fund – Monthly Dividend Plan	85,071	6,441,487
Less : Provision for Diminution in value of Investments	—	3,774
107,91,211 (Previous Year Nil) Units of ₹10/- each of IDFC Money Manager Fund Treasury Plan Daily Dividend Direct Plan	108,666,413	—
2,234 (Previous Year Nil) Units of ₹100/- each of ICICI Prudential Flexible Income Regular Plan–weekly dividend Reinvestment	235,665	—
50,553 (Previous Year Nil) Units of ₹1000/- each of UTI –Money Market fund–Institutional Plan– Direct Plan– Daily Dividend Reinvestment	50,724,363	—
400 (Previous Year 388) Units of ₹100,000/- each of India Venture Trust fund	40,000,000	38,800,000
759 (Previous Year 462) Units of ₹100,000/- each of ASK Real Estate Fund	75,476,468	46,255,552
	275,187,980	91,493,265

# Vardhman Holdings Limited

Notes to Financial Statements for the year ended March 31, 2014.

Particulars	Amount in ₹	
	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>Investment in Equity Shares (Unquoted)</b>		
15,023 (Previous Year 15023) Equity Shares of ₹1/- each fully paid up of Marwar Consultancy Pvt Ltd	15,023	15,023
15,011 (Previous Year 15011) Equity Shares of ₹1/- each fully paid up of Vahin Advisors and Traders Pvt Ltd	15,011	15,011
14,979 (Previous Year 14979) Equity Shares of ₹1/- each fully paid up of Jade Stone Development and Holding Pvt Ltd	14,979	14,979
14,975 (Previous Year 14975) Equity Shares of ₹1/- each fully paid up of Prabal Traders and Advisors Pvt Ltd	14,975	14,975
14,928 (Previous Year 14928) Equity Shares of ₹1/- each fully paid up of Zwenzi Traders & advisors Pvt Ltd	14,928	14,928
14,919 (Previous Year 14919) Equity Shares of ₹1/- each fully paid up of Sherin Advisors & Traders Pvt Ltd	14,919	14,919
7,870 (Previous Year 7870) Equity Shares of ₹10/- each fully paid up of Ambojini Property Developers Private Limited	78,700	78,700
15 (Previous Year 15) Equity Shares of ₹100/- each fully paid up of Darode Jog Realities Private Limited	1,500	1,500
150 (Previous Year 150) Equity Shares of ₹10/- each fully paid up of Lavim Developers Private Limited	1,500	1,500
15 (Previous Year 15) Equity Shares of ₹10/- each fully paid up of Mantri Hamlet Private Limited	150	150
15 (Previous Year 15) Equity Shares of ₹10/- each fully paid up of Amit Enterprises & Builders Pvt Ltd	150	150
15358 (Previous Year 15358 ) Equity Shares of ₹1/- each fully paid up of Suryanagari Trading And Consultancy Pvt. Ltd.	15,358	15,358
15301 (Previous Year 15301) Equity Shares of ₹1/- each fully paid up of Swarg Advisors and Traders Pvt. Ltd.	15,301	15,301
266 (Previous Year 266) Equity Shares of ₹ 100/- each fully paid up of Godrej Landmark Redevelopers P Ltd	2,174,090	2,174,090
	<b>2,376,584</b>	<b>2,376,584</b>
<b>Total</b>	<b>1,196,809,249</b>	<b>977,840,955</b>
Notes:		
1. Aggregate amount of quoted investments	754,266,172	558,492,185
2. Aggregate amount of unquoted investments	454,296,763	419,432,133
3. Market value of quoted investments	774,605,264	596,001,570
4. Aggregate Provision for diminution in value of Investments	11,753,687	83,363
# Non current investments having maturity period less than 12 months as on date of balance sheet have been shown under the head current investments as per the requirement of Guidance Note on the Revised Schedule VI to the Companies Act, 1956 issued by "The Institute of Chartered Accountants of India".		

## 12 CASH AND BANK BALANCES

Cash and cash equivalents		
a) Balances with banks		
– On current accounts	3,309,507	18,831,839
b) Cash on hand	18,926	11,229
c) Other Bank Balances		
– Earmarked balances with banks (Dividend accounts)	718,040	613,230
	<b>4,046,473</b>	<b>19,456,298</b>

Notes to Financial Statements for the year ended March 31, 2014.

