

**51<sup>st</sup> Annual Report**  
**2014-15**



**Vardhmān**

**Vardhmān Holdings Limited**

**BOARD OF DIRECTORS**

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

**CHIEF FINANCIAL OFFICER**

MS. POORVA BHATIA

**COMPANY SECRETARY**

MS. TANU BERRY

**AUDITORS**

M/S. R. DEWAN & COMPANY

**REGISTRAR AND TRANSFER AGENT**

M/S. ALANKIT ASSIGNMENTS LIMITED  
NEW DELHI

**REGISTERED OFFICE**

Chandigarh Road, Ludhiana-141010  
 Phones: (0161) 2228943-48  
 Fax: (0161) 220766  
 Website: www.vardhman.com  
 E-mail: secretarial.lud@vardhman.com  
**CIN** : L17111PB1962PLC002463  
**PAN** : AABCV8088P

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## NOTICE

NOTICE is hereby given that the 51<sup>st</sup> Annual General Meeting of the Members of the Company will be held on Friday, the 4<sup>th</sup> day of September, 2015 at 05.00 p.m at Regd. Office, Vardhman Premises, Chandigarh Road, Ludhiana - 141 010 to transact the following business:-

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report and Audited Balance Sheet as at 31<sup>st</sup> March, 2015 and statement of Profit & Loss for the year ended on that date together with the Auditors' Report thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mrs. Suchita Jain, who retires by rotation and being eligible, offers herself for reappointment.
4. To ratify the appointment of Statutory Auditors of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:-**

**"RESOLVED THAT** pursuant to the provisions of Section 139(1) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the appointment of M/s. R. Dewan & Co, Chartered Accountants, (Registration No. 017883N) as Statutory Auditors of the Company, be and is hereby ratified for the financial year 2015-16 at such remuneration as may be finalised by the Chairman of the Company."

**BY ORDER OF THE BOARD**

**Sd/-**

**PLACE: Ludhiana**

**DATE: May 23, 2015**

**(Tanu Berry)**

**COMPANY SECRETARY**

### **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 INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. THE BLANK PROXY FORM IS ENCLOSED.**

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

2. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and

Administration) Amendment, Rules 2015, and Clause 35B of the Listing Agreement, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Limited. The facility for voting, through ballot paper, will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are annexed to the Notice.

3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2006-07, from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 25<sup>th</sup> September, 2014 (date of last Annual General Meeting) on the website of the Company ([www.vardhman.com](http://www.vardhman.com)), as also on the website of the Ministry of Corporate Affairs.
7. Subject to the provisions of Section 126 of the Companies Act, 2013 (corresponding to Section 206A of the Companies Act, 1956), dividend as recommended by the Board of Directors, if declared at the meeting, will be dispatched/remitted commencing on or from 7<sup>th</sup> September, 2015.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Alankit Assignments Limited.
9. **The Register of Members and the Share Transfer Books of the Company shall remain closed from 7<sup>th</sup> August, 2015 to 4<sup>th</sup> September, 2015 (both days inclusive).**
10. The Members holding shares in physical mode are requested

to notify the change in their address, if any, at the earliest to the Registrar & Transfer Agent/Company. However members, holding shares in electronic mode may notify the change in their address, if any, to their respective Depository Participants.

11. 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 No. 3 of the Notice is also being annexed hereto separately and forms part of the Notice.
12. 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.
13. The copies of relevant documents can be inspected at the Registered Office of the Company on any working day between 10.30 A.M. to 12.30 P.M.
14. **Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
15. Members holding shares in the same/identical name(s) under different folios are requested to apply for consolidation of such folios and send relevant share certificates to the Company/Registrar and Transfer Agent.
16. M/s. Khanna Ashwani & Associates, Company Secretaries, have been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner (including the ballot forms received from members who do not have access to the e-voting process). The scrutinizer shall within a period of three working days from the conclusion of e-voting period, unblock the votes in presence of at least two witnesses not in employment of the Company and make a report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

The instructions for shareholders voting electronically are as under:

- (i) The e-voting period commences on 1<sup>st</sup> September, 2015 (9:00 am) and ends on 3<sup>rd</sup> September, 2015 (5:00 pm). During this period, shareholder's of the Company, holding shares either in physical form or in Dematerialized form, as on the cut-off date of 27<sup>th</sup> August, 2015 may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting after end of voting period on 3<sup>rd</sup> September, 2015. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The e-voting module shall be disabled by CDSL for voting thereafter
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period

- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
<b>DOB</b>	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
<b>Dividend Bank Details</b>	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction no. (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN **150801001<VARDHMAN HOLDINGS LIMITED>** on which you choose to vote.
- (xii) On the voting page, you will see "**RESOLUTION DESCRIPTION**" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "**RESOLUTIONS FILE LINK**" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "**SUBMIT**". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "**CANCEL**" and accordingly modify your vote.
- (xv) Once you "**CONFIRM**" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to **www.evotingindia.com** and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
  - After receiving the login details, they have to create compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts, they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at **www.evotingindia.com** under help section or write an email to **helpdesk.evoting@cdslindia.com**
- MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM, AND PROXIES THEREOF, ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION.**

**INFORMATION PURSUANT TO THE CORPORATE GOVERNANCE CLAUSE OF THE LISTING AGREEMENT(S) REGARDING DIRECTORS SEEKING RE-APPOINTMENT IN THE ENSUING ANNUAL GENERAL MEETING:**

Name of the Director	Mrs. Suchita Jain
Date of Birth	20.03.1968
Date of Appointment	30.03.2005
Expertise in specific functional area Qualification	Mrs. Suchita Jain is having business experience of more than 22 years in Textiles Industry. M. Com.
Directorships of Other Companies	<ol style="list-style-type: none"> <li>1. Syracuse Investment &amp; Trading Co. (P) Ltd.</li> <li>2. Srestha Holdings Limited.</li> <li>3. Anklesh Investments (P) Limited.</li> <li>4. Pradeep Mercantile Co. (P) Ltd.</li> <li>5. Plaza Trading Co. (P) Ltd.</li> <li>6. Marshall Investment and Trading Co. Pvt. Ltd.</li> <li>7. Santon Finance and Investment Company Limited.</li> <li>8. Flamingo Finance &amp; Investment Company Limited.</li> <li>9. Ramaniya Finance and Investment Co. Ltd.</li> <li>10. Vardhman Special Steels Limited.</li> <li>11. Vardhman Textiles Limited.</li> <li>12. Vardhman Spinning &amp; General Mills Limited.</li> <li>13. VTL Investments Limited.</li> </ol>
Chairman/Member of Committees of Other Companies	<ol style="list-style-type: none"> <li>1. <u>Corporate Social Responsibility Committee</u> <ul style="list-style-type: none"> <li>➤ Vardhman Special Steels Limited</li> </ul> </li> <li>2. <u>Stakeholder's Relationship Committee</u> <ul style="list-style-type: none"> <li>➤ Vardhman Special Steels Limited</li> </ul> </li> </ol>
No. of Shares Held	28,416 (equity shares)
Relationship with other Directors	Related to Mr. Sachit Jain, Mr. S.P. Oswal and Mrs. Shakun Oswal.



## DIRECTORS' REPORT

Dear Members,

The Directors of your Company have pleasure in presenting their 51<sup>st</sup> Annual Report together with the Audited Accounts of the Company for the Financial Year ended 31<sup>st</sup> March, 2015.

### 1. FINANCIAL RESULTS:

The Financial Results for the year are as under: -

(Amount in ₹)

PARTICULARS	2014-15	2013-14
Revenue from Operations	303,277,001	186,968,627
Other Income	21,908,588	12,034,661
Profit before Depreciation, Interest and Tax (PBDIT)	311,746,552	181,323,782
Interest and Financial Expenses	-	-
Profit before Depreciation & Tax (PBDT)	311,746,552	181,323,782
Depreciation	413,636	353,873
Profit before Tax (PBT)	311,332,916	1,809,69,909
Provision for		
- Current Tax	18,740,000	11,950,000
- Deferred Tax	43,590	-
- MAT Credit Entitlement	(10,430,000)	(5,850,000)
- Tax adjustment for earlier years	-	386,600
<b>Profit after Tax (PAT)</b>	<b>302,979,326</b>	<b>174,483,309</b>
Balance Brought Forward	715,161,495	604,279,998
Profit available For Appropriations	<b>1,018,140,821</b>	<b>778,763,307</b>
<b>Appropriations:</b>		
Proposed Dividend on Equity Shares	9,574,608	9,574,608
Corporate Dividend Tax on Proposed Dividend	1,949,165	1,627,205
Transfer to General Reserve	-	17,500,000
Transfer to Statutory Reserve	60,600,000	34,900,000
Balance carried to Balance Sheet	<b>946,017,048</b>	<b>715,161,495</b>
Earnings per Share (₹)	<b>94.93</b>	54.67
Dividend per Share (₹)	<b>3.00</b>	3.00

### 2. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

#### A. FINANCIAL ANALYSIS:

During the year, the Revenue from operations was ₹ 303,277,001 as against ₹ 186,968,627 in the previous year. The Company earned other income of ₹ 21,908,588 during the year as against ₹ 12,034,661 during last year. The Company earned profit before depreciation, interest and tax of ₹ 311,746,552 as against ₹ 181,323,782 in the previous year. After providing for depreciation of ₹ 413,636 (Previous Year ₹ 353,873), current tax of ₹ 18,740,000 (Previous Year ₹ 11,950,000), the profit after tax was ₹ 302,979,326 as against ₹ 174,483,309 last year.

The balance available for appropriation after adding balance in surplus account is ₹ 1,018,140,821. Out of this, a sum of ₹ 9,574,608 and ₹ 1,949,165 have been appropriated towards proposed dividend and corporate dividend tax respectively thereon, ₹ 60,600,000 is proposed to be transferred to Special reserve and the balance of ₹ 946,017,048 is proposed to be carried as surplus to the balance sheet.

#### B. RESOURCE UTILISATION:

##### FIXED ASSETS:

The net fixed assets as at 31<sup>st</sup> March, 2015 were ₹ 10,162,630 as against previous year's fixed assets of ₹ 10,576,266. During the year, there were additions of fixed assets amounting to ₹ Nil (Previous Year ₹ 2,207,255).

##### CURRENT ASSETS:

The net current assets as on 31<sup>st</sup> March, 2015 were ₹ 1,541,472,260 as against ₹ 1,244,312,397 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: -

**Cash and Cash Equivalents:**

(Amount in ₹)

Particulars	2014-15	2013-14
<b>Beginning of the Year</b>	<b>4,046,473</b>	19,456,298
<b>End of the Year</b>	<b>5,423,636</b>	4,046,473
Net Cash provided/ (used) by:		
<b>Operating Activities</b>	<b>221,866,456</b>	134,137,590
<b>Investing Activities</b>	<b>(209,295,936)</b>	(138,450,413)
<b>Financing Activities</b>	<b>(11,193,357)</b>	(11,097,002)

**D. BUSINESS OUTLOOK:**

Vardhman Holdings Limited primarily earns its income from investments. The Company's strategy is to adopt a systematic approach of investment into different asset classes namely debt, equity & real estate and to keep the portfolio dynamic as per the changing market conditions. Company's current portfolio consists of investments into debt, equity & real estate. The investment is made in accordance with the asset allocation model fixed by the Board.

**E. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

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.

**F. INTERNAL FINANCIAL CONTROL:**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

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

The Company recognises that risk is an integral and unavoidable component of business and is committed to managing the risk in a proactive and effective manner. The Company is a NBFC, registered under RBI and mainly engaged in investment business. It follows a strategy of adopting a systematic approach to investment into different asset classes and keeping the portfolio dynamic as per the changing market conditions. The aim is a well diversified portfolio to mitigate the market risk.

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

**H. 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, 2015, 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 AND KEY MANAGERIAL PERSONNEL (KMP):**

In accordance with provisions of the Articles of Association of the Company, Mrs. Suchita Jain, Director of your Company, retires by rotation at the conclusion of the forthcoming Annual General Meeting and being eligible, offers herself for re-appointment. The Board of Directors recommended her appointment for consideration of the members at the forthcoming Annual General Meeting.

Pursuant to provisions of Section 203 of the Companies Act, 2013, the below mentioned KMP's were appointed/designated in the Board meeting held on 12<sup>th</sup> February 2015, as detailed below:-

Whole Time Key Managerial Personnel of the Company	Designation
Shakun Oswal	Whole-Time Director (WTD)
Tanu Berry	Company Secretary (CS)
Poorva Bhatia	Chief Financial Officer (CFO)

**Familiarisation programmes for Board Members:**

The Board members are from time to time provided with necessary documents/policies/internal procedures to get them familiar with the practices of the Company. The business strategies, performance, global developments, legal & other updates, compliance reports and other relevant information/reports etc are being periodically provided to the Board of Directors.

**6. INDEPENDENT DIRECTORS:**

Pursuant to the provisions of the Companies Act, 2013, Mr. Surinder Singh Bagai, Mr. Jagdish Rai Singal, Mr. Sat Paul Kanwar, Mr. Om Parkash Sharma & Mrs. Apinder Sodhi were appointed as Independent Directors in the 50<sup>th</sup> Annual General Meeting, who are not liable to retire by rotation.



## Declaration under Section 149(6):

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and read with the relevant rules.

## 7. AUDITORS:

### a. Statutory Auditors:

M/s. R. Dewan & Co., the Statutory Auditors of the Company, have been appointed by the Shareholders of the Company for five consecutive years i.e. from conclusion of 50<sup>th</sup> Annual General Meeting to the conclusion of 55<sup>th</sup> Annual General Meeting, whose first year will be completed in the ensuing Annual General Meeting. Pursuant to provisions of Section 139 (1) of the Companies Act, 2013, this appointment shall be ratified by the Shareholders at every Annual General Meeting during their tenure. Therefore, it is recommended to the shareholders to ratify the appointment of M/s. R. Dewan & Co., the Statutory Auditors, in their forthcoming Annual General Meeting.

### b. Secretarial Auditor:

Khanna Ashwani & Associates, Practicing Company Secretaries, were appointed as Secretarial Auditor & their report on Secretarial Audit in Form No. MR 3 under Section 204 of the Companies Act, 2013 for the Financial Year 2014-15 is attached as **Annexure 1** and shall form part of this Report.

### c. Internal Auditor:

Pursuant to provisions of Section 138 of the Companies Act, 2013, the Company has appointed Mr. Varun Mahajan, to conduct internal audit of the functions and activities of the Company and maintain internal control systems of the Company.

## 8. AUDITORS' REPORT:

The Statutory & Secretarial Auditors' Reports are self-explanatory and requires no comments.

