

49th Annual Report

2012-13



Vardhmān

Vardhmān Holdings Limited

BOARD OF DIRECTORS

MR. SHRI PAUL OSWAL *Chairman*
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. O. P. SHARMA
MRS. SHAKUN OSWAL *Executive Director*

AUDITORS

M/S R. DEWAN & COMPANY

REGISTRAR AND TRANSFER AGENT

M/S ALANKIT ASSIGNMENTS LIMITED

REGISTERED OFFICE

Chandigarh Road, Ludhiana-141 010
Phones: (0161) 2228943-48
Fax: (0161)2222616, 2601048 & 2602710
Website: www.vardhman.in
E-mail: secretarial.lud@vardhman.com

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NOTICE

NOTICE is hereby given that the FORTY-NINTH ANNUAL GENERAL MEETING of the members of the Company will be held on Saturday, the 31st day of August, 2013 at 5.00 P.M. at the Registered Office of the Company situated at Chandigarh Road, Ludhiana, to transact the following business :-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013, Statement of Profit and Loss for the year ended on that date, together with Report of Auditors and Directors thereon.
2. To declare Dividend.
3. a) To appoint a Director in place of Mr. S.P. Kanwar, who retires by rotation in accordance with Article 104 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
 b) To appoint a Director in place of Mr. C.L. Jain, who retires by rotation in accordance with Article 104 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
 c) To appoint a Director in place of Mr. O.P. Sharma, who retires by rotation in accordance with Article 104 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
4. To appoint Auditors for the year 2013-14 and to fix their remuneration.

SPECIAL BUSINESS:

ITEM No. 5

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

"RESOLVED THAT pursuant to the provisions of Section-269 read with Schedule-XIII and other applicable provisions, if any, of the Companies Act, 1956 the terms and conditions relating to remuneration of Mrs. Shakun Oswal, Executive Director of the Company, be and are hereby amended w.e.f. 1st June, 2013 and the amended terms & conditions are detailed below:-

I)	BASIC SALARY	₹ 85,000 -10,000-1,05,000 per month
II)	SPECIAL ALLOWANCE	₹ 25,000/- p.m
III)	PERQUISITES	The following perquisites shall be allowed in addition to basic salary and special allowance:
	a) Car & Telephone	Free use of Company's car for official work as well as for personal purposes along with Driver and telephone at Company's cost.
	b) Club fee	Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
	c) Medical	Reimbursement of Medical Expenses incurred by the appointee (including mediclaim insurance premium) on self and his family, subject to ceiling of one month's basic salary in a year or three month's basic salary over a period of three years.

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

RESOLVED FURTHER THAT Mr. S. P. Oswal, Chairman, be and is hereby authorised to execute an agreement on behalf of the Company with Mrs. Shakun Oswal in respect of new terms and conditions of remuneration of Mrs. Shakun Oswal, Executive Director of the Company.

RESOLVED FURTHER THAT Common Seal of the Company, if required, be affixed on the said Agreement, in the presence of Mr. S.P. Oswal, Chairman, who shall countersign the same in token thereof.

RESOLVED FURTHER THAT Mr. Sachit Jain, Director and Mr. Shashi Ranjan Kumar, Authorised Signatory, be and are hereby severally authorised to take all necessary steps as may be deemed necessary to comply with other legal formalities in this regard."

ITEM No. 6

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

"RESOLVED THAT Mrs. Apinder Sodhi, who was appointed as an Additional Director under Section 260 of the Companies Act, 1956, and Article 94 of the Articles of Association of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

By Order of the Board

Place : Ludhiana
Date : 27th July, 2013

(S.P. Oswal)
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.
2. 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(a), 3(b), 3(c) and 6 of the Notice is also being annexed hereto separately and forms part of the Notice.
3. **The Register of Members and Share Transfer Books of the Company shall remain closed from 19th August, 2013 to 31st August, 2013 (Both days inclusive).**
4. The Dividend declared, if any, will be paid to those members whose names appear in the Register of Members of the Company as on the date of Annual General Meeting i.e. 31st August, 2013. However, in respect of the shares held in electronic form, dividend will be paid on the basis of beneficial ownership as at the end of the 18th August, 2013, as per details furnished by Depositories for this purpose.
5. Members holding shares in physical mode are requested to notify the change in their addresses, if any, at the earliest to the Registrar and Transfer Agent. However, members holding shares in electronic mode may notify the change in their addresses, if any, to their respective Depository Participants.
6. Members desiring any information as regards Accounts are requested to write to the Company at its Registered Office at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready.
7. **The Ministry of Corporate Affairs ("MCA") has vide Circular Nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 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 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 Registrar & Transfer Agent of the Company by sending a letter under your Registered Signature at the below mentioned address.

M/s Alankit Assignments Limited,
2E/21, Alankit House, Jhandewalan Extension,
New Delhi-110 055
Phone: (011) 41540060-63,
Fax: (011) 41540064,
E-mail: rta@alankit.com

8. 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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 5

Your Board of Directors had appointed Mrs. Shakun Oswal as an Executive Director of the Company for a period of five years w.e.f. 1st June, 2011 to 31st May, 2016 in their meeting held on 21st May, 2011 which was approved by the members of the Company in

the 47th Annual General Meeting. Keeping in view the involvement of Mrs. Shakun Oswal in the business of the Company, the Board of Directors in its meeting held on 9th February, 2013 has revised the terms and conditions relating to the appointment of Mrs. Shakun Oswal subject to your approval.

As per Sections 269 of the Companies Act, 1956, Part III of Schedule XIII and other applicable provisions of the Companies Act, 1956, your approval is required by way of Ordinary Resolution for the said purpose.

Memorandum of Interest

None of the Directors of the Company, except Mr. S.P. Oswal, Mr. Sachit Jain, Mrs. Suchita Jain, Mr. C.L Jain and Mrs. Shakun Oswal, the appointee herself, is interested or concerned in the resolution.

ITEM NO. 6

Your Board of Directors has appointed Mrs. Apinder Sodhi as an additional Director on the Board of the Company in its meeting held on 27th July, 2013 pursuant to section 260 of the Companies Act, 1956 and Article 94 of the Articles of Association of the Company.

In terms of Section 260 of the Companies Act, 1956 read with Article 94 of the Articles of Association of the Company, Mrs. Apinder Sodhi will hold office of Additional Director upto the date of Annual General Meeting. The Company has received notice from one member under Section 257 of the Companies Act, 1956 proposing the candidature of Mrs. Apinder Sodhi as a Director of the Company. Your approval is, accordingly, solicited for her appointment as a Director liable to retire by rotation.

Memorandum of interest

Except Mrs. Apinder Sodhi, being the appointee herself, none of the Directors of the Company is concerned or interested in this resolution.

