



VARDHMAN HOLDINGS LIMITED

48<sup>th</sup> Annual Report 2011-12

**BOARD OF DIRECTORS**

MR. SHRI PAUL OSWAL *Chairman*  
MR. CHAMAN LAL JAIN  
MR. JAGDISH RAI SINGAL  
MR. SURINDER SINGH BAGAI  
MR. SAT PAL KANWAR  
MR. BAL KRISHAN ARORA  
MR. SACHIT JAIN  
MRS. SUCHITA JAIN  
MR. OM PARKASH SHARMA  
MRS. SHAKUN OSWAL *Executive Director*

**AUDITORS**

M/S. S.C. VASUDEVA & CO.

**REGISTRAR AND TRANSFER AGENT**

M/S. ALANKIT ASSIGNMENTS LIMITED

**REGISTERED OFFICE**

Chandigarh Road, Ludhiana-141 010  
Phones : (0161) 2228943-48  
Fax : (0161) 6701435, 2222616, 2601048 & 2602710  
Website : [www.vardhman.in](http://www.vardhman.in)  
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**NOTICE**

NOTICE is hereby given that the FORTY-EIGHTH ANNUAL GENERAL MEETING of the members of the Company will be held on Saturday, the 1<sup>st</sup> day of September, 2012 at 12 p.m. at the Registered Office of the Company situated at Chandigarh Road, Ludhiana, to transact the following business :-

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2012, Profit and Loss Account for the year ended on that date, together with Report of Auditors and Directors thereon.
2. To declare Dividend.
3. a) To appoint a Director in place of Mr. J.R. Singal, who retires by rotation in accordance with Article 104 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.  
b) To appoint a Director in place of Mr. S.S. Bagai, who retires by rotation in accordance with Article 104 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.  
c) To appoint a Director in place of Mr. B.K. Arora, who retires by rotation in accordance with Article 104 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
4. To appoint Auditors for the year 2012-13 and to fix their remuneration.

By Order of the Board

Place : Ludhiana

(S.P. OSWAL)

Dated: 15<sup>th</sup> May, 2012

Chairman

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. THE BLANK PROXY FORM IS ENCLOSED.
2. The information pursuant to Corporate Governance Clause of the Listing Agreement(s) regarding the Directors seeking appointment/re-appointment in the Annual General Meeting as proposed in Item Nos. 3(a), 3(b) and 3(c) of the Notice is also being annexed hereto separately and forms part of the Notice.

3. **The Register of Members and Share Transfer Books of the Company shall remain closed from 20<sup>th</sup> August, 2012 to 1<sup>st</sup> September, 2012 (Both days inclusive).**
4. The Dividend declared, if any, will be paid to those members whose names appear in the Register of Members of the Company as on the date of Annual General Meeting i.e. 1<sup>st</sup> September, 2012. However, in respect of the shares held in electronic form, dividend will be paid on the basis of beneficial ownership as at the end of 19<sup>th</sup> August, 2012, as per details furnished by Depositories for this purpose.
5. Members holding shares in physical mode are requested to notify the change in their addresses, if any, at the earliest to the Registrar and Transfer Agent. However, members holding shares in electronic mode may notify the change in their addresses, if any, to their respective Depository Participants.
6. Members desiring any information as regards Accounts are requested to write to the Company at its Registered Office at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready.
7. The Ministry of Corporate Affairs ("MCA") has vide Circular Nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011, respectively, taken a 'Green Initiative in Corporate Governance', by allowing paperless compliances through electronic mode, allowing to send documents such as Notice convening General Meetings, Audited Financial Statements, Directors' Report, Auditors' Report, etc. and any other notice/documents, henceforth in electronic form in lieu of the paper form.

**In case you wish to support your Company's concern to prevent global environment degradation, you are requested to please register your E-mail ID with your DP, if you hold the Company's shares in electronic form, under intimation to the Registrar & Transfer Agent through your registered E-mail ID. However, if you hold the shares in physical form then you may register your E-mail ID with Registrar & Transfer Agent of the Company by sending a letter under your Registered Signature at the below mentioned address.**

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

8. Copies of relevant documents can be inspected at the Registered Office of the Company on any working day between 10.30 a.m. to 12.30 p.m.