## 9. AUDIT COMMITTEE & VIGIL MECHANISM:

### Composition of Audit Committee:

The Audit committee of the Board of Directors was constituted in conformity of provisions of the Companies Act, 2013 & the Listing Agreement. The committee comprises of three directors i.e. Mr. Om Parkash Sharma, Mr. Sat Pal Kanwar and Mrs. Apinder Sodhi, Independent Directors. Mrs. Apinder Sodhi is the Chairperson of the said committee and Ms. Tanu Berry is secretary of the Committee. The Committee met Four (4) times during the year.

## Vigil Mechanism and Whistle Blower:

Pursuant to provisions of section 177 (9) of the Companies Act, 2013, the Company has established a "Vigil Mechanism" incorporating Whistle Blower Policy in terms of the Listing Agreement for employees and directors of the Company, for expressing the genuine concerns of unethical behavior, frauds or violation of the codes of conduct by way of direct access to the Chairman/Chairman of the Audit Committee in exceptional cases. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns.

The policy on "Vigil mechanism and Whistle Blower" may be accessed on the Company's website at [http://www.vardhman.com/user\\_files/5a743d3b9b143130ad8cc8ffb5845a504d81a531436265717.pdf](http://www.vardhman.com/user_files/5a743d3b9b143130ad8cc8ffb5845a504d81a531436265717.pdf).

## 10. BOARD MEETINGS:

During the Financial Year 2014-15, the Board met Four (4) times i.e. on 17.05.2014, 09.08.2014, 11.11.2014 and 12.02.2015.

## 11. DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to Section 134 (5) of the Companies Act, 2013, 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The annual accounts have been prepared on a going concern basis.
- v. Laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively.
- vi. Devised proper systems to ensure compliance with the provisions of all applicable laws and those systems were adequate and operating effectively.

## 12. CORPORATE GOVERNANCE:

The Company has in place a system of Corporate Governance. A separate 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.

### 13. PERSONNEL & RELATED INFORMATION:

None of the employees has received salary of ₹ 60.00 lac per annum or ₹ 5.00 lac per month or more during the Financial Year 2014-2015. Accordingly, no particulars of employees are to be given pursuant to the provisions of Section 197 of the Companies Act, 2013 read with respective rules.

Since the Company has no any subsidiary or holding company, no particulars are required to be given pursuant to the provisions of Section 197 (14) of the Companies Act, 2013.

The particulars required under Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are attached in **Annexure 2**.

### 14. COMPANY POLICIES & STATUS OF DEVELOPMENT:

#### a. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:

##### Vision & core areas of CSR:

Your Company is committed to and fully aware of its Corporate Social Responsibility (CSR), the guidelines in respect of which were more clearly laid down in the recently overhauled Companies Act. The Company's vision is to pursue a corporate strategy that enables shareholder value enhancement in a mutually reinforcing and synergistic manner.

The CSR Policy approved by the Board may be assessed on the website of the Company at [http://www.vardhman.com/user\\_files/d2741c4bbc072fc76df0539a029aeab5b86073411436265583.pdf](http://www.vardhman.com/user_files/d2741c4bbc072fc76df0539a029aeab5b86073411436265583.pdf).

The Company has identified following thrust areas for CSR:

- **PROMOTION OF EDUCATION:** To continue our endeavour for promoting education by setting up schools, colleges to deliver high quality education to students of all strata of society.
- **ENVIRONMENT PROTECTION AND ENERGY CONSERVATION:** To protect environment and to sustain and continuously improve standards of Environment, Health and Safety through the collective endeavour of Company and its employees at all levels towards attaining world class standards.
- **DEVELOPMENT OF HUMAN CAPITAL:** To encourage the development of human capital through skills development, vocational training programmes.
- **RURAL DEVELOPMENT:** To contribute to development in rural areas near by unit of the Company and knowledge sharing and other social practices such as soil and moisture conservation and watershed management etc.
- **OTHER INITIATIVES:**
  - ✓ To contribute to empowering women economically, supplementing primary and secondary education and participating in rural capacity building programmes and such other schemes.
  - ✓ To respond to emergency situations & disasters by providing timely help to affected victims and their families.
  - ✓ Any other project/programme pertaining to activities listed in Schedule VII of the Companies (Corporate Social Responsibility) Rules, 2014 and amendments thereto.

The disclosures under Section 134(3) of the Companies Act, 2013 read with Rule 9 of Companies (Accounts) Rules 2014 i.e. Annual Report on CSR activities for Financial Year 2014-15 is attached herewith in **Annexure 3**.

#### b. NOMINATION AND REMUNERATION POLICY:

The Nomination & Remuneration Committee was constituted by the Board on 09.08.2014, consisting of three directors viz Mr. Sachit Jain, Mr. Sat Pal Kanwar and Mrs. Apinder Sodhi. Mrs. Apinder Sodhi is the Chairperson of said Committee. The Committee met two times during the year under review. The Company's approved Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, Independence of Directors and other related matters as provided under Section 178(3) & (4) of the Companies Act, 2013 is attached herewith in **Annexure 4**.

#### c. RISK MANAGEMENT POLICY:

The risk management includes identifying types of risks and its assessment, risk handling and monitoring and reporting, which in the opinion of the Board may threaten the existence of the Company. The Risk Management Committee was re-constituted by the Board on 11.11.2014, comprising of Mr. Sachit Jain, Mr. Sat Pal Kanwar and Mrs. Apinder Sodhi. The Committee has formulated the Risk Management Policy which was subsequently approved by the Board of Directors.

The Risk Management Policy may be assessed on the website of the Company at [http://www.vardhman.com/user\\_files/ac90887bccb0c1ac34a16f592a1ecbb9c50c4d2e1436265676.pdf](http://www.vardhman.com/user_files/ac90887bccb0c1ac34a16f592a1ecbb9c50c4d2e1436265676.pdf).

## 15. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

The particulars of Loans, guarantees or investments made under Section 186 are forming part of the notes to financial statements (please refer Note No. 10 to 12 to the financial statement).

## 16. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

All the contracts/arrangements/transactions entered by the Company during the Financial Year with related parties were in the ordinary course of business and on an arm's length basis. The particulars of Contracts or Arrangements made with related parties as specified in form AOC 2 are covered under Note No. 24 to the financial statements, which is set out for related party transactions.

The Related Party Transaction Policy may be accessed on the website of the Company at [http://www.vardhman.com/user\\_files/0f9092fa713917ea04091bdf2fa3b2f2ee3272721436265640.pdf](http://www.vardhman.com/user_files/0f9092fa713917ea04091bdf2fa3b2f2ee3272721436265640.pdf).

## 17. EXTRACT OF ANNUAL RETURN:

The extracts of Annual Return pursuant to the provisions of Section 134 (3) (a) of the Companies Act 2013, is furnished in **Annexure 5** (Form MGT 9) and is attached to this Report.

## 18. ANNUAL PERFORMANCE EVALUATION:

During the year under review, a policy on performance evaluation of Independent Directors, Board and its Committees, other individual directors of the Company including detailed process & parameters has been formulated by the Company.

The meeting of Independent Directors of the Company to evaluate the performance of Non-Independent Directors, Chairman & the Board as a whole for FY 2014-15 was held on 30<sup>th</sup> March 2015. The evaluation based on various parameters was discussed by the Independent Directors.

## 19. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:

Particulars with respect to conservation of energy and other areas as per section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are NIL.

## 20. GENERAL DISCLOSURE:

Your directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details of subsidiary, joint venture or associate company.

2. Issue of equity shares with differential rights to dividend, voting or otherwise.
3. No material changes and commitments affecting the financial position of the Company occurred between the end of the Financial Year to which this financial statements relate and the date of this report.
4. No significant/material orders have been passed by any Regulator/Court /Tribunal which could impact the going concern status & future operations of the Company.
5. No change in nature of Business of the Company.

## 21. ACKNOWLEDGEMENT:

Your Directors are pleased to place on record their sincere gratitude to the Government Authorities, Financial Institutions & Bankers for their continued and valuable co-operation and support to the Company.

Your Directors express their deep appreciation for the devoted and sincere efforts put in by the members of the team at all levels of operations in the Company during the year. The Company feels confident of continued cooperation and efforts from them in future also.

For And on Behalf of the Board  
Sd/-

Date: May 23, 2015  
Place: Ludhiana

(S.P. Oswal)  
Chairman

## INDEX OF ANNEXURES

(FORMING PART OF DIRECTORS' REPORT)

Annexure No.	Particulars
1	Secretarial Audit Report for the Financial Year 2014-15.
2	Particulars under Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
3	CSR Activities – Annual Report for the Financial Year 2014-15.
4	Nomination & Remuneration Policy approved by the Board.
5	Extract of Annual Return-MGT 9.

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED on 31<sup>st</sup> March, 2015.

[Pursuant to Section 204(1) of the Companies Act, 2013 & Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Vardhman Holdings Limited.  
Vardhman Premises, Chandigarh Road,  
Ludhiana-141010, Punjab (India).

We have conducted the secretarial audit compliance of applicable statutory provisions and the adherence to good corporate practices by **Vardhman Holdings Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **Vardhman Holdings Limited** books, papers, minutes books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31.03.2015** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute book, forms and returns filed and other records maintained by the company for the financial year ended on **31.03.2015** according to the provisions of:

- (i) The **Companies Act, 2013** (the Act) and the rules made thereunder;
- (ii) The **Securities Contracts (Regulation Act, 1956 ('SCRA')** and the rules made thereunder;
- (iii) The **Depositories Act, 1996** and the Regulations and Bye-laws framed thereunder;
- (iv) **Foreign Exchange Management Act, 1999** and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the **Securities and Exchange Board of India Act, 1992** ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (**Substantial Acquisition of Shares and Takeovers Regulations, 2011**;
  - (b) The Securities and Exchange Board of India (**Prohibition of Insider Trading Regulations, 1992**;
  - (c) The Securities and Exchange Board of India (**Issue of Capital and Disclosure Requirements Regulations, 2009**); Not applicable to the company during period of audit.
  - (d) The Securities and Exchange Board of India (**Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999**); Not applicable to the company during period of audit.
  - (e) The Securities and Exchange Board of India (**Issue and Listing of Debt Securities) Regulations, 2008**); Not applicable to the company during period of audit.

- (f) The Securities and Exchange Board of India (**Registrar to an Issue and Share Transfer Agents) Regulations, 1993** regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (**Delisting of Equity Shares) Regulations, 2009**; Not applicable to the company during period of audit and
- (h) The Securities and Exchange Board of India (**Buyback of Securities) Regulations, 1998**; Not applicable to the company during period of audit.
- (vi) **Other Applicable laws.**

We have relied on the representation made by the Company & its Officers for system and mechanism formed by the Company for compliances under other applicable Acts such as Environmental Laws & Labour Laws and have also examined compliances made by the company in respect of filing of various returns with the competent authorities within the stipulated period in respect of following applicable laws :-

- (i) The Listing Agreements entered into by the Company with Stock Exchange(s).
- (ii) Secretarial Standards issued by The Institute of Company Secretaries of India (However Not notified by ICSI and MCA during the period of our audit hence not applicable on Company still the management has voluntarily decided to adhere to Secretarial Standards and comply with the same).
- (iii) NBFC Compliances.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of **Executive Directors, Non-Executive Directors and independent Directors**. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

**Adequate notice** is given to all directors to schedule the **Board Meetings, Agenda** and detailed **notes** on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through, while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**Place: Ludhiana**  
**Date: 20.05.2015**

**Sd/-**  
**(Ashwani Kumar Khanna)**  
**FCS No. 3254 & CP No. 2220**



ANNEXURE 2

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2014-15 (₹ In lacs)	% increase in Remuneration in the Financial Year 2014-15	Ratio of remuneration of each Director/to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1	Shakun Oswal, Executive Director	Nil	Nil	N.A.	Profit before Depreciation, Interest and Tax increased by 71.93% and Profit after Tax increased by 73.64% in the financial year 2014-15
2	S.P. Kanwar, Non Executive and Independent Director	0.83	158.59%	0.21	N.A.
3	O.P. Sharma, Non Executive and Independent Director	0.57	128%	0.14	N.A.
4	Apinder Sodhi, Non Executive and Independent Director	0.80	261.36%	0.20	N.A.
5	J.R. Singal, Non Executive and Independent Director	0.10	150%	0.02	N.A.
6	S.S. Bagai, Non Executive and Independent Director	0.06	Nil	0.01	N.A.
7	C.L. Jain, Non Executive Director	0.17	41.67%	0.04	N.A.
8	Poorva Bhatia, Chief Financial Officer	0.41	Nil*	N.A.	Profit before Depreciation, Interest and Tax increased by 71.93% and Profit after Tax increased by 73.64% in the financial year 2014-15
9	Tanu Berry, Company Secretary	0.53	Nil**	N.A.	

\* Poorva Bhatia, CFO, is appointed by the Board of Directors in their meeting held on 12<sup>th</sup> February, 2015 with effect from 1<sup>st</sup> March, 2015.

\*\* Tanu Berry, Company Secretary, is appointed by the Board of Directors in their meeting held on 12<sup>th</sup> February, 2015 with immediate effect.

- The median remuneration of employees of the Company during the Financial Year was ₹ 4.00 lakh.
- The percentage increase in the median remuneration of employees in the financial year: **N.A.**
- There were 3 permanent employees on the rolls of Company as on March 31, 2015
- Relationship between average increase in remuneration and company performance: **N.A.**
- Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:  
The total remuneration of Key Managerial Personnel is ₹ 0.94 Lacs during the year under review. Whereas, the Profit before Depreciation, Interest and Tax (PBDIT) increased by 71.93% to ₹ 31.17 crore in 2014-15 (₹ 18.13 crore in 2013-14).
- Variations in the market capitalisation of the Company: The market capitalisation as on March 31, 2015 was ₹ 24,030.67 lacs (₹ 15,478.95 lacs as on March 31, 2014).
  - Price Earnings ratio of the Company was 7.93 as at March 31, 2015 and 8.87 as at March 31, 2014.
  - Percent increase over/decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer in the year:  
The Company had come out with Initial Public Offer (IPO) in 1972. An amount of ₹ 1,000 invested in the said IPO would be worth ₹ 5.25 Lacs as on March 31, 2015 indicating a Compounded Annual Growth Rate of 15.68%. This is excluding the right issue in 1992, and dividend accrued thereon.
- Since two out of three employees on the rolls of the Company have joined the Company during financial year 2014-15, the average percentage increase made in the salaries of employees other than the managerial personnel in the last Financial Year i.e. 2014-15 was nil. Whereas, during the year, under review no remuneration was paid to Executive Director.
- The key parameters for the variable component of remuneration availed by the directors, if any, are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: – **N.A.** and;
- It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

(Section 135 & Rule 8 (1) of Companies (Corporate Social Responsibility Policy Rules) 2014)

<b>Name of the Company</b>		<b>Vardhman Holdings Limited</b>
<b>Corporate Identity Number (CIN)</b>		<b>L517111PB1962PLC002463</b>
<b>For Financial Year</b>		<b>2014 - 15</b>
<b>Sr. No.</b>	<b>Particulars</b>	<b>Details</b>
1	A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects/programs.	<p><b>Broad contours of CSR Policy of the Company:</b></p> <ol style="list-style-type: none"> <li>Promotion of Education</li> <li>Rural Development</li> <li>Human Capital Development</li> <li>Environment Protection &amp; Energy Conservation</li> <li>Contributing to empowering women</li> <li>Economically, supplementing primary and secondary education and participating in rural capacity building programmes.</li> <li>To respond to emergency situations &amp; disasters by providing timely help to affected victims and their families.</li> <li>Any other project/programme pertaining to activities listed in Companies (Corporate Social Responsibility) Rules, 2014.</li> </ol> <p><b>CSR Policy is placed on website of the Company &amp; web link -</b>  <a href="http://www.vardhman.com_user_files/d2741c4bbc072fc76df0539a029aeb5b86073411436265583.pdf">http://www.vardhman.com_user_files/d2741c4bbc072fc76df0539a029aeb5b86073411436265583.pdf</a></p>
2	The Composition of CSR Committee	<p>Date of Constitution: 09.08.2014</p> <p>Chairman: Mrs. Suchita Jain</p> <p>Members: Mrs. Apinder Sodhi &amp; Mr. C.L. Jain</p>
3	Average net profits of the Company for last three financial years	₹ 14.83 crores
4	Prescribed CSR Expenditure (2% of the amount as in item no.3 above)	₹ 29.67 Lacs
5	Details of CSR spent during the Financial year	
	a. Total amount to be spent for the Financial Year	₹ 29.67 Lacs
	b. Amount unspent, if any	₹ 29.67 Lacs
	c. Manner in which the amount spent during the Financial Year	Annexure-A
6	In case the Company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.	Being the first year, a lot of preliminary and exploratory work has been done to identify areas in the field of health, education & rural development, where the contribution by the Company could be of maximum benefit to the society. Therefore, during the year, no proposal got materialized and the Company was not able to spend any amount under CSR Activity.