By Order of the Board

Place : Ludhiana
Date : 27th July, 2013

(S.P. Oswal)
Chairman

ANNEXURE TO THE NOTICE:

INFORMATION PURSUANT TO CORPORATE GOVERNANCE CLAUSE OF THE LISTING AGREEMENT REGARDING THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT IN THE ANNUAL GENERAL MEETING

Name of the Director	Mr. S.P. Kanwar	Mr. C.L. Jain	Mr. O.P. Sharma	Mrs. Apinder Sodhi
Date of Birth	28.05.1939	23.11.1939	26.12.1939	21.11.1962
Date of Appointment	13.05.2008	28.08.1978	24.07.2009	27.07.2013
Qualification	Under Graduate	M.Sc. Chemistry	M.A. Public Administration	M.B.A.
Expertise in specific functional area	Trading and Manufacturing Textiles	More than 35 years of rich experience in chemical industry	Business Executive for 39 years	Management Professional
Directorships in other companies	1. Veera Trading & Textile Co. Pvt. Ltd. 2. Luxmi Trading Co. Pvt. Ltd.	1. Archem Industries, Delhi. 2. Sens Industrial Corporation, Delhi. 3. Arham Industries, Faridabad. 4. Tara Udyog, Delhi.	Nil	Nil
Chairmanships/ Committee memberships of other companies	Nil	Nil	Nil	Nil
Number of shares held	1212	5	Nil	Nil
Relationship with other Directors	Not Related to any Director.	Relative of Mrs. Shakun Oswal.	Not Related to any Director.	Not Related to any Director.

DIRECTORS' REPORT

Dear Members,

The Directors of your Company have pleasure in presenting their 49th Annual Report on the affairs of the Company together with the Audited Accounts of the Company for the year ended 31st March, 2013.

1. FINANCIAL RESULTS:

The Financial Results for the year are as under: -

	(Amount in ₹)	
PARTICULARS	2012-13	2011-12
Revenue from Operations	124,836,819	133,047,404
Other Income	14,186,615	12,305,042
Extra Ordinary Income being gain on disposal of Assets	-	538,834,927
Profit before Depreciation, Interest and Tax (PBDIT)	124,654,964	674,649,249
Interest and Financial Expenses	-	-
Profit before Depreciation & Tax (PBDT)	124,654,964	674,649,249
Depreciation	148,781	268,589
Profit before Tax (PBT)	124,506,183	674,380,660
Provision for		
- Current Tax	10,100,000	124,500,000
- Tax adjustment for earlier years	-	(2,910)
Profit after Tax (PAT)	114,406,183	549,883,570
Balance brought forward	535,475,629	159,865,265
Profit available for Appropriations	649,881,812	709,748,835
Appropriations:		
Proposed Dividend on Equity Shares	9,574,608	7,978,840
Corporate Dividend Tax on Proposed Dividend	1,627,205	1,294,367
Transfer to General Reserve	11,500,000	55,000,000
Transfer to Statutory Reserve	22,900,000	110,000,000
Balance carried to Balance Sheet	604,279,999	535,475,629
Earnings per Share (₹)	35.85	172.29
Earnings per Share (excluding Extra Ordinary Item) (₹)	35.85	38.82
Dividend per Share (₹)	3.00	2.50

2. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

a. FINANCIAL ANALYSIS:

During the year, the Revenue from operations was ₹ 124,836,819 as against ₹ 133,047,404 in the previous year. The Company earned other income of ₹ 14,186,615 during the year as against ₹ 12,305,042 during last year. The Company earned profit before depreciation, interest and tax of ₹ 124,654,964 as against ₹ 674,649,249 in the previous year. After providing for depreciation of ₹ 148,781 (Previous Year ₹ 268,589), current tax of ₹ 10,100,000 (Previous Year ₹ 124,500,000), the profit after tax was ₹ 114,406,183 as against ₹ 549,883,570 for last year.

The balance available for appropriation after adding balance in surplus account is ₹ 649,881,811. Out of this, a sum of ₹ 9,574,608 and ₹ 1,627,205 respectively have been appropriated towards proposed dividend and corporate dividend tax thereon, ₹ 11,500,000 is proposed to be transferred to general reserve, ₹ 22,900,000 is proposed to be transferred to Statutory Reserve and the balance of ₹ 604,279,999 is proposed to be carried as surplus to the balance sheet.

b. RESOURCE UTILISATION:

FIXED ASSETS:

The net fixed assets as at 31st March, 2013 were ₹ 8,722,884 as compared to ₹ 8,871,666 in the previous year. During the year, there were additions of fixed assets amounting to ₹ Nil (Previous Year ₹ 133,700).

CURRENT ASSETS

The current assets as on 31st March, 2013 were ₹ 1,032,888,406 as against ₹ 766,344,276 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 ₹)	
	2012-13	2011-12
Cash and Cash Equivalents:		
Beginning of the Year	1,520,768	1,736,076
End of the Year	19,456,298	1,520,768
Net Cash provided/(used) by:		
Operating Activities	88,332,870	97,114,064
Investing Activities	(61,147,103)	(88,226,749)
Financing Activities	(9,250,237)	(9,102,623)

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, 2013, 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. DIRECTORS:

Mr. S.P. Kanwar, Mr. C.L. Jain and Mr. O.P. Sharma, Directors of your Company, retire by rotation at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Mr. B.K. Arora, Director of the Company, left for his heavenly abode during the year. The Board of Directors expressed profound grief and sorrow at the demise of Mr. B.K. Arora. Consequently the Board of Directors had appointed Mrs. Apinder Sodhi as an Additional Director.

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.

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, 2013 and of the profits of the Company for the year ended on 31st March, 2013;
- (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: 27th July, 2013**

**(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 shareholder value over a sustained period of time.

2. BOARD OF DIRECTORS:

(a) Board Meetings:

During the financial year 2012-13, four Board Meetings were held on 15th May, 2012, 6th August, 2012, 12th November, 2012 and 9th February, 2013.

(b) Composition:

As at 31st March, 2013, 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 thus it meets the stipulated requirement.