## ANNEXURE TO THE NOTICE

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

Name of the Director	Mr. Jagdish Rai Singal	Mr. Surinder Singh Bagai	Mr. Bal Krishan Arora
Date of Birth	03.01.1946	07.03.1929	12.03.1935
Date of Appointment	17.10.2005	08.02.1971	13.05.2008
Qualification	B.A.	M.A., LL.B.	B.Com, LL.B.
Expertise in specific functional area	Rich Business Experience of more than 44 years with expertise in international trade.	Leading expert of Taxation and Company Law.	Leading Expert of Company Law and Secretarial Practice.
Directorships in other companies	<ol style="list-style-type: none"> <li>1. Eastman Industries Limited</li> <li>2. Eastman Cast and Forge Limited</li> <li>3. Midland International Limited</li> <li>4. Green Shadows Development Private Limited</li> <li>5. Colorful Developers Private Limited</li> <li>6. Eastman Auto &amp; Power Limited</li> <li>7. Rohit Heritage Jewellers Private Limited</li> <li>8. Eastman Hongkong Private Limited</li> <li>9. Maxxis Infrastructure Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. Bagai Investment Company (Unlimited)</li> <li>2. Bagai Tax Law Services (P) Limited</li> <li>3. Primrose Properties and Traders (Unlimited)</li> <li>4. Wasti Properties (Unlimited)</li> <li>5. SCI-Tech</li> <li>6. Eastern India Powertech Limited</li> <li>7. DLF Building &amp; services Pvt Limited</li> <li>8. Gautam Traders</li> <li>9. Wasti Syndicate</li> <li>10. Bagai Farms</li> </ol>	Nil
Chairmanships/ Committee memberships of other companies	Nil	Chairman of the Audit Committee of Eastern India Powertech Limited	Nil
Number of shares held	6	Nil	Nil
Relationship with other Directors	Not Related to any Director.	Not Related to any Director.	Not Related to any Director.

By Order of the Board

Place : Ludhiana  
Dated: 15<sup>th</sup> May, 2012

(S.P. OSWAL)  
Chairman

## DIRECTORS' REPORT

### Dear Members,

The Directors of your Company have pleasure in presenting their 48<sup>th</sup> Annual Report on the affairs of the Company together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2012.

#### 1. FINANCIAL RESULTS :

The financial results for the year are as under : -

PARTICULARS	(Amount in ₹)	
	2011-12	2010-11
Revenue from Operations	133,047,404	84,396,404
Other Income	12,305,042	8,521,004
Extra ordinary income being gain on disposal of fixed assets	538,834,927	-
Profit before Depreciation, Interest and Tax (PBDIT)	674,649,249	82,224,208
Interest and Financial Expenses	-	-
Profit before Depreciation & Tax (PBDT)	674,649,249	82,224,208
Depreciation	268,589	302,861
Profit before Tax (PBT)	674,380,660	81,921,347
Provision for		
- Current Tax	124,500,000	11,300,000
- Deferred Tax	-	-
-tax adjustment for earlier years	(2,910)	-
Profit after Tax (PAT)	549,883,570	70,621,347
Balance brought forward	159,865,266	126,017,126
Profit available For Appropriations	<u>709,748,836</u>	<u>196,638,473</u>
<b>Appropriations:</b>		
Proposed Dividend on Equity Shares	7,978,840	7,978,840
Corporate Dividend Tax on Proposed Dividend	1,294,367	1,294,367
Transfer to General Reserve	55,000,000	10,000,000
Transfer to Statutory Reserve	110,000,000	17,500,000
Balance carried to Balance Sheet	<u>535,475,629</u>	<u>159,865,266</u>
	<u>709,748,836</u>	<u>196,638,473</u>
Earnings per Share (₹)	172.29	22.13
Dividend per Share (₹)	2.5	2.5