**Annexure-A**

**DETAILS OF AMOUNT SPENT ON CSR ACTIVITIES DURING THE FINANCIAL YEAR 2014-15**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise(In ₹)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads : (In ₹)	Cumulative expenditure up to the reporting period. (In ₹)	Amount spent: Direct or through implementing agency*
1	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	NIL	NIL	NIL	NIL	NIL	NIL	NIL

**RESPONSIBILITY STATEMENT**

The Responsibility Statement of the Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company, is reproduced below:

'The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.

Sd/-  
S.P. OSWAL  
CHAIRMAN

Sd/-  
SUCHITA JAIN  
CHAIRPERSON OF CSR COMMITTEE

Date: May 07, 2015  
Place: Ludhiana



**NOMINATION AND REMUNERATION POLICY  
OF**

**VARDHMAN HOLDINGS LIMITED**

(U/s 178 of the Companies Act, 2013 and Clause 49 (IV) of the  
Amended Listing Agreement)

**1. PREFACE:**

In terms of the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, this policy on Nomination and Remuneration of Directors and Senior Management has been formulated by the Committee and approved by the Board of Directors in their meeting held on 11<sup>th</sup> November, 2014.

Upon the recommendations of Nomination and Remuneration Committee, the Board of Directors of Vardhman Holdings Limited (VHL) in their meeting held on 23<sup>rd</sup> May, 2015 made certain amendments in the existing policy and thereafter replaced the existing policy with the amended policy.

The amended policy is as under:-

**2. ROLE OF THE COMMITTEE:**

- a) To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to Board their appointment and removal.
- b) To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- c) To recommend to the Board remuneration policy related to remuneration of Directors (whole time Directors, Executive Directors etc), Key Managerial Personnel and other employees while ensuring the following:-
  - i. That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
  - ii. That relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
  - iii. That remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.
- d) To formulate criteria for evaluation of Directors and the Board.
- e) To devise a policy on Board diversity.

**3. MEMBERSHIP:**

- a) The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.

- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

**4. CHAIRMAN:**

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairman of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

**5. FREQUENCY OF MEETINGS:**

The meetings of the Committee shall be held at such regular intervals as may be required.

**6. COMMITTEE MEMBERS' INTERESTS:**

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

**7. SECRETARY:**

The Company Secretary of the Company shall act as Secretary of the Committee.

**8. VOTING:**

- a) Decisions of the Committee shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

**9. MINUTES OF COMMITTEE MEETING:**

The minutes of all the proceedings of all meetings must be signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board meetings.

**10. EFFECTIVE DATE & AMENDMENTS:**

This policy will be effective from 23<sup>rd</sup> May, 2015 and may be amended subject to the approval of Board of Directors.

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on 31st March 2015**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN:-	L17111PB1962PLC002463
ii)	Registration Date	27 <sup>th</sup> December, 1962
iii)	Name of the Company	VARDHMAN HOLDINGS LIMITED
iv)	Category / Sub-Category of the Company	Company limited by shares
v)	Address of the Registered office and contact details	Vardhman Premises, Chandigarh Road, Ludhiana - 141010
vi)	Whether listed company	Listed at The National Stock Exchange of India Limited and The Bombay Stock Exchange Limited
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Alankit Assignments Limited, Alankit Heights, 1E/13, Jhandewalan Extension, New Delhi-110055. <b>Phone:</b> 011-42541234 & 23541234, Fax:011-41543474, <b>E-mail:</b> rta @alankit.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products /services	NIC Code of the Product/service	% to total turnover of the Company
1	Investment Business	6430	93.26%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sl. No.	Name and Address of the Company	CIN/GLN	Holding /Subsidiary / Associate Company	% of shares held	Applicable Section
1	Vardhman Textiles Limited, Vardhman Premises, Chandigarh Road, Ludhiana -141010	L17111PB1973PLC 003345	Associate Company	24.20%	2(6)

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	144,729	0	144,729	4.53	144,729	0	144,729	4.53	0.00
b) Central Govt	0	0	0	0	0	0	0	0	0.00
c) State Govt (s).	0	0	0	0	0	0	0	0	0.00
d) Bodies Corporate	2,245,712	0	2,245,712	70.37	2,137,479	0	2,137,479	66.97	-3.40
e) Banks/FIs	0	0	0	0	0	0	0	0	0.00
(e-i) Limited Liability Partnership	0	0	0	0	108,233	0	108,233	3.00	3.40
f) Others	0	0	0	0	0	0	0	0	0.00
<b>Sub-total (A) (1):-</b>	<b>2,390,441</b>	<b>0</b>	<b>2,390,441</b>	<b>74.90</b>	<b>2,390,441</b>	<b>0</b>	<b>2,390,441</b>	<b>74.90</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0.00
b) Other- Individuals	0	0	0	0	0	0	0	0	0.00
c) Bodies Corporate	0	0	0	0	0	0	0	0	0.00
d) Banks/FIs	0	0	0	0	0	0	0	0	0.00
e) Others	0	0	0	0	0	0	0	0	0.00
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Total Shareholding of Promoters (A)= (A)(1)+(A)(2)</b>	<b>2,390,441</b>	<b>0</b>	<b>2,390,441</b>	<b>74.90</b>	<b>2,390,441</b>	<b>0</b>	<b>2,390,441</b>	<b>74.90</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	1,860	20	1,880	0.06	1,860	20	1,880	0.06	0.00
b) Banks/Fis	32,443	1,480	33,923	1.06	32,431	1,480	33,911	1.06	0.00
c) Central Govt.	0	0	0	0	0	0	0	0	0.00
d) State Govt (s).	0	0	0	0	0	0	0	0	0.00
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
f) Insurance Companies	0	0	0	0	0	0	0	0	0.00
g) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
h) Foreign Institutional Investors	91,269	70	91,339	2.86	95,312	70	95,382	2.99	0.13
i) Others (Specify)	0	0	0	0	0	0	0	0	0.00
<b>Sub-Total (B)(1):-</b>	<b>125,572</b>	<b>1,570</b>	<b>127,142</b>	<b>3.98</b>	<b>129,603</b>	<b>1,570</b>	<b>131,173</b>	<b>4.11</b>	<b>0.13</b>
<b>2. Non Institutions</b>									
a) Bodies Corporate									
i) Indian	47,581	3,595	51,176	1.6	172,791	4,095	176,886	5.54	3.94
ii) Overseas	0	0	0	0	0	0	0	0	0.00
b) Individuals	0	0	0	0	0	0	0	0	0.00
i) Individual shareholders holding nominal share share capital up to Rs 1 lakh	243,245	92,353	335,598	10.52	242,588	89,649	332,237	10.41	-0.11
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	286,575	0	286,575	8.98	160,160	0	160,160	5.02	-3.96
c) Any Other (specify)									
i) Non-Resident Indians	462	142	604	0.02	487	142	629	0.02	0.00
ii) Trusts & Foundations	0	0	0	0.00	10	0	10	0.00	0.00
<b>Sub-Total (B)(2)</b>	<b>577,863</b>	<b>96,090</b>	<b>673,953</b>	<b>21.12</b>	<b>576,036</b>	<b>93,886</b>	<b>669,922</b>	<b>20.99</b>	<b>-0.13</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>703,435</b>	<b>97,660</b>	<b>801,095</b>	<b>25.10</b>	<b>705,639</b>	<b>95,456</b>	<b>801,095</b>	<b>25.10</b>	<b>0.00</b>
<b>C) Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0.00
<b>Grand Total (A+B+C)</b>	<b>3,093,876</b>	<b>97,660</b>	<b>3,191,536</b>	<b>100.00</b>	<b>3,096,080</b>	<b>95,456</b>	<b>3,191,536</b>	<b>100.00</b>	<b>0.00</b>

ii) Shareholding of Promoters

Name of Shareholders	Shareholding at the beginning of the Year			Shareholding at the end of the Year			% Change in Shareholding during the year
	No. of Shares	% of total Shares of the Company	% of Shares pledged/ encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total Shares	
*Adinath Investment & trading Company	1,048,770	32.86	0.00	940,537	29.47	0.00	3.39
Adishwar Enterprises LLP *	0.00	0.00	0.00	108,233	3.39	0.00	3.39
Devakar Investment & Trading Company Private Limited	806,353	25.27	0.00	806,353	25.27	0.00	0.00
Flamingo Finance & Investment Company Limited	50,671	1.59	0.00	50,671	1.59	0.00	0.00
Anklesh Investments Private Limited	11,698	0.37	0.00	11,698	0.37	0.00	0.00
Marshall Investment and Trading Company Private Limited	22,331	0.70	0.00	22,331	0.70	0.00	0.00
Ramaniya Finance and Investment Company Limited	29,343	0.92	0.00	29,343	0.92	0.00	0.00
Santon Finance and Investment Company Limited	12,266	0.38	0.00	12,266	0.38	0.00	0.00
Plaza Trading Company Private Limited	140	0.00	0.00	140	0.00	0.00	0.00
Pradeep Mercantile Company Private Limited	249,072	7.80	0.00	249,072	7.80	0.00	0.00
Srestha Holdings Limited	133	0.00	0.00	133	0.00	0.00	0.00
Syracuse Investment & Trading Company Private Limited	4,603	0.14	0.00	4,603	0.14	0.00	0.00
Mahavir Spinning Mills Private Limited	10,332	0.32	0.00	10,332	0.32	0.00	0.00
Mr. S.P. Oswal**	54,249	1.70	0.00	56,880	1.78	0.00	0.08
Shri Paul & Sons (HUF)**	3,946	0.12	0.00	0	0.00	0.00	0.12
Shakun Oswal	19,084	0.60	0.00	19,084	0.60	0.00	0.00
Suchita Jain	27,101	0.85	0.00	28,416	0.89	0.00	0.04
Sachit Jain**	2,330	0.07	0.00	2,330	0.07	0.00	0.00
Soumya Jain	80	0.00	0.00	80	0.00	0.00	0.00
Sagrika Jain	40	0.00	0.00	40	0.00	0.00	0.00
Eastern Trading Company	9,840	0.31	0.00	9,840	0.31	0.00	0.00
Ambar Syndicate	6,689	0.21	0.00	6,689	0.21	0.00	0.00
Northern Trading Company	13,760	0.43	0.00	13,760	0.43	0.00	0.00
Paras Syndicate	7,610	0.24	0.00	7,610	0.24	0.00	0.00
<b>TOTAL</b>	<b>2,390,441</b>	<b>74.90</b>	<b>0.00</b>	<b>2,390,441</b>	<b>74.90</b>	<b>0.00</b>	<b>0.00</b>

\* Adinath Investment & Trading Company got converted into Adishwar Enterprises LLP w.e.f. 5th June, 2014. However, the process of change in nomenclature of demat accounts of Adinath Investment & Trading Company is under process.

\*\* Shri Paul & Sons (HUF) has undergone partition w.e.f. 3rd May, 2014 and Shares of the Company held by it, have been transferred to Mr. S.P. Oswal and Mrs. Suchita Jain.

Sr. No.	Name	Shareholding		Date	Increase/decrease in shareholding	Reason of Change	Cumulative shareholding during the year	
		No. of shares at the beginning / end of year	% of total shares of the Company				No. of shares at the beginning/ end of year	% of total shares of the Company
1	S.P. OSWAL*	54,249	1.70	01.04.2014				
				03.05.2014	2,631	Received on	56,880	1.78
		56,880	1.78	31.03.2015		Partition	56,880	1.78
2	SHRI PAUL & SONS (HUF)	3,046	0.12	01.04.2014				
				03.05.2014	2,330	Partition	0	0.00
		0	0.00	31.03.2015			0	0.00
3	SUCHITA JAIN	27,101	0.85	01.04.2014				
				03.05.2014	1,315	Received on	28,416	0.89
		28,416	0.89	31.03.2015		Partition	28,416	0.89

\* Shri Paul & Sons, HUF has undergone partition w.e.f. 3rd May, 2014 and the shares of the Company held by it, have been transferred to Mr. S.P. Oswal and Mrs. Suchita Jain.