The composition of the Board of Directors and their attendance at the Board Meetings during year and at the last Annual General Meeting of the Company and also the number of Directorships/Chairmanships in other Indian Public Limited Companies are as follows :-

Name of Director	Designation & Category	Number of Board Meetings attended	Attendance at Last Annual General Meeting	Directorship in other Public Companies	No. of Committee Memberships in other Companies	Board Chairmanships in other Companies	Committee Chairmanships in other Companies
Mr. Shri Paul Oswal	Non Executive Chairman Non Independent	3	No	11	-	5	-
Mrs. Shakun Oswal	Executive Director, Non Independent	3	Yes	4	-	-	-
Mr. Sachit Jain	Non Executive Director, Non Independent	1	Yes	13	3	1	2
Mrs. Suchita Jain	Non Executive Director, Non Independent	2	No	7	1	-	-
Mr. Chaman Lal Jain	Non Executive Director Non Independent	2	No	-	-	-	-
Mr. Bal Krishan Arora	Non-Executive, Independent Director	3	No	-	-	-	-
Mr. Surinder Singh Bagai	Non Executive, Independent Director	-	No	2	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	Yes	2	-	-	-

Notes:

- i) Mr. Shri Paul Oswal, Mrs. Shakun Oswal, Mr. Sachit Jain and Mrs. Suchita Jain are related to one another. Mrs. Shakun Oswal and Mr. Chaman Lal Jain are related to each other. 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. Mr. Bal Krishan Arora, Mr. Sat Pal Kanwar and Mr. Om Parkash Sharma as on 31st March, 2013. Mr. Bal Krishan Arora was the Chairman 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 2011-12 on 15th May, 2012, 6th August, 2012, 12th November, 2012 and 9th February, 2013.

The attendance of the members of the Audit Committee during the financial year 2012-13 is given below:-

Committee Members	Category	No. of Audit Committee Meetings Attended
Mr. Bal Krishan Arora	Non-Executive, Independent Director	3
Mr. Sat Pal Kanwar	Non-Executive, Independent Director	4
Mr. Om Parkash Sharma	Non-Executive, Independent Director	3

- After death of Mr. B.K. Arora, Chairman of the Audit Committee, Mrs. Apinder Sodhi has been appointed as a member of the Audit Committee.

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 financial year 2012-13 is as given below:

(in ₹ Lac)

Name	Designation	Salary	Perquisites & Allowances	P.F. Contribution	Commission	Gross remuneration
Mrs. Shakun Oswal	Executive Director	9.00	3.00	-	-	12.00

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 2012-13 are given hereunder: -

S. No.	Name of The Director	Sitting fee (₹)
1.	Mr. Chaman Lal Jain	8,000
2.	Mr. Surinder Singh Bagai	-
3.	Mr. Jagdish Rai Singal	4,000
4.	Mr. Om Parkash Sharma	21,000
5.	Mr. Bal Krishan Arora	21,000
6.	Mr. Sat Pal Kanwar	28,000

iii) Shareholding:

The shareholding of the Directors in the equity share capital of the Company as at 31st March, 2013 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	NIL
4.	Mrs. Suchita Jain	27,101	9.	Mr. Surinder Singh Bagai	NIL
5.	Mr. Bal Krishan Arora	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 2012-13, one meeting of the Investors' Grievance Committee was held on 26th March, 2013.

During the financial year 2012-13, the Company had received 82 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 2012-13.

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
48th Annual General Meeting for financial year ended 31st March, 2012	Saturday, 1st September, 2012 at 12.00 p.m.	Registered Office, Chandigarh Road, Ludhiana-141 010.	Nil
47th Annual General Meeting for financial year ended 31st March, 2011	Saturday, 23rd July, 2011 at 05.00 p.m.	Registered Office, Chandigarh Road, Ludhiana-141 010.	Nil
46th Annual General Meeting for financial year ended 31st March, 2010	Monday, 19th July, 2010 at 10.30 a.m.	Registered Office, Chandigarh Road, Ludhiana-141 010.	Nil

The Company has not passed any resolution through postal ballot during the financial year 2012-13. No resolution is proposed to be passed by postal ballot in the forthcoming Annual General Meeting.

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 'Desh Sewak' and are also made available at Company's web-site www.vardhman.com.

9. GENERAL INFORMATION FOR SHAREHOLDERS:

i) 49th Annual General Meeting:

Date	: 31st August, 2013
Time	: 05.00 P.M
Venue	: Registered Office, Chandigarh Road, Ludhiana - 141 010

ii) Financial Calendar 2013-14 (Tentative):

First Quarter Results	: July, 2013
Second Quarter Results	: November, 2013
Third Quarter Results	: February, 2014
Annual Results	: May, 2014

iii) Dates of Book Closure : 19th August, 2013 to 31st August, 2013 (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:

- The Bombay Stock Exchange Limited (BSE),
Floor 25, P.J. Towers, Dalal Street, Mumbai-400 001.
- 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

- The Bombay Stock Exchange Limited (BSE) : 500439
- 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 2012-13 are given as follows: -

Financial Year 2012-13	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	428.90	352.30	416.50	4.15	419.8	382.15	393	(0.74)
May	462.00	390.00	448.90	7.78	490	387	467.85	16.00
June	477.80	405.00	439.50	(2.09)	477.5	400	435.1	(7.53)
July	489.70	406.10	430.05	(2.15)	486.95	405	435.2	0.02
August	520.00	417.00	496.65	15.49	534.9	420	457.25	4.82
September	570.00	450.00	510.00	2.69	539.95	450	502	8.91
October	549.80	466.10	530.00	3.92	549	455.7	504.6	0.52
November	604.80	494.80	544.25	2.69	545	498.9	530	4.79
December	559.00	507.70	545.25	0.18	568.8	526	540	1.85
January	642.90	520.00	575.00	5.46	589.6	540	575	6.09
February	625.00	555.00	574.05	(0.17)	600	511.1	565.7	(1.64)
March	639.90	460.00	462.00	(19.5)	598.5	457	460.3	(22.90)

viii) Information regarding dividend payment:

- Dividends remaining unpaid/unclaimed upto the financial year 2004-2005 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 2005-2006 and onwards, which remains unpaid/unclaimed for a period of 7 years, is required to be transferred to the IEPF. It may be noted that no claim will lie against the Company or the "Fund" in respect of the said unclaimed dividend amount so transferred to the "Fund". The last dates of transferring the un-claimed dividend for the years 2005-06 and 2006-07 are 25th September, 2013 and 17th September, 2014 respectively. Accordingly, Members who have not received their dividend for the financial year 2005-2006 and onwards are requested to inform 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 House, 2E/21, Jhandewalan Extension, New Delhi-110 055.
 Phone: 011-42541234, 23541234, Fax: 011-41540064, 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 31st March, 2013.**

Range of Number of Shares	SHAREHOLDERS		SHARES	
	Number	Percent	Number	Percent
Up to - 500	7,651	98.27	257,334	8.06
501 - 1,000	42	0.54	30,333	0.95
1,001 - 5,000	47	0.60	101,156	3.17
5,001 - 10,000	14	0.18	104,056	3.26
10,001 - Above	32	0.41	2,698,618	84.56
Total	7,786	100	3,191,536	100

xii) **Dematerialisation of shares:**

As on 31st March 2013, 96.86 percent of the capital comprising of 3,091,317 equity shares out of total of 3,191,536 equity shares were 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 : 0161-2228943-547
Fax : 0161-2601048, 2602710, 2222616
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 2012-13.