#### 2. MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

##### a. FINANCIAL ANALYSIS :

During the year, the Revenue from operations was ₹ 133,047,404 as against ₹ 84,396,404 in the previous year. The Company earned other income of ₹ 12,305,042 during the year as against ₹ 8,521,004 during last year. The Company earned an extra ordinary income of ₹ 538,834,927 (Previous year Nil) by way of gain on disposal of fixed assets. The Company earned profit before depreciation, interest and tax of ₹ 674,649,249 as against ₹ 82,224,208 in the previous year. After providing for depreciation of ₹ 268,589 (Previous Year ₹ 302,861),

current tax of ₹ 124,500,000 (Previous Year ₹ 11,300,000), the profit after tax was ₹ 549,883,570 as against ₹ 70,621,347 last year. The balance available for appropriation after adding balance in surplus account is ₹ 709,748,836. Out of this, a sum of ₹ 7,978,840 and ₹ 1,294,367 respectively have been appropriated towards proposed dividend and corporate dividend tax thereon, ₹ 55,000,000 is proposed to be transferred to General Reserve, ₹ 110,000,000 is proposed to be transferred to Statutory Reserve and the balance of ₹ 535,475,629 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, 2012 were ₹ 8,871,666 as against previous year's net fixed assets of ₹ 10,869,930. During the year, there were additions/adjustments of fixed assets amounting to ₹ 133,700 (Previous Year, ₹ 185,268).

###### NET CURRENT ASSETS

The net current assets as on 31<sup>st</sup> March, 2012 were ₹ 747,162,156 as against ₹ 459,563,735 in the previous year.

##### c. FINANCIAL CONDITIONS AND LIQUIDITY :

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

	(Amount in ₹)	
	2011-12	2010-11
<b>Cash and Cash Equivalents:</b>		
Beginning of the Year	1,736,076	62,557,363
End of the Year	1,520,769	1,736,076
<b>Net Cash provided/(used) by:</b>		
Operating Activities	97,284,647	127,566,364
Investing Activities	(88,226,747)	(180,942,046)
Financing Activities	(9,273,207)	(7,445,605)

##### d. INTERNAL CONTROL SYSTEM :

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

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

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

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

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

**3. PUBLIC DEPOSITS:**

The Company has not accepted and does not intend to accept any deposits from the public. As at 31<sup>st</sup> March, 2012, 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 ₹ 2.50 per share on the fully paid-up equity shares of the Company.

**5. DIRECTORS:**

Mr. J.R. Singal, Mr. S.S. Bagai and Mr. B.K. Arora, Directors of your Company, retire by rotation at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

**6. CORPORATE GOVERNANCE:**

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

**7. AUDITORS:**

M/s. S.C. Vasudeva & Company, Chartered Accountants, New Delhi, Auditors of the Company, retire at the conclusion of the forthcoming Annual General Meeting.

The Board of Directors of your Company has recommended M/s. R. Dewan & Company, Chartered Accountants, Ludhiana, to be appointed as Statutory Auditors of the Company for the Financial Year 2012-13. The Company has received a Certificate from the M/s. R. Dewan & Company, Chartered Accountants, to the effect that the appointment, if made will be in accordance with the limit specified u/s 224(1B) of the Companies Act, 1956.

**8. AUDITORS' REPORT:**

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

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

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

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

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

**11. DIRECTORS' RESPONSIBILITY STATEMENT :**

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

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) Appropriate accounting policies have been selected and applied consistently, and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2012 and of the profits of the Company for the year ended on 31<sup>st</sup> March, 2012;
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) The annual accounts have been prepared on a going concern basis.

**12. ACKNOWLEDGEMENT:**

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

**For and on behalf of the Board**

**Place : Ludhiana**  
**Dated : 15<sup>th</sup> May, 2012**

**(S.P. OSWAL)**  
**Chairman**

## CORPORATE GOVERNANCE REPORT

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

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

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

### 2. BOARD OF DIRECTORS :

#### (a) Board Meetings :

During the financial year 2011-12, four Board Meetings were held on 21<sup>st</sup> May, 2011, 11<sup>th</sup> August, 2011, 14<sup>th</sup> November, 2011 and 11<sup>th</sup> February, 2012.

#### (b) Composition :

As at 31<sup>st</sup> March, 2012, the Board of Directors comprised of ten Directors, with Mr. Shri Paul Oswal as the Chairman and Mrs. Shakun Oswal as the Executive Director. Out of the total strength of ten Directors, five Directors were independent and this met the stipulated requirement.