		Amount in ₹	
Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013	
<b>13. SHORT TERM LOANS AND ADVANCES</b>			
Others:			
– Loans and advances to employees	–	50,004	
	–	50,004	
<b>14. OTHER CURRENT ASSETS</b>			
(unsecured, considered good)			
Interest Receivable	26,414,032	17,517,252	
Mat Credit Recoverable	5,850,000	–	
Other recoverable	11,192,644	16,338,058	
	43,456,676	33,855,310	
		Amount in ₹	
Particulars	For the year ended 31 <sup>st</sup> March 2014	For the year ended 31 <sup>st</sup> March 2013	
<b>15. REVENUE FROM OPERATIONS</b>			
Interest Income (Gross) [TDS ₹ 149,007 (Previous year ₹ 247,143)]	40,263,489	39,778,287	
Dividend Income from long term trade investments:			
– Associates	92,329,562	69,311,691	
– others	99,251	148,660	
Dividend income from current investments	12,880,866	5,248,800	
Net Gain on sale of Current Investments	41,192,937	10,349,381	
Net Gain on sale of Non-Current Investments	202,522	–	
Revenue from operations (net)	186,968,627	124,836,819	
<b>16. OTHER INCOME</b>			
Receipt against License agreement	11,561,003	10,143,496	
Adjustment to carrying amount of investment			
– Reversal of reduction in the carrying amount of current investments	–	2,950,198	
Provisions no longer required written back	116,655	670,632	
Rent received	312,000	312,000	
Prior Period Income	44,553	–	
Miscellaneous	450	110,289	
	12,034,661	14,186,615	
<b>17. EMPLOYEE BENEFITS EXPENSE</b>			
Salaries, Wages and Bonus	1,935,646	2,116,224	
	1,935,646	2,116,224	
<b>18. OTHER EXPENSES</b>			
Rent	301,380	301,380	
Professional charges	3,015,991	5,897,426	
Insurance	3,606	858	
Rates and Taxes	64,420	7,988	
Auditors Remuneration:			
Audit Fee	28,090	22,472	
Net loss on sale of Long term Investments	–	5,015,408	
Adjustment to carrying amount of investment			
– Reduction in the carrying amount of current investments	11,670,324	–	
Prior period items	–	67,844	
Miscellaneous	660,049	938,869	
	15,743,860	12,252,245	

## Notes to Financial Statements for the year ended March 31, 2014.

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

The Company has contested the additional demand in respect of income tax amounting to Rs. 20,40,183 (Previous Year 18,78,333). Pending appeal with appellate authorities, no provision has been made in the books of account as the company is hopeful to get the desired relief in appeal.

20. 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.

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

22. 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.

### 23. Employee Benefits :

i) The summarized position of Post-employment benefits and long term employee benefits recognized in the Profit and Loss Account and Balance Sheet as required in accordance with Accounting Standard – 15 (Revised) are as under:-

(a) Changes in the present value of the obligation:

(Amount in ₹)

Particulars	Leave (Unfunded)		Gratuity (Unfunded)	
	Current year	Previous Year	Current year	Previous Year
Present value of obligation as at beginning of the year	50,300	39,861	105,477	72,546
Interest cost	4,577	3,269	9,598	5,949
Current service cost	—	40,139	—	14,035
Benefits paid / transferred	—	—	—	—
Actuarial (gain)/ loss on Obligations	(54,877)	(32,969)	(115,075)	12,947
Present value of obligation as at end of the year	—	50,300	—	105,477

(b) Change in Fair Value of Plan Asset:

(Amount in ₹)

Particulars	Leave (Unfunded)		Gratuity (Unfunded)	
	Current year	Previous Year	Current year	Previous Year
Fair value of Plan Assets as at beginning of the year	—	—	—	—
Expected return on Plan Assets	—	—	4,040	—
Contributions	—	—	105,477	—
Benefits Paid	—	—	—	—
Actuarial gain/ (loss) on Obligations	—	—	9,209	—
Fair value of Plan Assets as at end of the year	—	—	100,308	—

(c) Amount recognized in Balance Sheet:

(Amount in ₹)

Particulars	Leave (Unfunded)		Gratuity (Unfunded)	
	Current year	Previous Year	Current year	Previous Year
Present value of obligation as at end of the year	—	50,300	—	105,477
Fair value of Plan Assets as at end of the year	—	—	100,308	—
Unfunded Liability	—	(50,300)	—	(105,477)
Present value of unfunded obligation as at end of the year	—	—	—	—
Unfunded Actuarial (gains)/ losses	—	—	—	—
Unfunded Net Asset/ (Liability) recognised in Balance Sheet.	—	(50,300)	(100,308)	(105,477)

Notes to Financial Statements for the year ended March 31, 2014.