Place: Ludhiana
Dated: 27th July, 2013

(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, 2013, 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

Place : Ludhiana
Dated : 23rd May, 2013

(RAJIV DEWAN)
Partner
Membership No. 084718

COMPLIANCE CERTIFICATE

CIN No. of the Company : **L17111PB1962PLC002463**
Authorised Capital : **₹ 40,00,00,000**
Paid up Capital : **₹ 3,19,15,360**

To
The Members,
Vardhman Holdings Limited,
Chandigarh Road,
Ludhiana.

We have examined the registers, records, books and papers of Vardhman Holdings Limited, Ludhiana as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also provisions contained in the Memorandum and the Articles of the Association of the Company for the financial year ended March 31, 2013. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and the agents, we certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company, being a public limited company, comments are not required;
4. The Board of Directors duly met 4 (Four) times on 15.05.2012, 06.08.2012, 12.11.2012 and 09.02.2013 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of members from 20.08.2012 to 01.09.2012 in compliance with Section 154 of the Act.
6. The Annual General Meeting in respect of the financial year ending on March 31, 2012 was held on 1st September, 2012 after giving due notice to the members of the company & the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting was held during the 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 any contracts falling within the purview of section 297 of the Act.
10. The Company has made necessary 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 duly approved the issue of duplicate share certificates.
13. The company has:
 - (i) Delivered all 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 on 4th September, 2012 which is 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 with HDFC Bank Limited on 07.10.2012.
 - (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; Amount-Rs. 78,326/-, For the year 2004-05 on 25.10.2012.
 - (v) Duly compiled with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted. There was no appointment of directors, additional directors, alternate directors and directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director/Wholtime Director/Manager during the year.
16. The Company has not appointed any sole-selling agents during the financial year under review.
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 any shares, debentures or other securities during the financial year under review.

20. The Company has not bought back any shares during the financial year under review.
21. There was no redemption of preference shares or debentures during the financial year under review.
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 ended 31st March 2013.
25. The company has made loans and investments, or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose, as applicable.
26. The company has not altered the provisions of the Memorandum with respect to 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 name of the company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with the respect to Share Capital of the company during the year under scrutiny.
30. The company has not altered its Articles of Association during the financial year under review.
31. There was/ were no prosecution initiated against or show cause notices 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 B K Gupta & Associates

(Bhupesh Gupta)

Partner

C. P. No.: 5708

FCS- 4590

Place: Ludhiana

Dated: 22nd May, 2013

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 March 31, 2013

S.No.	Form No./ Return	Filed under Section	For	Date of filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
1.	Form 66	383A(1)	31.03.2012	25.09.2012	Yes	NA
2.	Form 23AC & ACA	220	31.03.2012	19.10.2012	Yes	NA
3.	Form 20B	159	01.09.2012	18.10.2012	Yes	NA
4.	Form 1INV	205C	26.10.2012	30.10.2012	Yes	NA
5.	Form 5INV	205C	01.09.2012	13.10.2012	Yes	NA

INDEPENDENT AUDITORS' REPORT

To
The Members of
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, 2013, 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, 2013;
- 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 sub-section (3C) of section 211 of the Companies Act, 1956;
 - On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2013, 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
Firm Registration No. 017883N

Place: Ludhiana
Date: 23rd May, 2013

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, 2013.

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.

- ii) 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 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, 2013, 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 ₹ 1,476,302/- 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	410,324/-	A.Y. 2008-09 CIT (Appeal)
Income Tax Act, 1961	6,748/-	A.Y. 2009-10 CIT (Appeal)
Income Tax Act, 1961	1,016,230/-	A.Y. 2010-2011 CIT (Appeal)
Income Tax Act, 1961	43,000/-	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,

(Rajiv Dewan)
Partner

Place: Ludhiana
Date: 23rd May, 2013

M. No. 084718

BALANCE SHEET as at 31st March, 2013

(Amount in ₹)

Particulars	Note No.	As at 31st March, 2013	As at 31st March, 2012
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	31,924,360	31,924,360
(b) Reserves and surplus	4	1,826,290,931	1,723,086,561
		<u>1,858,215,291</u>	<u>1,755,010,921</u>
(2) Non-current liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (net)		-	-
(c) Other long term liabilities		-	-
(d) Long-term provisions	5	178,277	112,407
		<u>178,277</u>	<u>112,407</u>
(3) Current liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables		-	-
(c) Other current liabilities	6	3,211,790	3,577,431
(d) Short-term provisions	7	11,245,236	15,604,690
		<u>14,457,026</u>	<u>19,182,121</u>
TOTAL		<u>1,872,850,594</u>	<u>1,774,305,449</u>
II ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	8,722,884	8,871,666
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
		<u>8,722,884</u>	<u>8,871,666</u>
(b) Non-current investments	9	831,230,988	999,031,186
(c) Long-term loans and advances	10	8,316	58,320
(d) Other non-current assets		-	-
		<u>839,962,188</u>	<u>1,007,961,172</u>
(2) Current assets			
(a) Current investments	11	977,840,955	740,609,484
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and bank balances	12	19,456,298	1,520,768
(e) Short-term loans and advances	13	1,735,843	3,502,929
(f) Other current assets	14	33,855,310	20,711,096
		<u>1,032,888,406</u>	<u>766,344,277</u>
TOTAL		<u>1,872,850,594</u>	<u>1,774,305,449</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: 23rd May, 2013

For and on behalf of Board of Directors

Shakun Oswal
Executive Director

S.P. Oswal
Chairman

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2013

(Amount in ₹)

Particulars	Note no.	For the year ended 31st March, 2013	For the year ended 31st March, 2012
i Revenue from operations	15	124,836,819	133,047,404
ii Other income	16	14,186,615	12,305,042
iii Total Revenue (i + ii)		139,023,434	145,352,446
iv Expenses :			
Cost of materials consumed		-	-
Purchases of Stock-in-Trade		-	-
Change in inventories of finished goods, work in progress and Stock-in-Trade		-	-
Employee benefits expense	17	2,116,224	1,836,974
Finance costs		-	-
Depreciation and amortization expenses	8	148,782	268,589
Other expenses	18	12,252,245	7,701,150
Total Expenses		14,517,251	9,806,713
v Profit before extraordinary items and tax (iii - iv)		124,506,183	135,545,733
vi Less : Extraordinary items : Gain on disposal of fixed assets		-	(538,834,927)
vii Profit before tax (v - vi)		124,506,183	674,380,660
viii Tax expense :			
- Current Tax		10,100,000	124,500,000
- Deferred tax		-	-
- Tax adjustments of earlier years		-	(2,910)
ix Profit for the year after tax (vii - viii)		114,406,183	549,883,570
Earnings per equity share			
[Earning per equity share ₹10/- (Previous Year: ₹10)]			
Basic		35.85	172.29
Diluted		35.85	172.29
Earnings per equity share (Excluding extraordinary items)			
[Earning per equity share ₹ 10/- (Previous Year: ₹ 10)]			
Basic		35.85	38.82
Diluted		35.85	38.82