The composition, attendance and Directorships/Committee Memberships of the Board of Directors of the Company during the financial year 2011-12 is given as follows :-

Name of the Director	Designation and Category	Number of Board Meetings attended	Attendance at last Annual General Meeting	Directorships in other public companies	Other Committee Memberships	Board Chairmanships in other companies	Committee Chairmanships in other companies
Mr. Shri Paul Oswal	Non-Executive Chairman, Non Independent	4	No	12	-	5	-
Mrs. Shakun Oswal	Executive Director, Non Independent	3	Yes	4	-	-	-
Mr. Sachit Jain	Non-Executive Director, Non Independent	2	Yes	13	3	1	3
Mrs. Suchita Jain	Non-Executive Director, Non Independent	3	No	7	1	-	-
Mr. Chaman Lal Jain	Non-Executive Director Non Independent	4	No	-	-	-	-
Mr. Bal Krishan Arora	Non-Executive, Independent Director	4	Yes	-	-	-	-
Mr. Surinder Singh Bagai	Non-Executive, Independent Director	-	No	2	1	-	1
Mr. Jagdish Rai Singal	Non-Executive, Independent Director	2	No	6	-	-	-
Mr. Om Parkash Sharma	Non-Executive, Independent Director	4	No	-	-	-	-
Mr. Sat Pal Kanwar	Non-Executive, Independent Director	4	No	-	-	-	-

#### Notes :

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

### 3. AUDIT COMMITTEE:

The Audit Committee comprises of three Directors viz. Mr. Bal Krishan Arora, Mr. Sat Pal Kanwar and Mr. Om Parkash Sharma. Mr. Bal Krishan Arora is the Chairman of the Audit Committee. All members of the Audit Committee are financially literate and one of the members has accounting/financial management expertise. The terms of reference of the Audit Committee are as contained in Corporate Governance Clause of the Listing Agreement.

The Audit Committee met four times during the financial year 2011-12 on 21<sup>st</sup> May, 2011, 11<sup>th</sup> August, 2011, 14<sup>th</sup> November, 2011 and 11<sup>th</sup> February, 2012.

The attendance of the members of the Audit Committee during the financial year 2011-12 is given below:-

Committee Members	Category	Number of Audit Committee Meetings Attended
Mr. Bal Krishan Arora	Non-Executive, Independent Director	4
Mr. Sat Pal Kanwar	Non-Executive, Independent Director	4
Mr. Om Parkash Sharma	Non-Executive, Independent Director	4

### 4. DIRECTORS' REMUNERATION :

#### i) Executive Director:

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

The detail of remuneration paid to the Executive Director during the period 1<sup>st</sup> June, 2011 to 31<sup>st</sup> March, 2012 is as given below:-

(₹ in Lacs)

Name	Designation	Salary	Perquisites & Allowances	P.F. Contribution	Commission	Gross remuneration
Mrs. Shakun Oswal	Executive Director	7.50	2.50	-	-	10.00

#### ii) Non- Executive Directors:

Non-Executive Directors have not been paid any remuneration except sitting fee for attending Board and Committee Meetings. The details of sitting fee paid to the Directors during the financial year 2011-12 are given hereunder: -

S.No.	Name of the Director	Sitting Fee (₹)
1.	Mr. Chaman Lal Jain	19000
2.	Mr. Surinder Singh Bagai	-
3.	Mr. Jagdish Rai Singal	8,000
4.	Mr. Om Parkash Sharma	28,000
5.	Mr. Bal Krishan Arora	34,000
6.	Mr. Sat Pal Kanwar	34,000

#### iii) Shareholding:

The shareholding of the Directors of the Company in the equity share capital of the Company as at 31<sup>st</sup> March, 2012 is given as follows:-

S.No.	Name of Director	Number of Shares held	S.No.	Name of the Director	Number of Shares held
1.	Mr. Shri Paul Oswal	58,195	6.	Mr. Chaman Lal Jain	5
2.	Mrs. Shakun Oswal	19,084	7.	Mr. Om Parkash Sharma	NIL
3.	Mr. Sachit Jain	2,330	8.	Mr. Jagdish Rai Singal	NIL
4.	Mrs. Suchita Jain	27,101	9.	Mr. Surinder Singh Bagai	NIL
5.	Mr. Bal Krishan Arora	NIL	10.	Mr. Sat Pal Kanwar	1,212



**5. INVESTORS' GRIEVANCE COMMITTEE:**

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

During the financial year 2011-12, one meeting of the Investors' Grievance Committee was held on 28<sup>th</sup> March, 2012.

During the financial year 2011-12, the Company had received 29 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 2011-12.