- (d) Expenses Recognized in Profit and Loss (Amount in ₹)

Particulars	Leave (Unfunded)		Gratuity (Unfunded)	
	Current year	Previous Year	Current year	Previous Year
Current service cost	–	40,139	–	14,035
Interest cost	4,577	3,269	9,598	5,949
Expected return on Plan Assets	–	–	(4,040)	–
Actuarial (gain)/ loss on Obligations	(54,877)	(32,969)	(105,866)	12,947
Total expense recognised in Profit and Loss Account	(50,300)	10,439	(100,308)	32,931

- (e) Investment details of Fund: Fund consists of cash balance of ₹ 502 & Bank Balance of ₹ 1,05,424.

- (f) Principal actuarial assumption at the Balance Sheet Date (expressed as weighted average)

Particulars	Leave (Unfunded)		Gratuity (Unfunded)	
	Current year	Previous Year	Current year	Previous Year
Discount Rate (per annum)	9.10%	8.20%	9.10%	8.20%
Rate of increase in compensation levels (per annum)	6.50%	6.50%	6.00%	6.00%
Rate of return on Plan Assets (per annum)	N.A.	N.A.	N.A.	N.A.
Expected Average remaining working lives of employees (years)	–	14.00	–	14.00
Method Used	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit

- (g) Other Short term employee's benefits

Particulars	Leave		LTA Encashment		Ex-Gratia	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Liability as at beginning of the year	43,423	41,840	19,500	14,500	11,000	11,000
Liability as at end of the year	173,588	43,423	–	19,500	–	11,000
Amount debited to Profit & Loss Account	130,165	1,583	–	5,000	–	11,000

- (h) Contribution to Provident Fund: Rs. Nil (Previous Year Rs. Nil)

24. Related Party Disclosure:

- (a) Disclosure of related parties with whom business transactions took place during the year:
- Associates Vardhman Textiles Limited
- (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 ₹)

Particulars	Associates		Total	
	Current year	Previous Year	Current year	Previous Year
Receipt against licence agreement (excluding service tax)	7,811,003	6,393,495	7,811,003	6,393,495

25. Prior period items are as follows :–

(Amount in ₹)

	For the year ended 31.03.2014	For the year ended 31.03.2013
a) Prior Period Income	1,46,053	Nil
b) Prior Period Expense	1,01,500	67844

26. The previous year figures have been reclassified to conform to this year's classification.

27. The information required to be given pursuant to the provisions of the clause (a) and (c) of Note 5 (viii) of Revised Schedule VI to the Companies Act, 1956 is not applicable to the Company.

28. The company complies in all material respects, with the prudential norms relating to income recognition, asset classification and provisioning for bad and doubtful debts and other matters, specified in the directions issued by the Reserve Bank of India in terms of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007, as applicable to it.