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: 23rd May, 2013

For and on behalf of Board of Directors

Shakun Oswal
Executive Director

S.P. Oswal
Chairman

CASH FLOW STATEMENT for the year ended 31st March, 2013

(Amount in ₹)

Particulars	For the year ended 31st March, 2013	For the year ended 31 st March, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	124,506,183	135,545,733
Adjustments for :		
Depreciation and amortization	148,781	268,589
Net Gain on sale of Current Investments	(10,349,381)	(24,444,070)
Net loss on sale of Long term Investments	5,015,408	-
Adjustment to the carrying amount of investment	(2,950,198)	(2,732,586)
Provisions no longer required written Back	(670,632)	(1,000)
	(8,806,022)	(26,909,067)
Operating profit before working capital changes	115,700,161	108,636,666
Adjustments for :		
(Increase)/Decrease in trade receivables & Other assets	(11,327,124)	(7,740,018)
Increase/(Decrease) in trade payables and other liabilities	(1,336,364)	1,611,976
	(12,663,488)	(6,128,042)
Cash Generation from Operations	103,036,673	102,508,624
Taxes Paid	(14,703,803)	(5,394,562)
Net Cash flow from / (used) in operating activities (A)	88,332,870	97,114,062
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments	(542,327,313)	(936,739,444)
Sale of Investments	481,180,210	420,785,497
Purchase of Fixed Assets	-	(133,700)
Cash flow from extra ordinary items (Disposal of fixed assets)	-	427,860,900
Net Cash Flow from / (used) in investing activities (B)	(61,147,103)	(88,226,747)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid (including tax thereon)	(9,250,237)	(9,102,623)
Net Cash Flow from / (used) in financing activities (C)	(9,250,237)	(9,102,623)
Net Increase in cash & cash equivalents (A+B+C)	17,935,530	(215,308)
Cash & cash equivalents as at the beginning	1,520,768	1,736,076
Cash & cash equivalents as at the end	19,456,298	1,520,768

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: 23rd May, 2013

For and on behalf of Board of Directors

Shakun Oswal
Executive Director

S.P. Oswal
Chairman

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

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 provision 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 assumptions 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, 2013.

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.

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

3. SHARE CAPITAL

Particulars	As at 31st March, 2013		As at 31 st March, 2012	
	Number	Amount in ₹	Number	Amount in ₹
Authorised				
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
	40,000,000	400,000,000	40,000,000	400,000,000
Issued				
Equity Shares of ₹ 10/- each	3,191,536	31,915,360	3,191,536	31,915,360
	3,191,536	31,915,360	3,191,536	31,915,360
Subscribed and fully Paid-up				
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
Total	3,191,536	31,924,360	3,191,536	31,924,360

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

Equity Shares	As at 31st March, 2013		As at 31 st March, 2012	
	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	3,191,536	31,915,360	3,191,536	31,915,360

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 31.03.2013 Number	As at 31.03.2012 Number
Equity shares allotted as fully paid up by way of bonus shares	-	-
Equity shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	-	-
Equity Shares bought back	-	-

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

Class of shares and Name of shareholder	As at 31st March, 2013		As at 31 st March, 2012	
	Number	% of Shareholding	Number	% of Shareholding
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, 2013.

Particulars	Amount in ₹	
	As at 31st March, 2013	As at 31 st March, 2012
4. RESERVES AND SURPLUS		
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	936,971,944	881,971,944
Add: Transferred from surplus balance in the Statement of profit And loss	11,500,000	55,000,000
Closing Balance	948,471,944	936,971,944
Statutory Reserve (u/s 45-IC of RBI Act, 1934)		
Balance as per last financial statements	165,500,000	55,500,000
Add: Transferred from surplus balance in the statement of profit and loss	22,900,000	110,000,000
Closing Balance	188,400,000	165,500,000
Surplus i.e. Balance in the Statement of Profit and Loss		
Balance as per the last financial statements	535,475,629	159,865,266
Add: Profit for the period transferred from Statement of Profit and Loss	114,406,183	549,883,570
Less: Appropriations		
Proposed equity dividend (amount per share ₹ 3 Per Share (Previous Year: ₹ 2.50 per share))	9,574,608	7,978,840
Tax on dividend	1,627,205	1,294,367
Transferred to General Reserve	11,500,000	55,000,000
Transferred to Statutory Reserve	22,900,000	110,000,000
Closing Balance	604,279,999	535,475,629
Total Reserves and Surplus	1,826,290,931	1,723,086,561
5. LONG TERM PROVISIONS		
Provision for employee benefits :		
- Leave encashment	50,300	39,861
- Gratuity	105,477	72,546
- Superannuation Payable	22,500	-
	178,277	112,407
6. OTHER CURRENT LIABILITIES		
Unpaid dividends#	613,230	590,260
Other payables		
- Expenses payable	2,598,560	2,987,171
	3,211,790	3,577,431
# unpaid dividends do not include any amount due and outstanding required to be credited to the Investors' Education and Protection Fund		
7. SHORT TERM PROVISIONS		
Provision for employee benefits :		
Leave encashment	43,423	41,840
Other provisions :		
Provision for proposed equity dividend	9,574,608	7,978,840
Provision for tax on proposed dividend	1,627,205	1,294,367
Provision for tax *	-	6,289,643
	11,245,236	15,604,690

*Previous year figures for Provision for tax is net of advance tax of ₹ 167,910,325

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

(Amount In ₹)

8. FIXED ASSETS

Particulars	Original Cost			Balance as at 31.03.2013	DEPRECIATION			Balance as at 31.03.2013	NET BLOCK	
	Balance as at 1.4.2012	Additions	Disposal		Balance as at 01.04.2012	Depreciation during the year	Eliminated on disposal of assets		Balance as at 31.03.2013	Balance as at 31.03.2012
TANGIBLE ASSETS										
1. Freehold land	114,500	-	-	114,500	-	-	-	-	114,500	114,500
2. Buildings	9,127,692	-	-	9,127,692	370,526	148,782	-	519,308	8,608,384	8,757,166
Current Year	9,242,192	-	-	9,242,192	370,526	148,782	-	519,308	8,722,884	8,871,666
Previous Year	14,960,720	133,700	5,852,228	9,242,192	4,090,790	268,589	3,988,853	370,526	8,871,666	