**6. GENERAL BODY MEETINGS:**

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

Nature of Meeting	Day, Date and Time of the Meeting	Venue	Number of Special Resolutions
47 <sup>th</sup> Annual General Meeting for financial year ended 31 <sup>st</sup> March, 2011	Saturday, 23 <sup>rd</sup> July, 2011 at 05.00 p.m.	Registered. Office, Chandigarh Road, Ludhiana-141 010	1
46 <sup>th</sup> Annual General Meeting for financial year ended 31 <sup>st</sup> March, 2010	Monday, 19 <sup>th</sup> July, 2010 at 10.30 a.m.	Registered. Office, Chandigarh Road, Ludhiana-141 010	Nil
45 <sup>th</sup> Annual General Meeting for financial year ended 31 <sup>st</sup> March, 2009	Friday, 24 <sup>th</sup> July, 2009 at 10.30 a.m.	Registered. Office, Chandigarh Road, Ludhiana-141 010	Nil

The Company has not passed any resolution through postal ballot during the financial year 2011-12. No resolution is proposed to be passed by postal ballot in the forthcoming Annual General Meeting.

**7. DISCLOSURES:**

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

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

**8. MEANS OF COMMUNICATION:**

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

**9. GENERAL INFORMATION FOR SHAREHOLDERS:**

**i) 48<sup>th</sup> Annual General Meeting:**

Date : 1<sup>st</sup> September, 2012  
 Time : 12.00 P.M.  
 Venue : Registered Office, Chandigarh Road, Ludhiana-141 010.

**ii) Financial Calendar 2012-13 (Tentative):**

First Quarter Results : August, 2012  
 Second Quarter Results : November, 2012  
 Third Quarter Results : February, 2013  
 Annual Results : May, 2013

**iii) Dates of Book Closure** : 20<sup>th</sup> August, 2012 to 1<sup>st</sup> September, 2012 (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 2012-13.

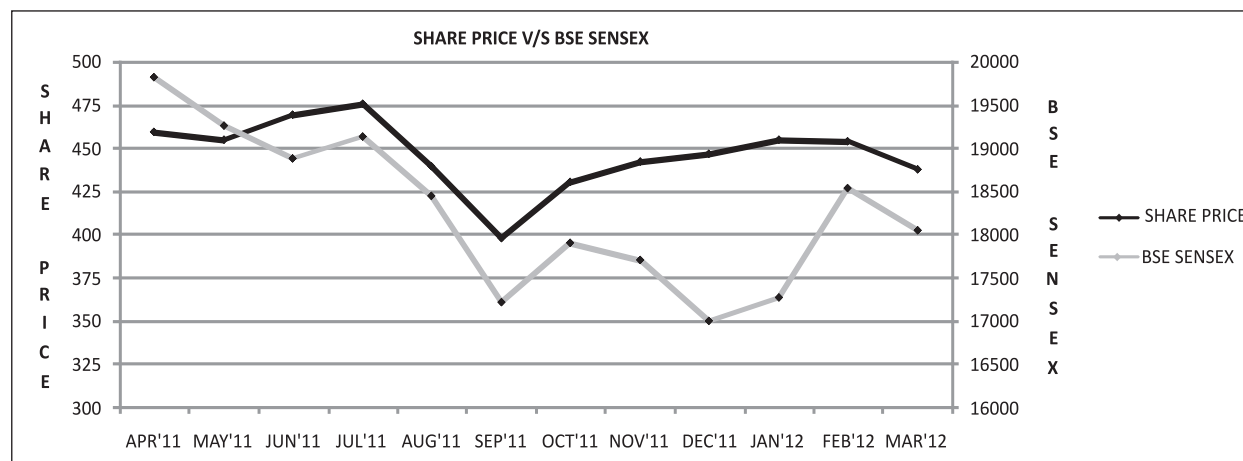
**vi) Stock Code:**

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

**vii) Stock Market Data:**

The month-wise highest, lowest and closing stock prices of the Company in NSE & BSE during the financial year 2011-12 are given as follows: -