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name	Shareholding		Date	Increase/decrease in shareholding	Reason of Change	Cumulative shareholding during the year	
		No. of shares at the beginning / end of year	% of total shares of the Company				No. of shares at the beginning/ end of year	% of total shares of the Company
1	JYOTSNA DESAI*	131,149	4.10	01.04.2014				
				11.04.2014	-32,499	Sold	98,650	3.09
				18.04.2014	-22,500	Sold	76,150	2.39
				25.04.2014	-15,000	Sold	61,150	1.92
				02.05.2014	-10,000	Sold	51,150	1.60
				09.05.2014	-6,800	Sold	44,350	1.39
				23.05.2014	-12,500	Sold	31,850	1.00
				06.06.2014	-10,000	Sold	21,850	0.68
				13.06.2014	-13,850	Sold	8,000	0.25
				20.06.2014	-1,000	Sold	7,000	0.22
				18.07.2014	-4,000	Sold	3,000	0.09
				25.07.2014	-1,000	Sold	2,000	0.06
				05.09.2014	-1,992	Sold	8	0.00
				12.09.2014	-8	Sold	0	0.00
		0	0.00	31.03.2015			0	0.00
2	BARING INDIA PRIVATE EQUITY FUND III LISTED	68,559	2.15	01.04.2014				
				04.04.2014	19	Purchased	68,578	2.15
				09.05.2014	811	Purchased	69,389	2.17
				16.05.2014	1,516	Purchased	70,905	2.22
				30.05.2014	317	Purchased	71,222	2.23
				06.06.2014	262	Purchased	71,484	2.24
		71,484	2.24	31.03.2015			71,484	2.24
3	ANAND NARESHBHAI SHAH	61,448	1.93	01.04.2014				
					0	Nil Movement	61,448	1.93
		61,448	1.93	31.03.2015		During the Year	61,448	1.93
4	ANIL KUMAR GOEL	60,978	1.91	01.04.2014				
				11.04.2014	-60,978	Sold	0	0
				18.04.2014	60,978	Purchased	60,978	1.91
				25.04.2014	22	Purchased	61,000	1.91
				13.06.2014	152	Purchased	61,152	1.92
				12.12.2014	95	Purchased	61,247	1.92
				19.12.2014	129	Purchased	61,376	1.92
				31.12.2014	68	Purchased	61,444	1.93
				02.01.2015	197	Purchased	61,641	1.93
				09.01.2015	693	Purchased	62,334	1.95
				16.01.2015	2	Purchased	62,336	1.95
				06.03.2015	664	Purchased	63,000	1.97
				13.03.2015	5	Purchased	63,005	1.97
				20.03.2015	196	Purchased	63,201	1.98
				27.03.2015	286	Purchased	63,487	1.99
		65,712	2.06	31.03.2015	2,225	Purchased	65,712	2.06
5	SEEMA GOEL	33,000	1.03	01.04.2014				
					0	Nil Movement	33,000	1.03
		33,000	1.03	31.03.2015		During the Year	33,000	1.03
6	THE ORIENTAL INSURANCE COMPANY LIMITED	32,421	1.02	01.04.2014				
					0	Nil Movement	32,421	1.02
		32,421	1.02	31.03.2015		During the Year	32,421	1.02
7	BARING INDIA PRIVATE EQUITY FUND II LISTED	22,710	0.71	01.04.2014				
				04.04.2014	106	Purchased	22,816	0.71
				09.05.2014	130	Purchased	22,946	0.72
				16.05.2014	500	Purchased	23,446	0.73
				30.05.2014	290	Purchased	23,736	0.74
				06.06.2014	92	Purchased	23,828	0.75
		23,828	0.75	31.03.2015			23,828	0.75
8	INDIAN SYNTANS INVESTMENTS (P) LTD.	10,000	0.31	01.04.2014				
					0	Nil Movement	10,000	0.31
		10,000	0.31	31.03.2015		During the Year	10,000	0.31

Sr. No.	Name	Shareholding		Date	Increase/decrease in shareholding	Reason of Change	Cumulative shareholding during the year	
		No. of shares at the beginning / end of year	% of total shares of the Company				No. of shares at the beginning/ end of year	% of total shares of the Company
9	AUCKLAND JUTE CO. LIMITED**	9,100	0.29	01.04.2014				
				11.07.2014	-100	Sold	9,000	0.28
				18.07.2014	-100	Sold	8,900	0.28
				25.07.2014	-200	Sold	8,700	0.27
				19.09.2014	-100	Sold	8,600	0.27
				30.09.2014	-200	Sold	8,400	0.26
				05.12.2014	-3	Sold	8,397	0.26
				12.12.2014	-225	Sold	8,172	0.26
				16.01.2015	-132	Sold	8,040	0.25
				23.01.2015	-10	Sold	8,030	0.25
				13.02.2015	-200	Sold	7,830	0.25
				20.02.2015	-424	Sold	7,406	0.23
				27.02.2015	-1,903	Sold	5,503	0.17
				13.03.2015	-310	Sold	5,193	0.16
				20.03.2015	-384	Sold	4,809	0.15
		4,809	0.15	31.03.2015			4,809	0.15
10	NAGDEVI TRADING & INVESTMENT CO. LTD.	7,469	0.23	01.04.2014				
					0	Nil Movement	7,469	0.23
		7,469	0.23	31.03.2015		During the Year	7,469	0.23
11	SHANTILAL J. PAREKH (HUF)***	6,896	0.22	01.04.2014				
					0	Nil Movement	6,896	0.22
		6,896	0.22	31.03.2015		During the Year	6,896	0.22

\* Ceased to be in the list of Top 10 Shareholders as on 31.03.2015. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01.04.2014.

\*\* Ceased to be in the list of Top 10 Shareholders as on 31.03.2015. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01.04.2014.

\*\*\* Not in the Top 10 shareholders as on 01.04.2014. The same is reflected above since the Shareholder was one of the Top 10 shareholders as on 31.03.2015

(v). Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding		Date	Increase/decrease in shareholding	Reason of Change	Cumulative shareholding during the year	
		No. of shares at the beginning / end of year	% of total shares of the Company				No. of shares at the beginning/ end of year	% of total shares of the Company
<b>A. DIRECTORS:</b>								
1	S.P. OSWAL*	54,249	1.70	01.04.2014				
				03.05.2014	2,631	Received on Partition	56,880	1.78
		56,880	1.78	31.03.2015			56,880	1.78
2	SACHIT JAIN	2,330	0.07	01.04.2014				
					0	NIL Movement during year	2,330	0.07
		2,330	0.07	31.03.2015			2,330	0.07
3	SUCHITA JAIN	27,101	0.85	01.04.2014				
				03.05.2014	1,315	Received on Partition	28,416	0.89
		28,416	0.89	31.03.2015			28,416	0.89
4	CHAMAN LAL JAIN	05	0.00	01.04.2014				
					0	NIL Movement during year	20,000	0.02
		05	0.00	31.03.2015			20,000	0.02
5	SURINDER SINGH BAGAI	770	0.02	01.04.2014				
					0	NIL Movement during year	770	0.02
		770	0.02	31.03.2015			770	0.02
6	SAT PAL KANWAR	1,212	0.04	01.04.2014				
					0	NIL Movement during year	1,212	0.04
		1,212	0.04	31.03.2015			1,212	0.04
7	OM PARKASH SHARMA	0	0.00	01.04.2014				
					0	NIL Movement during year	0	0.00
		0	0.00	31.03.2015			0	0.00
8	APINDER SODHI	0	0.00	01.04.2014				
					0	NIL Movement during year	0	0.00
		0	0.00	31.03.2015			0	0.00
9	JAGDISH RAI SINGAL	10	0.00	01.04.2014				
					0	NIL Movement during year	10	0.00
		10	0.00	31.03.2015			10	0.00



Sr. No.	Name	Shareholding		Date	Increase/decrease in shareholding	Reason of Change	Cumulative shareholding during the year	
		No. of share at the beginning / end of year	% of total shares of the Company				No. of share at the beginning/ end of year	% of total shares of the Company
<b>B.</b>	<b>KEY MANAGERIAL PERSONNEL:</b>							
1	SHAKUN OSWAL (ED)	19,084	0.60	01.04.2014				
		19,084	0.60	31.03.2015	0	NIL Movement during year	19,084	0.60
2	POORVA BHATIA (CFO)	0	0.00	01.04.2014				
		0	0.00	31.03.2015	0	NIL Movement during year	0	0.00
3	TANU BERRY (CS)	0	0.00	01.04.2014				
		0	0.00	31.03.2015	0	NIL Movement during year	0	0.00

\* Shri Paul & Sons (HUF) has undergone partition w.e.f. 3<sup>rd</sup> May, 2014 and the shares of the Company held by it, have been transferred to Mr. S.P. Oswal and Mrs. Suchita Jain.

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Indebtedness at the beginning of the financial	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	Nil	Nil	Nil	Nil
* Reduction	Nil	Nil	Nil	Nil
<b>Net Change</b>	Nil	Nil	Nil	Nil
<b>Indebtedness at the end of the financial year</b>	Nil	Nil	Nil	Nil
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Amount (in ₹)

Sl.No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		SHAKUN OSWAL*	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	<b>Total (A)</b>		-
	<b>Ceiling as per the Act</b>		<b>15,673,049</b>

\* During the year 2014-15, Mrs. Shakun Oswal has not received any Salary and Perquisites from the Company Due to bad health.

**B. Remuneration to other directors:**

Amount (in ₹)

Sl.No.	Particulars of Remuneration	Name of MD/WTD/Manager						Total Amount
		Chaman Lal Jain	Surinder Singh Bagai	Jagdish Rai Singal	Om Parkash Sharma	Apinder Sodhi	Sat Pal Kanwar	
1.	<b>Independent Directors</b>							
	Fee for attending board/ committee meetings	17,000	6,000	10,000	57,000	79,500	82,750	252,250
	Commission	0	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0	0
	<b>Total (1)</b>	<b>17,000</b>	<b>6,000</b>	<b>10,000</b>	<b>57,000</b>	<b>79,500</b>	<b>82,750</b>	<b>252,250</b>
2.	<b>Other Non-Executive Directors</b>							
	Fee for attending board/ committee meetings	0	0	0	0	0	0	0
	Commission	0	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0	0
	Total (2)	0	0	0	0	0	0	0
	<b>Total (B)=(1+2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total Managerial Remuneration</b>	<b>17,000</b>	<b>6,000</b>	<b>10,000</b>	<b>57,000</b>	<b>79,500</b>	<b>82,750</b>	<b>252,250</b>
	<b>Overall Ceiling as per the Act</b>							<b>34,480,708</b>

**C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD**

Amount (in ₹)

Sl.No.	Particulars of Remuneration	CEO	Company Secretary	CFO	Total
			Tanu Berry	Poorva Bhatia	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		53,571	41,575	95,146
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		0	0	0
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961		0	0	0
2	Stock Option		0	0	0
3	Sweat Equity		0	0	0
4	Commission				
	- as % of profit		0	0	0
	- others, specify		0	0	0
5	Others, please specify		0	0	0
	<b>Total</b>		<b>53,571</b>	<b>41,575</b>	<b>95,146</b>

**VII. Penalties/Punishment/Compounding of offences: NIL**

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty /Punishment /Com	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
	Penalty	Nil	Nil	Nil	Nil
	Punishment	Nil	Nil	Nil	Nil
	Compounding	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
	Penalty	Nil	Nil	Nil	Nil
	Punishment	Nil	Nil	Nil	Nil
	Compounding	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
	Penalty	Nil	Nil	Nil	Nil
	Punishment	Nil	Nil	Nil	Nil
	Compounding	Nil	Nil	Nil	Nil

## CORPORATE GOVERNANCE REPORT

This Report on Corporate Governance forms part of the Annual Report. It assumes a great deal of importance in the business life of the Company. The Company's goal is to find creative and productive ways of delighting its stakeholders i.e. investors, customers & associates, while fulfilling the role of a responsible corporate representative committed to best practices. 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 maintain the highest standards of Corporate Governance and adheres to the Corporate Governance requirements set out by SEBI. Further the Company has also implemented several best Corporate Governance practices as prevalent globally.

### 1. GROUP PHILOSOPHY:

- ❖ Faith in bright future of Indian textiles and hence continued expansion in areas "which we know best".
- ❖ Total customer focus in all operational areas.
- ❖ Products to be of best available quality for premium market segments through Total Quality Management (TQM) and zero defect implementation.
- ❖ Global orientation.
- ❖ Integrated diversification/product range expansion.
- ❖ World class manufacturing facilities with most modern R & D and process technology.
- ❖ Faith in individual potential and respect for human values.
- ❖ Encouraging innovation for constant improvement to achieve excellence in all functional areas.
- ❖ Accepting change as a way of life.
- ❖ Appreciating our role as a responsible corporate citizen.

### 2. BOARD OF DIRECTORS:

#### a) Composition:

The Board of Directors comprises of a Non-Executive Chairman, an Executive Director and Eight Non-Executive Directors. Out of the total strength of Ten (10) Directors, five Directors are independent.

#### b) Board Meetings:

During the Financial Year 2014-2015, the Board met Four (4) times on 17.05.2014, 09.08.2014, 11.11.2014 and 12.02.2015.

The composition of Board of Directors and Directors attendance at the Board Meetings and at last Annual General Meeting of the Company, as also the number of Directorship/Chairmanships held by them in other Public Limited Companies, during the Financial Year 2014-15 are given as follows:-

Name of Director	Designation & Category	Number of Board Meetings attended	Attendance at Last Annual General Meeting	Directorship in other Companies	Other Committee Membership	Board Chairmanships in other Companies	Committee Chairmanships in other Companies
Shri Paul Oswal	Non Executive Chairman Non Independent	2	No	9	2	4	-
Shakun Oswal	Executive Director, Non Independent	1	No	4	-	-	-
Sachit Jain	Non Executive Director, Non Independent	4	Yes	7	9	-	3
Suchita Jain	Non Executive Director, Non Independent	2	No	8	3	-	-
Chaman Lal Jain	Non Executive Director Non Independent	2	No	-	-	-	-
Apinder Sodhi	Non-Executive, Independent Director	4	Yes	2	5	-	-
Surinder Singh Bagai	Non Executive, Independent Director	1	No	1	-	-	1
Jagdish Rai Singal	Non Executive , Independent Director	1	No	5	-	-	-
Om Parkash Sharma	Non Executive , Independent Director	4	No	-	-	-	-
Sat Pal Kanwar	Non-Executive, Independent Director	4	Yes	-	-	-	-

### 3. AUDIT COMMITTEE:

The Audit Committee of the Board of Directors was constituted in conformity with the requirements of the Listing Agreement as well as Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee are as set out in the Listing Agreement entered into with Stock Exchanges and Section 177 of the Companies Act, 2013. The Audit Committee comprises of three directors viz. Mrs. Apinder Sodhi, Mr. Sat Pal Kanwar and Mr. Om Prakash Sharma. Mrs. Apinder Sodhi is the Chairperson of the Committee. All members of the Audit Committee are financially literate and have accounting or related financial management expertise. Statutory Auditors, Internal Auditors and Chief Financial Officer are permanent invitees to the Committee. The Company Secretary of the Company is the Secretary to this Committee.

During the Financial Year 2014-15, the Audit Committee met Four (4) times on 17.05.2014, 09.08.2014, 11.11.2014 and 12.02.2015.

The attendance of the members of the Committee is given below:-

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

### 4. NOMINATION AND REMUNERATION COMMITTEE :

#### i. Committee – constitution, policy & meeting details:

The constitution and terms of reference of Nomination & Remuneration committee of the Board of Directors was in conformity with the requirements of the New Listing Agreement as well as Section 178 of the Companies Act, 2013. The said committee is consisting of three Directors viz., Mrs. Apinder Sodhi, Mr. Sachit Jain and Mr. S.P. Kanwar. Mrs. Apinder Sodhi is the chairperson of said Committee. During the Financial Year 2013-14, the Committee met two times and all the members attended the said committee.