9. NON-CURRENT INVESTMENTS

Particulars	As at 31st March, 2013	As at 31st March, 2012
Long Term investments (at cost unless otherwise stated)		
I TRADE INVESTMENTS		
Investment in equity instruments		
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)		
300,000 (Previous Year 300,000) Equity Shares of ₹ 10/- each fully paid up of Vardhman Textile Components Limited	3,000,000	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		
(i) Other (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 Nil) Equity Shares of ₹ 10/- each fully paid up of Vardhman Special Steels Limited	55,745,069	-
(ii) Other (Unquoted)		
Nil (Previous Year *3,080,517) Equity Shares of ₹ 10/- each fully paid up of Vardhman Special Steels Limited	-	55,745,069
II OTHER THAN TRADE		
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 1,150 (Previous year 1,150) Equity shares of ₹ 1/- each fully paid-up of Hindustan Unilever Ltd.	1,250	1,250
	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 Nil (Previous year 96,040) Equity shares of ₹ 10/- each fully paid-up of Industrial Development Bank of India Limited	500	500
	-	12,698,608

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

Particulars	Amount in ₹	
	As at 31st March, 2013	As at 31st March, 2012
b Investment in mutual funds (quoted)		
Fixed maturity plans		
5,000,000 (Previous Year 5,000,000) Units of ₹ 10/- each of HDFC Fixed Maturity Plan Series XI Growth - 36 Months	50,000,000	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
50,00,000 (Previous Year Nil) Units of ₹ 10/- each of BSL Fixed Term Plan Series GI (1185 Days) Gr. - Regular	50,000,000	-
	831,230,988	999,031,186
1. Aggregate amount of Quoted Investments	827,982,738	940,037,867
2. Market Value of Quoted Investments	4,281,388,736	3,372,222,241
3. Aggregate amount of Unquoted Investments	3,250,000	58,995,069
4. Aggregate Provision for diminution in value of Investments	1,750	1,750
* received during the previous year on account of Scheme of Demerger between Vardhman Textiles Limited and Vardhman Special Steels Limited		
\$ 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)
Other loans and advances
- Loans to employees

8,316	58,320
8,316	58,320

11. CURRENT INVESTMENTS

(At Lower of Cost and Fair Value)

Investment in Equity instruments of other entities (quoted)

Nil (Previous Year 20,000) Equity Shares of ₹ 10/- each of Infrastructure Development Finance Company Limited
Less : Provision for Diminution in value of Investments

-	-	4,086,452	-
-	-	1,386,452	2,700,000

Total

-	-	-	2,700,000
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Investment in Mutual Funds/Fixed Maturity Plans (quoted)

12000 (Previous Year Nil) Units of ₹ 10/- each of Peerless Liquid Fund Super Inst Plan
5,510,159 (Previous Year Nil) Units of ₹ 10/- each of Kotak FMP Series 84-Growth #
15,000,000 (Previous Year Nil) Units of ₹ 10/- each of Kotak FMP Series 77-Growth #

1,240,595	-
55,101,590	-
150,000,000	-
206,342,185	-

Investment in Bonds/Debentures (unquoted)

Nil (Previous Year 5) Redeemable Non-Convertible Debentures of ₹ 1,000,000/- each of Barclays Investments & Loans (India) Limited
500 (Previous Year Nil) Units of ₹ 100,000/- each of IIFL Index Ink 040716

-	5,000,000
50,000,000	-
50,000,000	5,000,000

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

Particulars	Amount in ₹	
	As at 31st March, 2013	As at 31st March, 2012
Investment in Bonds/Debentures (Quoted)		
500 (Previous Year 500) Units of ₹ 10,000/- each of 6.00% NHAI Tax Free Bonds	5,000,000	5,000,000
Nil (Previous Year 50) Non Convertible Debentures of ₹ 1,000,000/- each of 11.40% TATA Power Co Ltd	-	53,786,507
Less : Provision for Diminution in value of Investments	-	698,550
29,668 (Previous Year 29,668) Units of ₹ 1,000/- each of 8.20% NHAI Tax Free Bonds	29,668,000	29,668,000
12,362 (Previous Year 12,362) Units of ₹ 1,000/- each of 8.30% NHAI Tax Free Bonds	12,362,000	12,362,000
100,000 (Previous Year Nil) Units of ₹ 1,000/- each of 8.30% NHAI Tax Free Bonds	102,500,000	-
750,000 (Previous Year Nil) Units of ₹ 100/- each of 8.20% Power Finance Corporation Ltd 2022	75,502,500	-
250,000 (Previous Year Nil) Units of ₹ 100/- each of 8.20% Power Finance Corporation Ltd 2022	25,167,500	-
1,000,000 (Previous Year Nil) Units of ₹ 100/- each of 8.20% Power Finance Corporation Ltd 2022	101,950,000	-
	352,150,000	100,117,957
Investment in Mutual Funds (unquoted)		
Nil (Previous Year 65,825) Units of ₹ 10/- each of HDFC Top 200 Fund Growth	-	13,000,000
Nil (Previous Year 77,160) Units of ₹ 10/- each of Reliance Banking Fund Growth Plan	-	4,285,183
Less : Provision for Diminution in value of Investments	-	751,340
Nil (Previous Year 301,972) Units of ₹ 10/- each of Reliance Gold Saving Fund - Growth Plan	-	3,999,990
5,27,657 (Previous Year 527,657) Units of ₹ 10/- each of Reliance Short Term Fund - Retail Plan - Growth Option	10,000,000	10,000,000
4,033,923 (Previous Year 4,033,923) Units of ₹ 10/- each of UTI-Short Term Income Fund - Institutional Growth Option	50,000,000	50,000,000
Nil (Previous Year 20,054) Units of ₹ 1,000/- each of SBI-Ultra Short Term Fund - Retail Plan - Daily Dividend	-	20,070,080
40,161 (Previous Year 55,643) Units of ₹ 1,000/- each of SBI-PLF-SI Daily Dividend	40,291,706	55,823,985
15,40,456 (Previous Year 1,540,456) Units of ₹ 10/- each of SBI-Dynamic Bond Fund - Growth	20,000,000	20,000,000
11,73,192 (Previous Year 1,173,192) Units of ₹ 10/- each of BSL Dynamic Bond Fund Retail Plan - Growth Option	20,000,000	20,000,000
63 (Previous Year 63) Units of ₹ 100/- each of BSL Floating Rate Fund Short Term Dividend Plan	6,287	6,287
47,934 (Previous Year Nil) Units of ₹ 10/- each of Reliance Equity Oppurtunity Fund Direct Growth Plan Growth Option	2,000,000	-
Less : Provision for Diminution in value of Investments	21,899	-
358,092 (Previous Year Nil) Units of ₹ 10/- each of SBI Magnum Income Fund- Regular Plan Growth	10,000,000	-
109,921 (Previous Year Nil) Units of ₹ 10/- each of ICICI Focused Bluechip Equity fund - Direct Plan Growth	2,000,000	-
Less : Provision for Diminution in value of Investments	57,690	-
5,333,740 (Previous Year Nil) Units of ₹ 10/- each of ICICI Prudential Income Oppurtunities Fund Institutional Growth	70,000,000	-
153.41 (Previous Year Nil) Units of ₹ 10/- each of Reliance liquid fund	234,817	-
	224,453,221	196,434,185