Financial Year 2011-12	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	467.60	416.05	429.50	(0.96)	459.50	412.75	430.00	(1.75)
May	464.00	372.00	410.00	(4.54)	455.00	362.00	400.00	(6.98)
June	465.00	365.00	465.00	13.41	469.00	365.00	455.30	13.83
July	487.60	375.25	422.15	(9.21)	475.00	419.10	419.65	(7.83)
August	458.90	355.00	355.00	(15.91)	439.00	343.00	390.00	(7.07)
September	425.00	336.00	364.00	2.53	397.50	331.00	368.00	(5.64)
October	429.00	351.00	424.55	16.63	429.90	341.50	415.40	12.88
November	459.95	365.10	419.90	(1.09)	442.00	347.10	374.30	(9.89)
December	449.90	361.50	401.00	(4.50)	446.50	339.00	399.30	6.68
January	449.00	395.00	418.50	4.36	454.80	381.00	425.00	6.44
February	443.45	378.00	409.40	(2.17)	454.00	342.00	407.90	(4.02)
March	437.00	372.35	399.90	(2.32)	437.00	362.00	395.90	(2.94)



**viii) Information regarding dividend payment:**

- Dividends remaining unpaid/unclaimed upto the financial year 2003-04 has been transferred to the Investors' Education and Protection Fund (IEPF). Further, pursuant to the provisions of Section 205A read with Section 205C of the Companies Act, 1956, dividend declared in the financial year 2004-05 and onwards, which remains unpaid/unclaimed for a period of 7 years, is required to be transferred to the IEPF. It may be noted that no claim will lie against the Company or the "Fund" in respect of the said unclaimed dividend amount so transferred to the "Fund". Accordingly, Members who have not claimed their dividend for the financial year 2004-05 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 and Transfer Agent:**

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

M/s. Alankit Assignments Limited (Unit: Vardhman Holdings Limited)  
Alankit House, 2E/21, Jhandewalan Extension, New Delhi-110 055.  
Phone : 011-42541234, 23541234, Fax: 011-41540064, E-mail: rta@alankit.com

**x) Share Transfer System:**

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

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

**xi) Distribution of Shareholding of the Company as on 31<sup>st</sup> March, 2012:**

Range of Number of Shares	SHAREHOLDERS		SHARES	
	Number	Percent	Number	Percent
Up to 500	7980	98.20	275,484	8.63
501 – 1,000	52	0.64	37,195	1.17
1,001 – 5,000	49	0.60	107,724	3.36
5,001 – 10,000	14	0.17	104,095	3.26
10,001 - Above	31	0.38	2,667,038	83.57
<b>Total</b>	<b>8126</b>	<b>100</b>	<b>3,191,536</b>	<b>100</b>

**xii) Dematerialisation of Shares:**

As on 31<sup>st</sup> March 2012, 96.81 percent of the capital comprising 3,089,711 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 : 0161-2228943-547  
Fax : 0161-2601048, 2602710, 2222616 & 6701435  
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 2011-12.

Place : Ludhiana  
Dated : 15<sup>th</sup> May, 2012

(S.P. OSWAL)  
Chairman

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

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**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 31<sup>st</sup> March, 2012, 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.

For S.C. VASUDEVA & CO.,  
Chartered Accountants  
Firm Registration No.: 000235N

Place : Ludhiana  
Dated : 15<sup>th</sup> May, 2012

(SANJIV MOHAN)  
Partner  
Membership No. 86066



## COMPLIANCE CERTIFICATE

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

To

The Members,  
Vardhman Holdings Limited,  
Chandigarh Road,  
Ludhiana

We have examined the registers, records, books and papers of Vardhman Holdings Limited, Ludhiana, as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also provisions contained in the Memorandum and the Articles of the Association of the Company for the financial year ended March 31, 2012. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and the agents, we certify that in respect of the aforesaid financial year:-

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company, being a public limited Company, comments are not required;
4. The Board of Directors duly met 4 (Four) times on 21.05.2011, 11.08.2011, 14.11.2011 and 11.02.2012 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of members from 12.07.2011 to 23.07.2011 in compliance with Section 154 of the Act.
6. The Annual General Meeting in respect of the financial year ending on March 31, 2011 was held on 23<sup>rd</sup> July, 2011 after giving due notice to the members of the Company & the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting was held during the year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approval from the Board of Directors, members or the Central Government.
12. The Board of Directors has duly approved the issue of duplicate share certificates.
13. The Company has:
  - (i) Delivered all the certificates on allotment of securities and on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act;
  - (ii) Deposited the amount of dividend declared in a separate Bank Account on 25.07.2011 which is within five days from the date of declaration of such dividend;
  - (iii) Paid/posted warrants for dividends to all the members within a period of 30 (thirty) days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to Unpaid dividend Account of the Company with HDFC Bank Limited on 22nd August, 2011;
  - (iv) Transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and interest accrued thereon, which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund;
  - (v) Duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of directors, additional directors, alternate directors and directors to fill casual vacancy during the financial year.
15. The appointment of Managing Director/Wholetime Director/Manager has been made in compliance with the provisions of section 269 read with schedule XIII to the Act.
16. The Company has not appointed any sole-selling agents during the financial year under review.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/ or such authorities prescribed under the various provisions of the Act during the financial year under review.