**29.** Disclosure of details as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007:

Particulars	Current Year		Previous Year	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
<b>Liabilities side :</b>				
(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:				
(a) Debentures : Secured	-	-	-	-
: Unsecured (other than falling within the meaning of public deposits)	-	-	-	-
(b) Deferred Credits	-	-	-	-
(c) Term Loans	-	-	-	-
(d) Inter-corporate loans and borrowings	-	-	-	-
(e) Commercial Paper	-	-	-	-
(f) Other Loans	-	-	-	-
<b>TOTAL</b>	-	-	-	-
<b>Assets side :</b>				
	Amount outstanding			
	Current Year		Previous Year	
(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :				
(a) Secured	-	-	-	-
(b) Unsecured	1,944,249		1,744,159	
<b>TOTAL</b>	1,944,249		1,744,159	
(3) Break up of leased assets and stock on hire and other assets counting towards Asset Finance Company (AFC) activities				
(i) Lease assets including lease rentals under sundry debtors :				
(a) Financial lease	-	-	-	-
(b) Operating lease	-	-	-	-
(ii) Stock on hire including hire charges under sundry debtors:				
(a) Assets on hire	-	-	-	-
(b) Repossessed Assets	-	-	-	-
(iii) Other loans counting towards AFC activities				
(a) Loans where assets have been repossessed	-	-	-	-
(b) Loans other than (a) above	-	-	-	-
<b>TOTAL</b>	-	-	-	-
(4) Break-up of Investments (Net of Provisions):				
Current Investments :				
1. Quoted :				
(i) Shares : (a) Equity	782,187		-	
(b) Preference	-		-	
(ii) Debentures and Bonds	390,396,313		352,150,000	
(iii) Units of Mutual Funds	-		-	
(iv) Government Securities	-		-	
(v) Others				
- Units of Fixed Maturity Plans	351,333,985		206,342,185	
- Units of Income/Debt Plans (Net)	-		-	
- Units of Liquid Floater Plans	-		-	
2. Unquoted :				
(i) Shares : (a) Equity	2,376,584		2,376,584	
(b) Preference	-		-	
(ii) Debentures and Bonds	106,732,200		101,025,700	
(iii) Units of Mutual Funds	70,000,000		224,453,221	
(iv) Government Securities	-		-	
(v) Others				
- Units of Private Equity Fund (Health Care)	40,000,000		38,800,000	



## Notes to Financial Statements for the year ended March 31, 2014.

(Amount in ₹)

Amount outstanding		
	Current Year	Previous Year
– Units of Income/Debt Plans (Net)	159,626,440	–
– Units of Liquid Floater Plans	75,561,540	52,693,265
<b>TOTAL (A=1+2)</b>	<b>1,196,809,249</b>	<b>977,840,955</b>
Long Term investments :		
1. Quoted :		
(i) Shares : (a) Equity	727,980,988	727,980,988
(b) Preference	–	–
(ii) Debentures and Bonds	–	–
(iii) Units of Mutual Funds	50,000,000	100,000,000
(iv) Government Securities	–	–
(v) Others	–	–
2. Unquoted :		
(i) Shares : (a) Equity	250,000	3,250,000
(b) Preference	–	–
(ii) Debentures and Bonds	–	–
(iii) Units of Mutual Funds / Fixed Maturity Plans	–	–
(iv) Government Securities	–	–
(v) Others	–	–
<b>TOTAL (B=1+2)</b>	<b>778,230,988</b>	<b>831,230,988</b>
<b>GRAND TOTAL (A+B)</b>	<b>1,975,040,237</b>	<b>1,809,071,943</b>

- (5) Borrower group-wise classification of assets financed as in (2) and (3) above :

Category	Amount net of provisions					
	Current Year			Previous Year		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	–	–	–	–	–	–
(b) Companies in the same group	–	–	–	–	–	–
(c) Other related parties	–	–	–	–	–	–
2. Other than related parties	–	1,944,249	1,944,249	–	1,744,159	1,744,159
<b>Total</b>	<b>–</b>	<b>1,944,249</b>	<b>1,944,249</b>	<b>–</b>	<b>1,744,159</b>	<b>1,744,159</b>

- (6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	Current Year		Previous Year	
	Market Value / Break up or Fair Value or Net Asset Value	Book Value (Net of Provisions)	Market Value / Break up or Fair Value or Net Asset Value	Book Value (Net of Provisions)
1. Related Parties				
(a) Subsidiaries	–	–	–	–
(b) Companies in the same group	–	–	–	–
(c) Other related parties	5,514,563,336	728,229,700	4,176,766,736	731,229,700
2. Other than related parties	1,272,637,786	1,246,810,537	1,126,472,340	1,077,842,243
<b>Total</b>	<b>6,787,201,122</b>	<b>1,975,040,237</b>	<b>5,303,239,076</b>	<b>1,809,071,943</b>

- (7) Other information

Particulars	Current Year	Previous Year
(i) Gross Non-Performing Assets		
(a) Related parties	–	–
(b) Other than related parties	–	–
(ii) Net Non-Performing Assets		
(a) Related parties	–	–
(b) Other than related parties	–	–
(iii) Assets acquired in satisfaction of debt	–	–

### Notes :

- Companies in the same group means companies under the same management as per section 370(1B) of the Companies Act, 1956.
- In case of unquoted shares, book value is taken as market value.