The Company's approved Nomination & Remuneration Policy is already attached with Board Report (pls refer **Annexure 4** of Directors' Report).

#### ii. Remuneration details:

##### a) Executive Director:

The Company paid nil remuneration to the Executive Director during the Financial Year 2014-15.

##### b) Non-Executive Directors:

Non-Executive Directors have not been paid any remuneration except sitting fees for attending Board and Committee Meetings.

The details of the sitting fees paid to the Directors during the Financial Year 2014-15 is given below:-

SR. No.	Name of The Director	Sitting fee (₹)
1.	Chaman Lal Jain	17,000
2.	Surinder Singh Bagai	6,000
3.	Jagdish Rai Singal	10,000
4.	Om Parkash Sharma	57,000
5.	Apinder Sodhi	79,500
6.	Sat Pal Kanwar	82,750

**(iii) Shareholding:**

The shareholding of the Directors in the equity share capital of the Company as at 31<sup>st</sup> March, 2015 given as follows:-

S.No.	Name of Director	Number of Shares held	S.No.	Name of Director	Number of Shares held
1.	Shri Paul Oswal	56,880	6.	Chaman Lal Jain	5
2.	Shakun Oswal	19,084	7.	Om Parkash Sharma	NIL
3.	Sachit Jain	2,330	8.	Jagdish Rai Singal	10
4.	Suchita Jain	28,416	9.	Surinder Singh Bagai	770
5.	Apinder Sodhi	NIL	10.	Sat Pal Kanwar	1212

**(iv) Relationship inter se:**

Except Mr. S.P. Oswal, Mrs. Shakun Oswal, Mr. Sachit Jain and Mrs. Suchita Jain, none of the Directors of the Company is related to any other Director of the Company.

**5. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

To look into the redressal of investors' complaints on various issues, the Company constituted a Shareholders'/Investors' Grievance Committee. Pursuant to provisions of Section 178 (5) of the Companies Act, 2013, the Board of Directors in their meeting held on 9<sup>th</sup> August 2014, recognised and renamed the said committee as "Stakeholders Relationship Committee".

The Stakeholders Relationship Committee presently comprises of Mr. Sachit Jain, Mr. S.P. Kanwar and Mrs. Apinder Sodhi. The Chairman and Compliance Officer of the said Committee is Mr. Sachit Jain.

During the financial year 2014-15, one meeting of the Stakeholders Relationship Committee was held on 28<sup>th</sup> March, 2015.

During the financial year 2014-15, the Company had received 40 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 2014-15.

**6. GENERAL BODY MEETINGS :**

a.	The details of last three Annual General Meetings and passing of Special Resolutions, are given as follows:-			
	Nature of Meeting	Day, Date and Time of the Meeting	Venue	Number of Special Resolutions
	50 <sup>th</sup> Annual General Meeting for financial year ended 31 <sup>st</sup> March, 2014.	Thursday, 25 <sup>th</sup> September, 2014 at 03.00 p.m.,	Registered. Office Chandigarh Road, Ludhiana-141 010.	2
	49 <sup>th</sup> Annual General Meeting for financial year ended 31 <sup>st</sup> March, 2013.	Saturday, 31 <sup>st</sup> August, 2013 at 5.00 p.m.	Registered. Office, Chandigarh Road, Ludhiana-141 010.	Nil
	48 <sup>th</sup> Annual General Meeting for financial year ended 31 <sup>st</sup> March, 2012.	Saturday, 1 <sup>st</sup> September, 2012 at 12.00 noon.	Registered. Office, Chandigarh Road, Ludhiana-141 010.	Nil

**b. Postal Ballot:**

The Company has not passed any resolution through Postal Ballot during the Financial Year 2014-15.

## 7. DISCLOSURES:

- a. There was no materially significant related party transaction that may have any potential conflict with interest of the Company at large.
- b. There has not been any non-compliance by the Company in respect of which penalties or strictures were imposed by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other Statutory Authority during the last three years.
- c. The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The policy on "Vigil mechanism and Whistle Blower" may be accessed on the Company's website at [http://www.vardhman.com/user\\_files/5a743d3b9b143130ad8cc8\\_ffbb5845a504d81a531436265717.pdf](http://www.vardhman.com/user_files/5a743d3b9b143130ad8cc8_ffbb5845a504d81a531436265717.pdf). During the year no claim was lodged and accessed by the Audit Committee.
- d. Further, the Company has complied with all the 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 published in prominent daily newspapers viz. the 'Financial Express' and 'Desh Sewak'. The Results of the Company are also made available at the web-site of the Company [www.vardhman.com](http://www.vardhman.com).

## 9. GENERAL SHAREHOLDERS INFORMATION:

### i) 51<sup>st</sup> Annual General Meeting:

Date	:	Friday 4 <sup>th</sup> September, 2015
Time	:	05.00 P.M
Venue	:	Registered Office: Vardhman Premises, Chandigarh Road, Ludhiana- 141 010

### ii) Financial Calendar 2015-16 (Tentative):

First Quarter Results	:	August, 2015
Second Quarter Results	:	October, 2015
Third Quarter Results	:	January, 2016
Annual Results	:	May, 2016

### iii) Dates of Book Closure

: 7<sup>th</sup> August, 2015 to 4<sup>th</sup> September, 2015  
(Both days inclusive)

### iv) Dividend payment date

: within 30 days after declaration.

### v) Listing:

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

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

The Company has duly paid the listing fee to both the aforesaid Stock Exchanges for the financial year 2014-15.



**vi) Stock Code**

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

**vii) Stock Market Data**

The month-wise highest, lowest and closing stock prices of the Company in NSE & BSE during the Financial Year 2014-15 are given as follows: -

Financial Year 2014-15	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	598.30	470.15	595.00	22.68	598.50	475.00	579.30	21.96
May	599.90	495.00	598.00	0.50	613.00	521.25	598.90	3.38
June	737.00	581.15	700.00	17.06	769.00	580.00	701.00	17.05
July	769.00	665.10	675.10	(3.56)	744.95	652.00	676.25	(3.53)
August	790.00	641.00	702.25	4.02	833.90	640.00	712.20	5.32
September	829.00	675.00	774.10	10.23	800.00	670.00	773.00	8.54
October	839.30	701.10	750.00	(3.11)	773.00	705.10	736.00	(4.79)
November	780.00	680.00	740.75	(1.23)	819.00	696.00	767.40	4.27
December	765.00	701.00	720.05	(2.79)	911.00	710.20	719.10	(6.29)
January	780.00	700.75	710.00	(1.40)	760.00	712.65	721.00	0.26
February	777.00	700.00	740.00	4.23	768.70	695.00	737.75	2.32
March	779.90	702.00	752.95	1.75	758.00	700.00	750.00	1.66

**viii) Information regarding dividend payment:**

Dividends remaining unpaid/unclaimed upto the financial year 2006-2007, had been transferred to the Investors' Education and Protection Fund (IEPF). Further, pursuant to the provisions of Section 124(5) read with Section 125 of the Companies Act, 2013, dividend declared in the financial year 2007-2008 and onwards, which remains unpaid/unclaimed for a period of 7 years, is required to be transferred to the IEPF. The last date of transferring the Un-claimed/unpaid dividend for the year 2007-08 is 29<sup>th</sup> September, 2015. Accordingly, Members who have not claimed/received their dividend for the financial year 2007-2008 and onwards are requested to make their claim to the Company immediately.

The Company provides the facility of paying dividend through Electronic Clearing Service (ECS). Shareholders who wish to avail this facility should give necessary directions to Depository Participants (in case shares are held in dematerialised form) or to the Registrar and Transfer Agent of the Company (in case the shares are held in physical form).

**ix) Registrar & Transfer Agent:**

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

M/s. Alankit Assignments Limited (Unit: Vardhman Holdings Limited)

Alankit Heights, 1E/13, Jhandewalan Extension, New Delhi-110 055.  
Phone: 011-42541234 & 23541234, Fax: 011-41543474,  
E-mail: rta@alankit.com

**x) Share Transfer System:**

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

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

**xi) Distribution of Shareholding pattern of the Company as on 31<sup>st</sup> March, 2015.**

Range of Number of Shares	Shareholders		Shares	
	Number	Percent	Number	Percent
Up to - 500	7,188	98.20	240,493	7.54
501 - 1,000	42	0.57	30,714	0.96
1,001 - 5,000	51	0.70	107,297	3.36
5,001 - 10,000	11	0.15	82,561	2.59
10,001 - Above	28	0.38	2,730,471	85.55
<b>Total</b>	<b>7,320</b>	<b>100</b>	<b>3,191,536</b>	<b>100</b>

**xii) Dematerialisation of shares:**

As on 31<sup>st</sup> March 2015, 97.01 percent of the capital comprising 3,096,080 equity shares out of the 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 : 0161-2228943-48  
Fax : 0161-2601048, 2220766  
E-mail : secretarial.lud@vardhman.com

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

## DECLARATION UNDER CLAUSE 49

All the Board Members and Senior Management have affirmed compliance to the Code of Conduct for the Financial Year 2014-15.

**Place: Ludhiana**  
**Dated: May 23, 2015**

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

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**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, 2015, 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 : May 23, 2015**

**(RAJIV DEWAN)**  
**Partner**  
**Membership No. 084718**

## 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, 2015, 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's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of

the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view 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 Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) 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

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in the Annexure a statement on the matters prescribed in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;
  - d) in our opinion, the aforesaid financial statements

comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

- e) on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the other matters included in the Auditor's Report and to the best of our information and according to the explanations given to us :
  - I. The Company does not have any pending litigations which would impact its financial position;
  - II. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
  - III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For R. Dewan & Co.  
Chartered Accountants**

**FRN 017883N**

**Rajiv Dewan  
(Partner)**

**M.No.: 084718**

**Place: Ludhiana**

**Date: May 25, 2015**

The Annexure referred to in paragraph 1 of our Report of even date to the members of Vardhman Holdings Limited on the accounts of the Company for the year ended 31<sup>st</sup> March, 2015.

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:

- 1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - (b) As explained to us, Fixed Assets are verified by rotation every year. No discrepancies were observed in the Fixed Assets physically verified during the financial year.
- 2. The company has not held any inventory during the year, therefore, the provision of clause 3(ii)(a), 3(ii)(b) and 4(ii)(c) of the Order are not applicable to the Company.
- 3. 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 189 of the Companies Act, 2013 therefore provision of 3(iii)(a) & (b) of the Companies (Auditors Report), Order, 2015 are not applicable to the company.

- 4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of inventories & fixed assets and for sale of goods & services. Further, on the basis of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across nor have been informed of any instance of major weaknesses in the aforesaid internal control procedures.
- 5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder. We have been explained that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal against the Company during the year.
- 6. The provision of Clause 3(vi) of the Order regarding maintenance of cost records is not applicable to the company
- 7. (a) According to the records of the Company examined by us and the information and explanations given to us, in our opinion, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, Employees' State Insurance, Income-Tax, Wealth Tax, Service Tax, Sales Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other statutory dues applicable to it. According to the records of the Company examined by us and the information and explanations given to us, in our opinion, no undisputed amounts payable in respect of provident fund, Employees' State Insurance, Income-Tax, Wealth Tax, Service Tax, Sales Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other statutory dues were outstanding, as at 31.03.2015 for a period of more than six months from the date they became payable.
  - (b) According to the records of the Company examined by us and the information and explanations given to us, in our opinion, there are no dues of sale tax, income-tax / wealth tax / service tax / customs duty / excise duty / Value Added Tax / cess which have not been deposited on account of any dispute, except the following:

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

- (c) According to the records of the Company examined by us and the information and explanations given to us, in our opinion, no amount was required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
8. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
9. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution or bank during the period. As the Company has not issued debentures during the Financial Year 2014-15, clause regarding default to debenture holders does not apply to the Company.
10. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
11. The Company has not raised any term loans during the year. Accordingly, the provisions of clause 3(xi) of the Order are not applicable to the Company.
12. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the period, nor have we been informed of such case by the management.

**For R. Dewan & Co.**  
**Chartered Accountants**  
**FRN 017883N**

**Rajiv Dewan**  
**(Partner)**

**Place: Ludhiana**  
**Date: May 25, 2015**

**M.No.: 084718**

**BALANCE SHEET as at 31<sup>st</sup> March, 2015**

(Amount in ₹)

Particulars	Note No.	As at March, 2015	As at March, 2014
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	31,924,360	31,924,360
(b) Reserves and surplus	4	2,281,027,980	1,989,572,426
		<u>2,312,952,340</u>	<u>2,021,496,786</u>
<b>(2) Non-current liabilities</b>			
(a) Long-term borrowings		–	–
(b) Deferred tax liabilities (net)	5	43,590	–
(c) Other long term liabilities		–	–
(d) Long-term provisions	6	9,742	–
		<u>53,332</u>	<u>–</u>
<b>(3) Current liabilities</b>			
(a) Short-term borrowings		–	–
(b) Trade payables		–	–
(c) Other current liabilities	7	7,203,992	3,241,713
(d) Short-term provisions	8	11,526,085	11,375,401
		<u>18,730,077</u>	<u>14,617,114</u>
<b>TOTAL</b>		<u>2,331,735,749</u>	<u>2,036,113,900</u>
<b>II ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	9	10,162,630	10,576,266
(ii) Intangible assets		–	–
(iii) Capital work-in-progress		–	–
		<u>10,162,630</u>	<u>10,576,266</u>
(b) Non-current investments	10	778,230,988	778,230,988
(c) Long-term loans and advances	11	1,869,871	2,994,249
(d) Other non-current assets		–	–
		<u>790,263,489</u>	<u>791,801,503</u>
<b>(2) Current assets</b>			
(a) Current investments	12	1,497,192,007	1,196,809,248
(b) Inventories		–	–
(c) Trade receivables		–	–
(d) Cash and bank balances	13	5,423,636	4,046,473
(e) Short-term loans and advances		–	–
(f) Other current assets	14	38,856,617	43,456,676
		<u>1,541,472,260</u>	<u>1,244,312,397</u>
<b>TOTAL</b>		<u>2,331,735,749</u>	<u>2,036,113,900</u>

See accompanying notes forming part of the financial statements 1 to 28

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

For and on behalf of Board of Directors

**RAJIV DEWAN**  
Partner  
Membership No.: 084718

**Tanu Berry**  
Company Secretary

**Poorva Bhatia**  
Chief Financial Officer

**Suchita Jain**  
Director

**S. P. Oswal**  
Chairman

Place : Ludhiana  
Date: May 23, 2015



**STATEMENT OF PROFIT AND LOSS for the year ended 31<sup>st</sup> March, 2015**

(Amount in ₹)