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

Particulars	Amount in ₹	
	As at 31st March, 2013	As at 31st March, 2012
Investment in Bonds/Debentures/Certificate of Deposits (Quoted)		
Nil (Previous Year 213) Units of ₹ 1,000,000/- each of 10.05% Air India Bonds	-	231,201,086
Nil (Previous Year 475) Units of ₹ 200,000/- each of 10.75% DPSC Bonds	-	101,232,684
	-	<u>332,433,770</u>
Investment in Bonds/Debentures/Certificate of Deposits (Unquoted)		
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
Nil (Previous Year 5,575) 10% Convertible Debentures of ₹ 1,000 each of ATS Township Private Limited	-	5,575,000
42,547 (Previous Year 58,561) 10% Convertible Debentures of ₹ 100 each of Darode Jog Realiti Private Ltd	4,254,700	5,856,100
47,659 (Previous Year 47,659) 10% Convertible Debentures of ₹ 100 each of Amit Enterprises Promoters & Builders Private Limited.	4,765,900	4,765,900
92,503 (Previous year 90,039) 15% Convertible Debentures of ₹ 100 each of Lavim Developers Private Limited	9,250,300	9,003,900
Less : Provision for Diminution in value of Investments	-	197,185
56,259 (Previous year 52,477) 10% Convertible Debentures of ₹ 100 each of Ambojini Property Developers Private Limited	5,625,900	5,247,700
34,985 (Previous Year 34,527) 10% Convertible Debentures of ₹ 100 each of Mantri Hamlet Private Limited	3,498,500	3,452,700
42,860 (Previous Year Nil) Convertible Debentures of ₹ 100 each of Swarg Advisors and Traders Pvt. Ltd.	4,286,000	-
42,218 (Previous Year Nil) Convertible Debentures of ₹ 100 each of Godrej Landmark Redevelopers P Ltd	4,221,800	-
40,934 (Previous Year Nil) Convertible Debentures of ₹ 100 each of Suryanagari Trading And Consultancy Pvt Ltd.	4,093,400	-
	<u>51,025,700</u>	<u>44,733,315</u>
Investment in Equity Fund/Liquid Funds/Debt Funds/ Monthly Income Plans (Unquoted)		
616,226 (Previous Year 923,687) Units of ₹ 10/- each of Reliance Medium Term Fund - Monthly Dividend Plan	6,441,487	9,618,455
Less : Provision for Diminution in value of Investments	3,774	-
388 (Previous Year 388) Units of ₹ 100,000/- each of India Venture Trust fund	38,800,000	38,800,000
Nil (Previous Year 6,000) Units of ₹ 100/- each of Morgan Stanley Liquid Fund Daily Dividend	-	600,000
462 (Previous Year 100) Units of ₹ 100,000/- each of ASK Real Estate Fund	46,255,552	10,000,000
	<u>91,493,265</u>	<u>59,018,455</u>

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

Particulars	Amount in ₹	
	As at 31st March, 2013	As at 31 st March, 2012
Investment in Equity Shares (Unquoted)		
15,023 (Previous Year 15,023) Equity Shares of ₹ 1/- each fully paid up of Marwar Consultancy Pvt Ltd	15,023	15,023
15,011 (Previous Year 15,011) Equity Shares of ₹ 1/- each fully paid up of Vahin Advisors and Traders Pvt Ltd	15,011	15,011
14,979 (Previous Year 14,979) Equity Shares of ₹ 1/- each fully paid up of Jade Stone Development and Holding Pvt Ltd	14,979	14,979
14,975 (Previous Year 14,975) Equity Shares of ₹ 1/- each fully paid up of Prabal Traders and Advisors Pvt Ltd	14,975	14,975
14,928 (Previous Year 14,928) Equity Shares of ₹ 1/- each fully paid up of Zwenzi Traders & advisors Pvt Ltd	14,928	14,928
14,919 (Previous Year 14,919) Equity Shares of ₹ 1/- each fully paid up of Sherin Advisors & Traders Pvt Ltd	14,919	14,919
7,870 (Previous Year 7,870) 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
Less : Provision for Diminution in value of Investments	-	33
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
15,358 (Previous Year Nil) Equity Shares of ₹ 1/- each fully paid up of Suryanagari Trading And Consultancy Pvt. Ltd.	15,358	-
15,301 (Previous Year Nil) Equity Shares of ₹ 1/- each fully paid up of Swarg Advisors and Traders Pvt. Ltd.	15,301	-
266 (Previous Year Nil) Equity Shares of ₹ 100/- each fully paid up of Godrej Landmark Redevelopers P Ltd	2,174,090	-
	2,376,584	171,802
Total	977,840,955	740,609,484
Notes:		
1. Aggregate amount of quoted investments	558,492,185	437,336,729
2. Aggregate amount of unquoted investments	419,432,133	306,306,315
3. Market value of quoted investments	596,001,570	431,403,913
4. Aggregate Provision for diminution in value of Investments	83,363	3,033,560

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		
- In current accounts	18,831,839	908,328
b) Cash on hand	11,229	22,180
c) Other Bank Balances		
- Earmarked balances with banks (Dividend accounts)	613,230	590,260
	19,456,298	1,520,768