# Vardhman Holdings Limited

Notes to Financial Statements for the year ended March 31, 2014.

**30.** Information pursuant to Guidelines for NBFC–ND–SI vide notification No. DNBS 200/CGM (PK) – 2008 dated 01–08–2008.

## ANNEX I CRAR

(Amount in ₹)

Items	Current year	Previous year
i) CRAR (%)	100.04	100.60
ii) CRAR – Tier I Capital (%)	100.04	100.60
iii) CRAR – Tier II Capital (%)	–	–

### EXPOSURES

#### Exposure to Real Estate Sector

Items	Current year	Previous year
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;	–	–
(ii) Commercial Real Estate – Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi– family residential buildings, multi– tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure would also include non0 Fund based (NFB) limits;	–	–
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures –	–	–
(a) Residential,	–	–
(b) Commercial Real Estate	–	–
b. Indirect Exposure Fund based and non– fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	–	–

### Asset Liability Management

#### Maturity pattern of certain items of assets and liabilities

(₹ in crores.)

	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									
Liabilities									
Borrowings from banks	–	–	–	–	–	–	–	–	–
Market Borrowings	–	–	–	–	–	–	–	–	–
Assets									
Advances	–	–	–	–	–	–	–	–	–
Investments	–	–	–	–	–	–	–	–	197.50

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.

As per our report of even date  
For R. Dewan & Co.,  
Chartered Accountants  
Firm Registration No.: 017883N

RAJIV DEWAN  
Partner  
Membership No.: 084718

Place : Ludhiana  
Dated: 17th May, 2014

For and on behalf of Board of Directors

SACHIT JAIN  
Director

SUCHITA JAIN  
Director



# VARDHMAN HOLDINGS LIMITED

REGD. OFFICE: CHANDIGARH ROAD, LUDHIANA - 141 010

CIN : LI7111PB1962PLC002463; PAN : AABCV8088P



## PROXY FORM

I/We.....  
of.....  
in the District .....being a Member/Members  
of **Vardhman Holdings Limited** hereby appoint.....  
of.....in the  
District of.....failing him/her  
.....of.....  
.....in the district of.....  
as my/our proxy to vote for me/us on my/our behalf at the 50<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, the 25<sup>th</sup> September, 2014 at 3.00 P.M. and at any adjournment thereof.  
Signed this.....day of.....2014.

Signature.....

Address.....

Folio No./ Client-Id No.....

DPID No. ....

### NOTES :

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote on poll instead of himself/herself.
2. The Proxy Form duly signed across Revenue Stamp should reach the Registered Office of the company at least 48 hours before the time of meeting.

# VARDHMAN HOLDINGS LIMITED

REGD. OFFICE: CHANDIGARH ROAD, LUDHIANA - 141 010

CIN : LI7111PB1962PLC002463; PAN : AABCV8088P



## ATTENDANCE SLIP

I hereby record my presence at the 50<sup>th</sup> Annual General Meeting of the above named Company being held at Registered Office of the Company situated Chandigarh Road, Ludhiana, at 3.00 PM, on Thursday, the 25<sup>th</sup> September, 2014.

Full Name of the Member Signature  
(in BLOCK LETTERS)

Signature

Folio No./ Client-Id No. ....

No. of Shares held.....

DPID No.....

Full Name of the Member Signature  
(in BLOCK LETTERS)


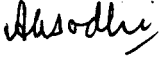

Signature

**NOTE:** Members attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

## **FORM A**

### **COVERING LETTER OF ANNUAL AUDIT REPORT TO BE FILED WITH STOCK EXCHANGE**

#### **(CLAUSE 31- LISTING AGREEMENT)**

<b>Sr. No.</b>	<b>Name of the Company</b>	<b>Vardhman Holdings Limited</b>
1.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2014
2.	Type of Audit observation	Un-qualified
3.	Frequency of observation	N.A
4.	To be signed by- <ul style="list-style-type: none"><li>Chairman</li><li>Chairperson of Audit Committee Chairman</li><li>Auditor of the Company</li></ul>	<div>Mr. S. P. Oswal </div> <div>Mrs. Apinder Sodhi </div> <div>Mr. Rajiv Dewan </div>