Particulars	Note No.	For the year ended 31 <sup>st</sup> March, 2015	For the year ended 31 <sup>st</sup> March, 2014
i Revenue from operations	15	303,277,001	186,968,627
ii Other income	16	21,908,588	12,034,661
<b>iii Total Revenue (i + ii)</b>		<b>325,185,589</b>	<b>199,003,288</b>
iv Expenses :			
Cost of material consumed		–	–
Purchase of Stock-in-Trade		–	–
Change in inventories of finished goods and work in progress		–	–
Employee benefits expense	17	75,862	1,935,646
Finance costs		–	–
Depreciation and amortization expenses	9	413,636	353,873
Other expenses	18	13,363,175	15,743,860
<b>Total Expenses</b>		<b>13,852,673</b>	<b>18,033,379</b>
v Profit before tax (iii – iv)		311,332,916	180,969,909
vi Tax expense :			
– Current Tax		18,740,000	11,950,000
– Deferred tax		43,590	–
– Mat Credit Entitlement		(10,430,000)	(5,850,000)
– Tax adjustments of earlier years		–	386,600
vii Profit for the year (v – vi)		<b>302,979,326</b>	<b>174,483,309</b>
<b>Earnings per equity share (including extra-ordinary items)</b>			
[Earning per equity share ₹10/– (Previous Year: ₹10)]			
<b>Basic</b>		<b>94.93</b>	<b>54.67</b>
<b>Diluted</b>		<b>94.93</b>	<b>54.67</b>
<b>Earnings per equity share (excluding extraordinary items)</b>			
[Earning per equity share ₹10/– (Previous Year: ₹10)]			
<b>Basic</b>		<b>94.93</b>	<b>54.67</b>
<b>Diluted</b>		<b>94.93</b>	<b>54.67</b>

See accompanying notes forming part of the financial statements 1 to 28

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  
Date: May 23, 2015

**Tanu Berry**  
Company Secretary

**Poorva Bhatia**  
Chief Financial Officer

For and on behalf of Board of Directors

**Suchita Jain**  
Director

**S. P. Oswal**  
Chairman

**CASH FLOW STATEMENT for the year ended 31<sup>st</sup> March, 2015**

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March, 2015	For the year ended 31 <sup>st</sup> March, 2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items	311,332,916	180,969,909
Adjustments for :		
Depreciation and amortization	413,636	353,873
Net Gain on sale of Current Investments	(82,135,832)	(41,192,937)
Net Gain on sale of Non-Current Investments	-	(202,522)
Net loss on sale of Long term Investments	-	-
Adjustment to the carrying amount of investment	(8,950,990)	11,670,324
Provisions no longer required written Back	(204,738)	(116,655)
	<u>(90,877,924)</u>	<u>(29,487,917)</u>
Operating profit before working capital changes	220,454,992	151,481,992
Adjustments for :		
(Increase)/Decrease in trade receivables & Other assets	15,030,060	(3,693,047)
Increase/( Decrease) in trade payables and other liabilities	3,997,028	(6,344)
	<u>19,027,088</u>	<u>(3,699,391)</u>
Cash Generation from Operations	239,482,079	147,782,601
Taxes Paid	(17,615,622)	(13,645,011)
<b>Net Cash flow from / (used) in Operating activities (A)</b>	<b>221,866,456</b>	<b>134,137,590</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	(1,211,435,884)	(662,536,044)
Sale of Investments	1,002,139,948	526,292,886
Purchase of Fixed Assets	-	(2,207,255)
<b>Net Cash from / (used) in investing activities (B)</b>	<b>(209,295,936)</b>	<b>(138,450,413)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend Paid (including tax thereon)	(11,193,357)	(11,097,002)
<b>Net Cash from/(used) in Financing Activities (C)</b>	<b>(11,193,357)</b>	<b>(11,097,002)</b>
<b>Net Increase in cash &amp; cash equivalents (A+B+C)</b>	<b>1,377,163</b>	<b>(15,409,825)</b>
<b>Cash &amp; cash equivalents as at the beginning</b>	<b>4,046,473</b>	<b>19,456,298</b>
<b>Cash &amp; cash equivalents as at the end</b>	<b>5,423,636</b>	<b>4,046,473</b>

See accompanying notes forming part of the financial statements 1 to 28

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  
Date: May 23, 2015

**Tanu Berry**  
Company Secretary

**Poorva Bhatia**  
Chief Financial Officer

For and on behalf of Board of Directors

**Suchita Jain**  
Director

**S. P. Oswal**  
Chairman

## Notes to Financial Statements for the year ended March 31, 2015.

### 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.

### ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:

### 2. SIGNIFICANT ACCOUNTING POLICIES :

#### a) Accounting Convention:

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

#### b) Use of Estimates:

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

#### c) Revenue Recognition:

##### i) Income from Investments:

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 recognized 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, 2015.**

**e) Fixed Assets:**

Fixed Assets are stated at historical cost less accumulated depreciation.

**f) Depreciation:**

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

**g) Investments:**

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

**h) Accounting for Taxes on Income**

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

**i) Earning per Share :**

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

**j) Impairment of Assets:**

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

**k) Provision and Contingent Liabilities :**

- i) Provision is recognized (for liabilities that can be measured by using a substantial degree of estimation) when:
  - a) the company has a present obligation as a result of a past event;
  - b) a probable outflow of resources embodying economic benefits is expected to settle the obligation; and
  - c) the amount of the obligation can be reliably estimated
- ii) Contingent liability is disclosed in case there is :
  - a) i) possible obligation that arises from past events and existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise; or
  - ii) a reliable estimate of the amount of the obligation cannot be made.
- b) a present obligation arising from past events but is not recognised
  - i) when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - ii) a reliable estimate of the amount of the obligation cannot be made.

# Vardhman Holdings Limited

## Notes to Financial Statements for the year ended March 31, 2015.

### 3. SHARE CAPITAL

Particulars	As at 31 <sup>st</sup> March, 2015		As at 31 <sup>st</sup> March, 2014	
	Number	Amount in ₹	Number	Amount in ₹
<b>Authorised</b>				
Equity Shares of ₹10/- each (Par Value)	30,000,000	300,000,000	30,000,000	300,000,000
Redeemable Cumulative Preference Shares of ₹10/- each (par value)	10,000,000	100,000,000	10,000,000	100,000,000
	<b>40,000,000</b>	<b>400,000,000</b>	<b>40,000,000</b>	<b>400,000,000</b>
<b>Issued</b>				
Equity Shares of ₹10/- each	3,191,536	31,915,360	3,191,536	31,915,360
	<b>3,191,536</b>	<b>31,915,360</b>	<b>3,191,536</b>	<b>31,915,360</b>
<b>Subscribed and fully Paid-up</b>				
Equity Shares of ₹10/- each	3,191,536	31,915,360	3,191,536	31,915,360
Add: Forfeited Shares (Amount originally paid-up)		9,000		9,000
<b>Total</b>	<b>3,191,536</b>	<b>31,924,360</b>	<b>3,191,536</b>	<b>31,924,360</b>

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

Equity Shares	As at 31 <sup>st</sup> March, 2015		As at 31 <sup>st</sup> March, 2014	
	Number	Amount in ₹	Number	Amount in ₹
At the beginning of the reporting period	3,191,536	31,915,360	3,191,536	31,915,360
Add: Issued during the year	-	-	-	-
Outstanding at the end of the reporting period	<b>3,191,536</b>	<b>31,915,360</b>	<b>3,191,536</b>	<b>31,915,360</b>

b. Terms/ rights attached to equity shares

The company has one class of shares viz. Equity Shares having a par value of ₹10/- each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and then the equity shareholders are entitled for such dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive 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 <sup>st</sup> March 2015		As at 31 <sup>st</sup> March, 2014	
	Number		Number	
Equity shares allotted as fully paid up by way of bonus shares	-		-	
Equity shares allotted as fully paid up pursuant to contract (s) without payment being received in cash	-		-	
Equity Shares bought back	-		-	

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

Class of shares and Name of shareholder	As at 31 <sup>st</sup> March, 2015		As at 31 <sup>st</sup> March, 2014	
	Number	% of Shareholding	Number	% of Shareholding
Adishwar Enterprises L.L.P. (Formerly known as 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, 2015.

Particulars	Amount in ₹	
	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>4. RESERVES AND SURPLUS</b>		
<b>Capital Reserves</b>	<b>11,388</b>	11,388
<b>Capital Redemption Reserve</b>	<b>7,000,000</b>	7,000,000
<b>Securities Premium Account</b>	<b>78,127,600</b>	78,127,600
<b>Other Reserves :</b>		
<b>General Reserve</b>		
Balance as per the last financial statements	965,971,944	948,471,944
Add: Transferred from surplus balance in the Statement of profit And loss	–	17,500,000
Closing Balance	<b>965,971,944</b>	965,971,944
<b>Statutory Reserve (u/s 45-IC of RBI Act, 1934)</b>		
Balance as per last financial statements	223,300,000	188,400,000
Add: Transferred from surplus balance in the statement of profit and loss	60,600,000	34,900,000
<b>Surplus i.e. Balance in the Statement of Profit and Loss</b>		
Balance as per the last financial statements	715,161,495	604,279,998
Add: Profit for the period transferred from Statement of Profit and Loss	302,979,326	174,483,309
Less: Appropriations		
Proposed equity dividend (amount per share ₹ 3 per share) (Previous Year: ₹ 3 per share)	9,574,608	9,574,608
Tax on dividend	1,949,165	1,627,205
Transferred to general reserve	–	17,500,000
Transferred to Statutory Reserve	60,600,000	34,900,000
Closing Balance	<b>946,017,048</b>	715,161,494
<b>Total Reserves and Surplus</b>	<b>2,281,027,980</b>	1,989,572,426
<b>5 DEFERRED TAX LIABILITIES (net)</b>		
<b>Deferred tax liabilities</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting period	47,762	–
Gross deferred tax liability	47,762	–
<b>Deferred tax assets</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	4,172	–
Gross deferred tax asset	4,172	–
Deferred tax liability (Net)	43,590	–
<b>6 LONG TERM PROVISIONS</b>		
Provision for employee benefits :		
- Leave encashment	9,742	–
<b>Total</b>	<b>9,742</b>	–
<b>7 OTHER CURRENT LIABILITIES</b>		
Unpaid dividends#	726,496	718,040
Other payables		
– Others	6,477,496	2,523,673
<b>Total</b>	<b>7,203,992</b>	3,241,713
# unpaid dividends do not include any amount due and outstanding required to be credited to the Investors' Education and Protection Fund		
<b>8 SHORT TERM PROVISIONS</b>		
Provision for employee benefits :		
Leave encashment	2,312	173,588
Other provisions :		
Provision for proposed equity dividend	9,574,608	9,574,608
Provision for tax on proposed dividend	1,949,165	1,627,205
<b>Total</b>	<b>11,526,085</b>	11,375,401



Notes to Financial Statements for the year ended March 31, 2015.

(Amount In ₹)

9. FIXED ASSETS

Particulars	Original Cost			Balance as at 31 <sup>st</sup> March, 2015	DEPRECIATION			Balance as at 31 <sup>st</sup> March, 2015	NET BLOCK	
	Balance as at 1 <sup>st</sup> April 2014	Additions	Disposal		Balance as at 1 <sup>st</sup> April, 2014	Depreciation during the year	Eliminated on disposal of assets		Balance as at 31 <sup>st</sup> March, 2015	Balance as at 31 <sup>st</sup> March, 2015
<b>TANGIBLE ASSETS</b>										
1. Freehold land	114,500	-	-	114,500	-	-	-	-	114,500	114,500
2. Buildings	9,127,692	-	-	9,127,692	668,088	144,223	-	812,311	8,315,381	8,459,604
3. Vehicle	2,207,255	-	-	2,207,255	205,093	269,413	-	474,506	1,732,749	2,002,152
<b>Current Year</b>	11,449,447	-	-	11,449,447	873,181	413,636	-	1,286,817	10,162,530	10,576,266
Previous Year	9,242,192	2,207,255	-	11,449,447	519,308	353,873	-	873,181	10,576,266	8,722,884

10. NON-CURRENT INVESTMENTS

Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>Long Term investments (at cost unless otherwise stated)</b>		
<b>I TRADE INVESTMENTS</b>		
<b>Investment in equity instruments</b>		
<b>a. of Associates (Quoted)</b>		
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>b. of Associates (Unquoted)</b>		
25,000 (Previous Year 25,000) Equity Shares of ₹ 10/- each fully paid up of Vardhman Spinning & General Mills Limited	250,000	250,000
<b>c. of Other entities (Quoted)</b>		
815,561 (Previous Year 815,561) Equity Shares of ₹ 10/- each fully paid up of Vardhman Acrylics Limited	3,076,337	3,076,337
3,080,517 (Previous Year 3,080,517) Equity Shares of ₹ 10/- each fully paid up of Vardhman Special Steels Limited	55,745,069	55,745,069
<b>II OTHER THAN TRADE</b>		
<b>a Investment in equity instruments of other entities (quoted)</b>		
112 (Previous year 112) Equity shares of ₹ 10/- each fully paid-up of Garware Nylon Ltd.	1,250	1,250
Less : Provision for Diminution in value of Investments	1,250	1,250
1,150 (Previous year 1,150) Equity shares of ₹ 1/- each fully paid-up of Hindustan Unilever Ltd.	1,288	1,288
50 (Previous year 50) Equity shares of ₹ 10/- each fully paid-up of Vinod Paper Mills Limited	500	500
Less : Provision for Diminution in value of Investments	500	500
<b>b Investment in mutual funds (quoted)</b>		
Fixed maturity plans		
50,00,000 (Previous Year 5,000,000) Units of ₹ 10/- each of BSL Fixed Term Plan Series GI Growth (1185)	50,000,000	50,000,000
	778,230,988	778,230,988
1. Aggregate amount of Quoted Investments (Gross)	777,982,738	777,982,738
2. Market Value of Quoted Investments	8,506,124,469	5,569,804,533
3. Aggregate amount of Unquoted Investments (Gross)	250,000	250,000
4. Aggregate Provision for diminution in value of Investments	1,750	1,750

Non current investments having maturity period less than 12 months as on date of balance sheet have been shown under the head current investments.

Notes to Financial Statements for the year ended March 31, 2015.