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

	Amount in ₹	
Particulars	As at 31st March, 2013	As at 31 st March, 2012
13. SHORT TERM LOANS AND ADVANCES		
(unsecured considered good)		
Others:		
- Application Money	-	3,452,125
- Loans and advances to employees	50,004	50,804
Advance Tax *	1,685,839	-
	1,735,843	3,502,929
* Advance tax is net of provision for tax of ₹ 184,299,968		
14. OTHER CURRENT ASSETS		
(unsecured, considered good)		
Interest Receivable	17,517,252	3,514,006
Other recoverable	16,338,058	17,197,090
	33,855,310	20,711,096
		Amount in ₹
Particulars	For the year ended 31st March 2013	For the year ended 31 st March 2012
15. REVENUE FROM OPERATIONS		
Interest Income (Gross) [TDS ₹ 247,143 (Previous year ₹ 1,030,728)]	39,778,287	29,490,240
Dividend Income from long term trade investments:		
- Associates	69,311,691	69,311,691
- others	148,660	822,063
Dividend income from current investments	5,248,800	8,979,340
Net Gain on sale of Current Investments	10,349,381	24,444,070
Revenue from operations (net)	124,836,819	133,047,404
16. OTHER INCOME		
Receipt against License agreement	10,143,496	8,250,000
Adjustment to in carrying amount of investment		
- Reversal of reduction in the carrying amount of current investments	2,950,198	2,732,586
Provisions no longer required written back	670,632	1,000
Rent received	312,000	312,000
Miscellaneous	110,289	1,009,456
	14,186,615	12,305,042
17. EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	2,116,224	1,836,974
	2,116,224	1,836,974
18. OTHER EXPENSES		
Rent	301,380	296,340
Professional charges	5,897,426	6,265,383
Insurance	858	5,812
Rates and Taxes	7,988	7,979
Auditors Remuneration:		
Audit Fee	22,472	22,060
Net loss on sale of Long term Investments	5,015,408	-
Prior period items	67,844	24,280
Miscellaneous	938,869	1,079,296
	12,252,245	7,701,150

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

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

The Company has contested the additional demand in respect of income tax amounting to ₹ 19,82,323 (Previous Year ₹ 9,81,575). 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	39,861	25,091	72,546	46,735
Interest cost	3,269	2,195	5,949	4,089
Current service cost	40,139	15,585	14,035	11,135
Benefits paid / transferred	-	-	-	-
Actuarial (gain)/ loss on Obligations	(32,969)	(3,010)	12,947	10,587
Present value of obligation as at end of the year	50,300	39,861	105,477	72,546

(b) Change in Fair Value of Plan Asset: N.A.

(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	39,861	105,477	72,546
Fair value of Plan Assets as at end of the year	-	-	-	-
Unfunded Liability	(50,300)	(39,861)	(105,477)	(72,546)
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)	(39,861)	(105,477)	(72,546)

(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	15,585	14,035	11,135
Interest cost	3,269	2,195	5,949	4,089
Expected return on Plan Assets	-	-	-	-
Actuarial (gain)/ loss on Obligations	(32,969)	(3,010)	12,947	10,587
Total expense recognised in Profit and Loss Account	10,439	14,770	32,931	25,811

(e) Investment details of Fund: N.A.

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

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

(Amount in ₹)

Particulars	Leave (Unfunded)		Gratuity (Unfunded)	
	Current year	Previous Year	Current year	Previous Year
Discount Rate (per annum)	8.20%	8.75%	8.20%	8.75%
Rate of increase in compensation levels (per annum)	6.50%	7.00%	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	14.60	14.00	14.60
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	41,840	2,748	14,500	22,750	11,000	12,000
Liability as at end of the year	43,423	41,840	19,500	14,500	11,000	11,000
Amount debited to Profit & Loss Account	1,583	39,092	5,000	8,000	11,000	11,000

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

24. Related Party Disclosure:

- (a) Disclosure of related parties with whom business transactions took place during the year:

1. 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)	6,393,495	6,000,000	6,393,495	6,000,000

25. Prior period items are as follows :-

(Amount in ₹)

	For the year ended 31.03.2013	For the year ended 31.03.2012
a) Prior Period Income	Nil	3375
b) Prior Period Expense	67844	27655

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:

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

(Amount in ₹)

	Amount outstanding	
	Current Year	Previous Year
Long Term investments :		
1. Quoted :		
(i) Shares : (a) Equity	727,980,988	740,679,596
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	100,000,000	255,101,590
(iv) Government Securities	-	-
(v) Others	-	-
2. Unquoted :		
(i) Shares : (a) Equity	3,250,000	3,250,000
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds / Fixed Maturity Plans	-	-
(iv) Government Securities	-	-
(v) Others	-	-
TOTAL (B=1+2)	831,230,988	999,031,186
GRAND TOTAL (A+B)	1,809,071,943	1,739,640,670

(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	-	1,744,159	1,744,159	-	3,561,249	3,561,249
Total	-	1,744,159	1,744,159	-	3,561,249	3,561,249

(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	4,176,766,736	731,229,700	3,107,232,293	731,229,700
2. Other than related parties	1,126,472,340	1,077,842,243	1,010,350,175	1,008,410,970
Total	5,303,239,076	1,809,071,943	4,117,582,468	1,739,640,670

(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.

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

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 (%)	100.60	99.00
ii) CRAR - Tier I Capital (%)	100.60	99.00
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 Non 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									
Borrowings from banks	-	-	-	-	-	-	-	-	-
Market Borrowings	-	-	-	-	-	-	-	-	-
Assets									
Advances	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	180.91

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: 23rd May, 2013

For and on behalf of Board of Directors

Shakun Oswal
Executive Director

S.P. Oswal
Chairman

VARDHMAN HOLDINGS LIMITED
REGD. OFFICE: CHANDIGARH ROAD, LUDHIANA - 141 010



PROXY FORM

I/We.....
of.....
in the Districtbeing 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 49th Annual General Meeting of the Company to be held on Saturday, the 31st August, 2013 at 5.00 P.M. and at any adjournment thereof.
Signed this.....day of.....2013.

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 Company's Registered Office at least 48 hours before the time of meeting.

VARDHMAN HOLDINGS LIMITED
REGD. OFFICE: CHANDIGARH ROAD, LUDHIANA - 141 010



SUGGESTIONS

In case you have any suggestion for the betterment of your Company, please do write to us.

Suggestion

Name Folio No./Client ID No.
DPID No. Address.....
.....Pin Code

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VARDHMAN HOLDINGS LIMITED
REGD. OFFICE: CHANDIGARH ROAD, LUDHIANA - 141 010



ATTENDANCE SLIP

I hereby record my presence at the 49th Annual General Meeting of the above named Company being held at Registered Office of the Company situated at Chandigarh Road, Ludhiana, at 5.00 PM, on Saturday, the 31st August, 2013.

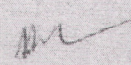
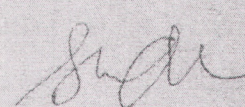
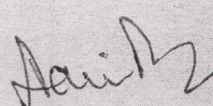
..... Full Name of the Member (in BLOCK LETTERS) Signature
Folio No./ Client-Id No.	No. of Shares held.....
DPID No.....
..... Full Name of the Member (in BLOCK LETTERS) Signature

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)

1.	Name of the Company:	Vardhman Holdings Limited
2.	Annual financial statements for the year ended	31st March 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.
5.	To be signed by-	
	• CEO/Managing Director	Mr. S.P. Oswal 
	• CFO /ED	Ms. Shakun Oswal 
	• Auditor of the Company	Mr. Rajiv Diwan 
	• Audit Committee Chairman	Mr. Om Prakash Sharma 