11. LONG TERM LOANS & ADVANCES

Amount in ₹

Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
( unsecured, considered good ) Other loans and advances: Advance tax *		
	1,869,871	2,994,249
	1,869,871	2,994,249

\* Advance tax is net of provision for tax of ₹ 9,04,89,968  
(Previous year of ₹ 7,17,49,968)

12. CURRENT INVESTMENTS  
(AT LOWER OF COST AND FAIR VALUE)

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

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

782,187

782,187

14,325 (Previous year Nil) Equity Shares of ₹ 10/- each  
of Infosys Limited

30,119,387

-

**Investment under Portfolio Management Services**

5,564 (Previous Year Nil) Equity Shares of ₹ 10/- each  
of Lupin Limited

8,552,860

-

9,818 (Previous Year Nil) Equity Shares of ₹ 10/- each  
of Sun Pharmaceutical Industries

8,364,202

-

2,206 (Previous Year Nil) Equity Shares of ₹ 10/- each  
of Bajaj Finance Limited

8,320,339

-

30,214 (Previous Year Nil) Equity Shares of ₹ 10/- each  
of Havells India Limited

8,210,841

-

652 (Previous Year Nil) Equity Shares of ₹ 10/- each  
of Page Industries Limited

7,982,475

-

17,118 (Previous Year Nil) Equity Shares of ₹ 10/- each  
of Motherson Sumi Systems Limited

7,728,317

-

5,539 (Previous Year Nil) Equity Shares of ₹ 10/- each  
of HDFC Bank Limited

5,519,724

-

10,260 (Previous Year Nil) Equity Shares of ₹ 10/- each  
of Asian Paints Limited

7,846,296

-

16,690 (Previous Year Nil) Equity Shares of ₹ 10/- each  
of Rural Electrification Corporation

5,791,430

-

Less : Provision for Diminution in value of Investments  
735 (Previous Year Nil) Equity Shares of ₹ 10/- each

239,501

5,551,929

-

of Blue Dart express Limited

4,726,131

-

6,538 (Previous Year Nil) Equity Shares of ₹ 10/- each  
of Ajanta Pharma Limited

6,285,631

-

9,481 (Previous Year Nil) Equity Shares of ₹ 10/- each  
of Amara Raja Batteries Limited

8,010,833

-

Less : Provision for Diminution in value of Investments  
2,357 (Previous Year Nil) Equity Shares of ₹ 10/- each

127,381

7,883,452

-

of Infosys Limited

4,966,058

-

5,938 (Previous Year Nil) Equity Shares of ₹ 10/- each  
of Cummins India Limited

5,186,071

-

19,370 (Previous Year Nil) Equity Shares of ₹ 10/- each  
of Gruh Finance Limited

5,228,157

-

Less : Provision for Diminution in value of Investments  
2,516 (Previous Year Nil) Equity Shares of ₹ 10/- each

519,309

4,708,848

-

of Hero Motocorp Limited

7,515,504

-

Less : Provision for Diminution in value of Investments

866,722

6,648,782

-

# Vardhman Holdings Limited

## Notes to Financial Statements for the year ended March 31, 2015.

Particulars	Amount in ₹	
	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
11,975 (Previous Year Nil) Equity Shares of ₹ 10/- each of P I Industries Limited	6,470,036	—
15,647 (Previous Year Nil) Equity Shares of ₹ 10/- each of Titan Industries Limited	6,068,718	—
Less : Provision for Diminution in value of Investments	12,398	—
461 (Previous Year Nil) Equity Shares of ₹ 10/- each of Shree Cements Limited	4,386,045	—
12,399 (Previous Year Nil) Equity Shares of ₹ 10/- each of Astral Poly Technik Limited	4,857,694	—
5,167 (Previous Year Nil) Equity Shares of ₹ 10/- each of Pidilite Industries Limited	2,832,446	—
2,090 (Previous Year Nil) Equity Shares of ₹ 10/- each of Kotak Mahindra Bank Limited	2,658,731	—
3,011 (Previous Year Nil) Equity Shares of ₹ 10/- each of Indusind Bank Limited	2,726,099	—
Less : Provision for Diminution in value of Investments	68,891	—
1,037 (Previous Year Nil) Equity Shares of ₹ 10/- each of Tata Consultancy Servies Limited	2,683,103	—
Less : Provision for Diminution in value of Investments	41,812	—
1,721 (Previous Year Nil) Equity Shares of ₹ 10/- each of Thermax Limited	1,916,402	—
Less : Provision for Diminution in value of Investments	84,914	—
2,209 (Previous Year Nil) Equity Shares of ₹ 10/- each of Dhanuka Agritech Limited	1,251,133	—
<b>Total</b>	<b>175,025,923</b>	<b>782,187</b>
<b>Investment in Mutual Funds/Fixed Maturity Plans (quoted)</b>		
Nil (Previous Year 12,000) Units of ₹ 10/- each of Peerless Liquid Fund Super Institutional Plan	—	1,333,985
Nil (Previous Year 150,00,000) Units of ₹ 10/- each of DSP Blackrock FMP-Series110-12M- Regular-Growth	—	150,000,000
Nil (Previous Year 1,50,00,000) Units of ₹ 10/- each of SBI Debt Fund Series-366 Days-37 Regular Plan Growth	—	150,000,000
Nil (Previous Year 50,00,000) Units of ₹ 10/- each of HDFC Fixed Maturity Plan Series XI Growth - 36 Months#	—	50,000,000
	—	351,333,985
<b>Investment in Bonds/Debentures (unquoted)</b>		
500 (Previous Year 500) Units of ₹ 1,00,000/- each of IIFL Indexlnk 040716	50,000,000	50,000,000
	50,000,000	50,000,000
<b>Investment in Bonds/Debentures (Quoted )</b>		
Nil (Previous Year 500) Units of ₹ 10,000/- each of 6.00% NHAI Tax Free Bonds	—	5,000,000
Nil (Previous Year 29,668) Units of ₹ 1,000/- each of 8.20% NHAI Tax Free Bonds	—	29,668,000
Less : Provision for Diminution in value of Investments	—	188,985
Nil (Previous Year 12,362) Units of ₹ 1,000/- each of 8.30% NHAI Tax Free Bonds	—	12,362,000
Less : Provision for Diminution in value of Investments	—	368,140
Nil (Previous Year 1,00,000) Units of ₹ 1,000/- each of 8.30% NHAI Tax Free Bonds	—	102,500,000
Less : Provision for Diminution in value of Investments	—	5,478,000
Nil (Previous Year 7,50,000) Units of ₹ 100/- each of 8.20% Power Finance Corporation Ltd 2022	—	75,502,500

## Notes to Financial Statements for the year ended March 31, 2015.

Particulars	Amount in ₹		
	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014	
Less : Provision for Diminution in value of Investments Nil (Previous Year 250000) Units of ₹ 100/- each of 8.20% Power Finance Corporation Ltd 2022	–	1,350,586	74,151,914
Less : Provision for Diminution in value of Investments Nil (Previous Year 1000000) Units of ₹ 100/- each of 8.20% Power Finance Corporation Ltd 2022	–	25,167,500	24,717,305
Less : Provision for Diminution in value of Investments 15,000 (Previous Year 50000) Units of ₹ 1000/- each of 8.51% HUDCO tax free bonds	–	450,195	98,869,219
	–	101,950,000	
	–	3,080,781	
	<b>15,000,000</b>	50,000,000	
	–	837,000	49,163,000
	<b>15,000,000</b>		<b>390,396,313</b>
<b>Investment in Mutual Funds (unquoted)</b>			
7,68,091 (Previous Year 7,51,664) Units of ₹ 10/- each of Reliance Equity Oppurtunity Fund Direct Growth Plan Growth Option		<b>36,000,000</b>	35,000,000
14,60,972 (Previous Year Nil) Units of ₹ 10/- each of Reliance Mid and Small Cap Fund Growth Plan Growth Option		<b>38,000,000</b>	–
41,48,364 (Previous Year Nil) Units of ₹ 10/- each of Reliance Dynamic bond Fund Growth Plan Growth Option		<b>75,000,000</b>	–
65,279 (Previous Year Nil) Units of ₹ 10/- each of Reliance Equity Oppurtunity Fund Growth Plan Growth Option	<b>5,000,000</b>		–
Less : Provision for Diminution in value of Investments 25,00,000 (Previous Year Nil) Units of ₹ 10/- each of Reliance Capital Builder Fund II Series A Growth Plan Gowth Option	<b>71,860</b>	<b>4,928,140</b>	–
17,10,970 (Previous Year 17,10,970) Units of ₹ 10/- each of ICICI Focused Bluechip Equity- Direct Growth		<b>25,000,000</b>	–
4,44,814 (Previous Year Nil) Units of ₹ 10/- each of ICICI Value Discovery Fund- Regular Plan Growth		<b>35,000,000</b>	35,000,000
1,72,354 (Previous Year Nil) Units of ₹ 10/- each of ICICI Focused Bluechip Equity- Regular Growth		<b>40,000,000</b>	–
977528 (Previous Year Nil) Units of ₹ 100/- each (paid up-₹ 30/- each) of ICICI Prudential Real Estate fund AIF-I		<b>5,000,000</b>	–
11,37,266 (Previous Year Nil) Units of ₹ 10/- each of DSP Micro Cap Fund Regular Growth		<b>27,752,800</b>	–
4,28,366 (Previous Year Nil) Units of ₹ 10/- each of Kotak Select Focus Fund Regular plan Growth	<b>10,000,000</b>		–
Less : Provision for Diminution in value of Investments 10,56,270 (Previous Year Nil) Units of ₹ 10/- each of Kotak Select Focus Fund Direct plan Growth	<b>229,383</b>	<b>9,770,617</b>	–
Less : Provision for Diminution in value of Investments 26,78,899 (Previous Year Nil) Units of ₹ 10/- each of SBI Bluechip Fund Regular Plan Growth	<b>496,844</b>	<b>24,503,156</b>	–
Less : Provision for Diminution in value of Investments	<b>71,000,000</b>		–
	<b>43,681</b>	<b>70,956,319</b>	–
		<b>427,411,032</b>	<b>70,000,000</b>
<b>Investment in Bonds/Debentures/Certificate of Deposits (Unquoted)</b>			
10,690 (Previous Year 12,337) 3% Debentures of ₹ 100/- each of Marwar Consultancy Pvt Ltd		<b>1,069,000</b>	1,233,700
10,874 (Previous Year 12,521) 3% Debentures of ₹ 100/- each of Vahin Advisors and Traders Pvt Ltd		<b>1,087,400</b>	1,252,100
10,752 (Previous Year 12,399) 3% Debentures of ₹ 100/- each of Jade Stone Development and Holding Pvt Ltd		<b>1,075,200</b>	1,239,900

# Vardhman Holdings Limited

## Notes to Financial Statements for the year ended March 31, 2015.

Particulars	Amount in ₹	
	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
12,845 (Previous Year 14,641) 3 % Debentures of ₹ 100/- each of Prabal Traders and Advisors Pvt Ltd	1,284,500	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 42,547) 10% Convertible Debentures of ₹ 100 each Darode Jog Realiti Private Ltd	–	4,254,700
Nil (Previous Year 47,659) 10% Convertible Debentures of ₹ 100 each Amit Enterprises Promoters & Builders Private Limited.	–	4,765,900
Nil (Previous year 92,503) 15% Convertible Debentures of ₹ 100 each Lavim Developers Private Limited	–	9,250,300
72,261 (Previous year 72,261) 10% Convertible Debentures of ₹ 100 each Ambojini Property Developers Private Limited	7,226,100	7,226,100
39848 (Previous Year 39,848 ) Convertible Debentures of ₹ 100 each 10% Mantri Hamlet Private Limited	3,984,800	3,984,800
27,910 (Previous Year 42,860) Convertible Debentures of ₹ 100 each Swarg Advisors and Traders Pvt. Ltd.	2,791,000	4,286,000
78,418 (Previous Year 78,418 ) Convertible Debentures of ₹ 100 each Godrej Landmark Redevelopers P Ltd	7,841,800	7,841,800
27,275 (Previous Year 40,934) Convertible Debentures of ₹ 100 each Suryanagari Trading And Consultancy Pvt Ltd.	2,727,500	4,093,400
	<b>34,926,700</b>	<b>56,732,200</b>
<b>Investment in Equity Fund/Liquid Funds/Debt Funds/Monthly Income Plans (Unquoted)</b>		
Nil (Previous Year 8,014 ) Units of ₹ 10/- each of Reliance Medium Term Fund - Monthly Dividend Plan	–	85,071
Nil (Previous Year 1,07,91,211) Units of ₹ 10/- each of IDFC Money Manager Fund Treasury Plan Daily Dividend Direct Plan	–	108,666,413
Nil (Previous Year 2,234) Units of ₹ 100/- each of ICICI Prudential Flexible Income Regular Plan-weekly dividend Reinvestment	–	235,665
Nil (Previous Year 50,553) Units of ₹ 1,000/- each of UTI -Money Market fund-Institutional Plan-Direct Plan-Daily Dividend Reinvestment	–	50,724,363
12,818 (Previous Year Nil) Units of ₹ 10/- each of SBI Ultra Short term debt fund Direct Daily Dividend	12,843,121	–
54,885 (Previous Year Nil) Units of ₹ 10/- each of SBI Ultra Short term debt fund Reg Daily Dividend	55,063,810	–
47,61,815 (Previous Year Nil) Units of ₹ 10/- each of IDFC Dynamic Bond Fund Direct Plan	75,000,000	–
90,44,535 (Previous Year Nil) Units of ₹ 10/- each of JP Morgan India Govt. Securities Fund	100,000,000	–
2,77,528 (Previous Year Nil) Units of ₹ 10/- each of IIFL Real estate Fund Domestic Series	27,752,800	–
48,99,324.350 (Previous Year Nil) Units of ₹ 10/- each of IIFL National Development agenda fund	50,000,000	–
10,93,938 (Previous Year Nil) Units of ₹ 10/- each of Zodiac Technology Fund	11,000,000	–
1,39,949 (Previous Year Nil) Units of ₹ 1,000/- each of SBI Premier Liquid Fund Regular Plan Growth	306,818,672	–

Notes to Financial Statements for the year ended March 31, 2015.

Particulars	Amount in ₹	
	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
318 (Previous Year Nil) Units of ₹ 10/- each of SBI Premier Liquid Fund Direct Plan Growth	700,000	–
400 (Previous Year 400) Units of ₹1,00,000/- each of India Venture Trust fund	40,000,000	40,000,000
1,012 (Previous Year 759) Units of ₹1,00,000/- each of ASK Real Estate Fund	<u>113,276,486</u>	<u>75,476,468</u>
	<b>792,454,889</b>	<b>275,187,980</b>
<b>Investment in Equity Shares (Unquoted)</b>		
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
Nil (Previous Year 15) Equity Shares of ₹ 100/- each fully paid up of Darode Jog Realities Private Limited	–	1,500
Nil (Previous Year 150) Equity Shares of ₹ 10/- each fully paid up of Lavim Developers Private Limited	–	1,500
15 (Previous Year 15) Equity Shares of ₹ 10/- each fully paid up of Mantri Hamlet Private Limited	150	150
3 (Previous Year 15) Equity Shares of ₹ 10/- each fully paid up of Amit Enterprises & Builders Pvt Ltd	30	150
15358 (Previous Year 15,358 ) Equity Shares of ₹ 1/- each fully paid up of Suryanagari Trading And Consultancy Pvt. Ltd.	15,358	15,358
15301 (Previous Year 15,301) Equity Shares of ₹ 1/- each fully paid up of Swarg Advisors and Traders Pvt. Ltd.	15,301	15,301
266 (Previous Year 266) Equity Shares of ₹ 100/- each fully paid up of Godrej Landmark Redevelopers P Ltd	<u>2,174,090</u>	<u>2,174,090</u>
	<b>2,373,464</b>	<b>2,376,584</b>
Total	<b>1,497,192,007</b>	<b>1,196,809,248</b>
Notes:		
1. Aggregate amount of quoted investments (Gross)	191,986,850	754,266,172
2. Aggregate amount of unquoted investments (Gross)	1,308,007,853	454,296,763
3. Market value of quoted investments	203,455,537	774,605,264
4. Aggregate Provision for diminution in value of Investments	<b>2,802,695</b>	11,753,687

# Non current investments having maturity period less than 12 months as on date of balance sheet have been shown under the head current investments.



## Notes to Financial Statements for the year ended March 31, 2015.

Particulars	Amount in ₹	
	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>13 CASH AND BANK BALANCES</b>		
Cash and cash equivalents		
a) Balances with banks		
– In current accounts	4,693,127	3,309,507
b) Cash in hand	4,013	18,926
c) Other Bank Balances		
– Earmarked balances with banks (Dividend accounts)	726,496	718,040
	<u>5,423,636</u>	<u>4,046,473</u>
<b>14. OTHER CURRENT ASSETS</b> (unsecured, considered good)		
Interest Receivable	7,555,152	26,414,032
Mat Credit Recoverable	16,280,000	5,850,000
Other recoverable	15,021,465	11,192,644
	<u>38,856,617</u>	<u>43,456,676</u>
		Amount in ₹
Particulars	For the year ended 31 <sup>st</sup> March 2015	For the year ended 31 <sup>st</sup> March 2014
<b>15. REVENUE FROM OPERATIONS</b>		
Interest Income	41,697,223	40,263,489
Dividend Income from long term trade investments:		
- Associates	169,428,578	92,329,562
- others	111,299	99,251
Dividend income from current investments	9,904,070	12,880,866
Net Gain on sale of Current Investments	82,135,831	41,192,937
Net Gain on sale of Non-Current Investments	–	202,522
Revenue from operations (net)	<u>303,277,001</u>	<u>186,968,627</u>
<b>16. OTHER INCOME</b>		
Receipt against License agreement	12,440,860	11,561,003
Adjustment in carrying amount of investment		
– Reversal of reduction in the carrying amount of current investments	8,950,990	–
Provisions no longer required written back	204,738	116,655
Rent received	312,000	312,000
Prior Period Income	–	44,553
Miscellaneous	–	450
	<u>21,908,588</u>	<u>12,034,661</u>
<b>17. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages and Bonus	75,862	1,935,646
	<u>75,862</u>	<u>1,935,646</u>
<b>18. OTHER EXPENSES</b>		
Rent	301,380	301,380
Professional charges	11,286,119	3,015,991
Insurance	41,596	3,606
Rates and Taxes	19,940	64,420
Auditors Remuneration:		
Audit Fee	28,090	28,090
Adjustment to in carrying amount of investment		
- Reduction in the carrying amount of current investments	–	11,670,324
Miscellaneous	1,686,050	660,049
	<u>13,363,175</u>	<u>15,743,860</u>
<b>19. Contingent Liabilities (to the extent not provided for) :</b>		

The Company has contested the additional demand in respect of income tax amounting to Rs. 20,53,841 (Previous Year 20,40,183). 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.

**Notes to Financial Statements for the year ended March 31, 2015.**

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 (Funded)	
	Current year	Previous Year	Current year	Previous Year
Present value of obligation as at beginning of the year	–	50,300	–	105,477
Interest cost	–	4,577	–	9,598
Current service cost	9,742	–	15,870	–
Benefits paid / transferred	–	–	–	–
Actuarial (gain)/ loss on Obligations	–	(54,877)	40,705	(115,075)
Present value of obligation as at end of the year	9,742	–	56,575	–

- (b) Change in Fair Value of Plan Asset:

(Amount in ₹)

Particulars	Leave (Unfunded)		Gratuity (Funded)	
	Current year	Previous Year	Current year	Previous Year
Fair value of Plan Assets as at beginning of the year	–	–	100,308	–
Expected return on Plan Assets	–	–	9,028	4,040
Contributions	–	–	–	105,477
Withdrawal	–	–	(5,618)	–
Benefits Paid	–	–	–	–
Actuarial gain/ (loss) on Obligations	–	–	(3,939)	(9,201)
Fair value of Plan Assets as at end of the year	–	–	99,779	100,308

- (c) Amount recognized in Balance Sheet:

(Amount in ₹)

Particulars	Leave (Unfunded)		Gratuity (Funded)	
	Current year	Previous Year	Current year	Previous Year
Present value of obligation as at end of the year	9,742	–	56,575	–
Fair value of Plan Assets as at end of the year	–	–	99,779	100,308
Unfunded Liability	(9,742)	–	(43,204)	–
Present value of unfunded obligation as at end of the year	–	–	–	–
Unfunded Actuarial (gains)/ losses	–	–	–	–
Unfunded Net Asset/ (Liability) recognised in Balance Sheet.	9,742	–	43,204	(100,308)

- (d) Expenses Recognized in Profit and Loss

(Amount in ₹)

Particulars	Leave (Unfunded)		Gratuity (Funded)	
	Current year	Previous Year	Current year	Previous Year
Current service cost	9,742	–	15,870	–
Interest cost	–	4,577	–	9,598
Expected return on Planned Assets	–	–	(9,028)	(4,040)
Actuarial (gain)/ loss on Obligations	–	(54,877)	44,644	(105,866)
Total expense recognised in Profit and Loss Account	9,742	(50,300)	51,486	(100,308)

- (e) Investment details of Fund: Fund consists of cash balance of ₹ 502 & Bank Balance of ₹ 99,277.

# Vardhman Holdings Limited

## Notes to Financial Statements for the year ended March 31, 2015.

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

Particulars	Leave (Unfunded)		Gratuity (Unfunded)	
	Current year	Previous Year	Current year	Previous Year
Discount Rate (per annum)	7.90%	9.10%	7.90%	9.10%
Rate of increase in compensation levels (per annum)	6.00%	6.50%	6.00%	6.00%
Rate of return on Plan Assets (per annum)	N.A.	N.A.	N.A.	N.A.
Expected Average remaining working lives of employees (years)	20.67	–	20.67	–
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	173,588	43,423	–	19,500	–	11,000
Liability as at end of the year	2,312	173,588	–	–	–	–
Amount debited to Profit & Loss Account	(171,276)	130,165	–	–	–	–

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

### 24. Related Party Disclosure:

- (a) Disclosure of related parties with whom business transactions took place during the year:
- Associates Vardhman Textiles Limited
- (b) Details of transactions entered into with related parties during the year as required by Accounting Standard (AS) -18 on "Related Party Disclosures" notified by the Companies (Accounting Standards) Rules, 2006 are as under:

(Amount in ₹)

Particulars	Associates		Total	
	Current year	Previous Year	Current year	Previous Year
Receipt against licence agreement (excluding service tax)	8,690,860	7,811,003	8,690,860	7,811,003
Dividend received	169,428,578	92,329,562	169,428,578	92,329,562
Rent Received	180,000	180,000	180,000	180,000

### 25. Prior period items are as follows :-

(Amount in ₹)

	For the year ended 31 <sup>st</sup> March, 2015	For the year ended 31 <sup>st</sup> March, 2014
a) Prior Period Income	Nil	1,46,053
b) Prior Period Expense	Nil	1,01,500

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

27. Depreciation for the year has been provided on Straight Line Method on the basis of useful lives specified in the Schedule-II of the Companies Act, 2013 as against the amount of depreciation calculated on the basis of rates of depreciation in respect of various assets contained in Schedule XIV to the Companies Act 1956.

In view of this change, the carrying amounts of tangible fixed assets as at 1st April, 2014 have been depreciated over the revised remaining useful life of the asset as per Schedule II. The depreciation for the year is higher to the extent of ₹ 55,166 on account of this change and accordingly the profit for the year is lower by ₹ 55,166.

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

As per our report of even date

**For R. Dewan & Co.,**  
Chartered Accountants  
Firm Registration No.: 017883N

**For and on behalf of Board of Directors**

**RAJIV DEWAN**  
Partner  
Membership No.: 084718

**Tanu Berry**  
Company Secretary

**Poorva Bhatia**  
Chief Financial Officer

**Suchita Jain**  
Director

**S. P. Oswal**  
Chairman

Place : Ludhiana  
Date: May 23, 2015

**VARDHMAN HOLDINGS LIMITED**  
REGD. OFFICE: CHANDIGARH ROAD, LUDHIANA - 141 010  
CIN : LI7111PB1962PLC002463; PAN : AABCV8088P



**PROXY FORM**

I/We.....  
of.....  
in the District .....being a Member/Members  
of **Vardhman Holdings Limited** hereby appoint.....  
of.....in the  
District of.....failing him/her  
.....of.....  
.....in the district of.....  
as my/our proxy to vote for me/us on my/our behalf at the 51<sup>st</sup> Annual General Meeting of the Company to be held on Friday, the 4<sup>th</sup> September, 2015 at 05.00 P.M. and at any adjournment thereof.  
Signed this.....day of.....2015.

Signature.....  
Address.....  
Folio No./ Client-Id No.....  
DPID No. ....

**NOTES :**

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

**VARDHMAN HOLDINGS LIMITED**  
REGD. OFFICE: CHANDIGARH ROAD, LUDHIANA - 141 010  
CIN : LI7111PB1962PLC002463; PAN : AABCV8088P



**ATTENDANCE SLIP**

I hereby record my presence at the 51<sup>st</sup> Annual General Meeting of the above named Company being held at Registered Office of the Company situated Chandigarh Road, Ludhiana, at 05.00 PM, on Friday, the 4<sup>th</sup> September, 2015.

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

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







**ATTENDANCE SLIP  
E-VOTING PARTICULARS**

**VARDHMAN HOLDINGS LIMITED**  
 Ckt. Lt. 17/FB19/62P/LC002463  
 Registered Office: Vardhman Premises, Chandigarh Road, Ludhiana - 141 010 (Punjab), India.  
 Phone No.: 0161-2228943-48, Fax: 0161-2601048, 2222616, 2601040.  
 E-mail: secretarial.ltd@vardhman.com; Web site: www.vardhman.com

**51<sup>st</sup> ANNUAL GENERAL MEETING**

**2015**

I/We hereby record my presence at the 51<sup>st</sup> Annual General Meeting of Vardhman Holdings Limited held at Vardhman Premises, Chandigarh Road, Ludhiana 141 010 on Friday, the 4<sup>th</sup> September, 2015 at 05.00 p.m.

Member's Folio/DP ID-Client ID No. .... Member's Proxy's name in Block Letters  
 Note: Member's Folio/DP ID-Client ID No. .... Member's Proxy's Signature

- Please complete the Folio/DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the entrance of the meeting place.
- Electronic copy of the Annual Report for 2014-15 and Notice of the Annual General Meeting (AGM) alongwith Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company/Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
- Physical copy of Annual Report for 2014-15 alongwith Attendance Slip and Proxy Form is sent in permitted mode(s) to all members whose email is not registered or has requested for a hard copy.

**ELECTRONIC VOTING PARTICULARS**  
 USER ID / Folio No. / DP / Client ID  
 SEQUENCE NO.

**NOTE:** Please read instructions given at Point No. 16 of the Notice of 51<sup>st</sup> Annual General Meeting annexed in the Annual Report for 2014-15 of the Company, carefully before voting electronically.

**VARDHMAN HOLDINGS LIMITED**  
 Ckt. Lt. 17/FB19/62P/LC002463  
 Registered Office: Vardhman Premises, Chandigarh Road, Ludhiana - 141 010 (Punjab), India.  
 Phone No.: 0161-2228943-48, Fax: 0161-2601048, 2222616, 2601040.  
 E-mail: secretarial.ltd@vardhman.com; Web site: www.vardhman.com

I/We being the holder(s) of ..... shares of the above named Company hereby appoint:

- Name : ..... Address : ..... Signature: ..... or falling him;  
 E-mail id : .....  
 Name : ..... Address : ..... Signature: ..... or falling him;  
 E-mail id : .....  
 Name : ..... Address : ..... Signature: ..... or falling him;  
 E-mail id : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 51<sup>st</sup> Annual General Meeting of the Company to be held on Friday, the 4<sup>th</sup> September, 2015 at 05.00 pm at Vardhman Premises Chandigarh Road, Ludhiana 141 010 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.
<b>Ordinary Business</b>
1. Adoption of Financial Statements, Reports of Directors and Auditors of the Company for the Financial Year ended 31st March, 2015.
2. Declaration of Dividend on equity shares.
3. Re-appointment of Mrs. Suchita Jain, who retires by rotation.
4. Ratification of the appointment of Statutory Auditor of the Company for the Financial Year 2015-16 and fix their remuneration.

Affix Revenue Stamp not less than Rs. 0.15

Signature of shareholder ..... Signature of Proxy holder(s) .....  
**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

**ATTENDANCE SLIP  
E-VOTING PARTICULARS**

**VARDHMAN HOLDINGS LIMITED**  
 Ckt. Lt. 17/FB19/62P/LC002463  
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**51<sup>st</sup> ANNUAL GENERAL MEETING**

**2015**

I/We hereby record my presence at the 51<sup>st</sup> Annual General Meeting of Vardhman Holdings Limited held at Vardhman Premises, Chandigarh Road, Ludhiana 141 010 on Friday, the 4<sup>th</sup> September, 2015 at 05.00 p.m.

Member's Folio/DP ID-Client ID No. .... Member's Proxy's name in Block Letters  
 Note: Member's Folio/DP ID-Client ID No. .... Member's Proxy's Signature

- Please complete the Folio/DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the entrance of the meeting place.
- Electronic copy of the Annual Report for 2014-15 and Notice of the Annual General Meeting (AGM) alongwith Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company/Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
- Physical copy of Annual Report for 2014-15 alongwith Attendance Slip and Proxy Form is sent in permitted mode(s) to all members whose email is not registered or has requested for a hard copy.

**ELECTRONIC VOTING PARTICULARS**  
 USER ID / Folio No. / DP / Client ID  
 SEQUENCE NO.

**NOTE:** Please read instructions given at Point No. 16 of the Notice of 51<sup>st</sup> Annual General Meeting annexed in the Annual Report for 2014-15 of the Company, carefully before voting electronically.

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- Name : ..... Address : ..... Signature: ..... or falling him;  
 E-mail id : .....  
 Name : ..... Address : ..... Signature: ..... or falling him;  
 E-mail id : .....  
 Name : ..... Address : ..... Signature: ..... or falling him;  
 E-mail id : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 51<sup>st</sup> Annual General Meeting of the Company to be held on Friday, the 4<sup>th</sup> September, 2015 at 05.00 pm at Vardhman Premises Chandigarh Road, Ludhiana 141 010 and at any adjournment thereof in respect of such resolutions as are indicated below:

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Signature of shareholder ..... Signature of Proxy holder(s) .....  
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