18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the Rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year under review.
20. The Company has not bought back any shares during the financial year under review.
21. There was no redemption of preference shares or debentures during the financial year under review.
22. The Company, wherever necessary, has kept in abeyance rights to dividend pending registration of transfer of shares in compliance with the provisions of the Act.
23. The Company has not invited/ accepted any deposits, including any unsecured loans falling within the purview of section 58A during the financial year.
24. The Company has not made any borrowings during the financial year ended 31st March 2012.
25. The Company has made loans and investments, or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose, as applicable.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year under review.
31. There was/ were no prosecution(s) initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company was not required to deposit any contribution towards Provident Fund with the prescribed authorities pursuant to Section 418 of the Act during the financial year under review.

**For B K Gupta & Associates**

**(Bhupesh Gupta)**  
**Partner**  
**C.P. No.: 5708**  
**FCS- 4590**

Place: Ludhiana  
Dated: 14<sup>th</sup> May, 2012

#### **Annexure A**

##### ***Registers as maintained by the Company***

1. Minutes Book of Board Meetings, General Meetings and Resolutions passed by Circulation u/s 193.
2. Register of Member's u/s 150.
3. Register of Directors, Manager and Secretary u/s 303.
4. Copies of Annual Return.
5. Register of particulars of Firms and Companies in which Directors are interested made u/s 301.
6. Register of Director's Shareholding u/s 307.
7. Books of Accounts u/s 209.

#### **Annexure B**

##### **Forms and Returns as filed by the Company with the Registrar of Companies, during the financial year ending on March 31, 2012**

S.No.	Form No./ Return	Filed under section	For	Date of filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
1.	Form 66	383A(1)	31.03.2011	22.08.2011	Yes	No
2.	Form 23AC & ACA	220	31.03.2011	22.08.2011	Yes	No
3.	Form 20B	159	23.07.2011	22.09.2011	Yes	No
4.	Form 25C	269 & Sch. XIII	01.06.2011	08.06.2011	Yes	No

## AUDITORS' REPORT

To  
**The Shareholders,  
 Vardhman Holdings Limited**

1. We have audited the attached balance sheet of Vardhman Holdings Limited as at 31<sup>st</sup> March, 2012, and also the statement of profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 of the said order.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that:
  - a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the balance sheet, statement of profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in the Companies (Accounting Standard) Rules, 2006 read together with sub section (3C) of section 211 of the Companies Act, 1956;
  - e) on the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March,

2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

- f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) in the case of balance sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2012;
  - ii) in the case of statement of profit and loss account, of the profit for the year ended on that date; and
  - iii) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S.C. VASUDEVA & CO.,  
 Chartered Accountants  
 Firm Registration No.: 000235N

Place : Ludhiana  
 Dated : 15<sup>th</sup> May, 2012

(SANJIV MOHAN)  
 Partner  
 Membership No. 86066

### ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 3)

- i. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) According to the information and explanations given to us, the Company has physically verified the fixed assets at the close of the year. No discrepancies were noticed on such physical verification. In our opinion, the frequency of physical verification of fixed assets is reasonable having regard to the size of the Company and nature of its business.
- c) According to the information and explanations given to us, the Company has not disposed off substantial part of its fixed assets during the year.
- ii. The Company has not held inventories during the year, therefore, the provisions of clause 4(ii)(a), 4(ii)(b) and 4(ii)(c) of the order are not applicable to the Company.
- iii. The Company has not granted or taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, provisions of 4(iii) (a), (b), (c) and (d) of Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business, for the purchase of fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control. There were no transactions in respect of purchase of inventory and sale of goods during the year.
  - v. In our opinion and according to the information and explanations given to us, there are no contracts or arrangements, the particulars of which need to be entered in the register maintained under section 301 of the Companies Act, 1956.
  - vi. According to the information and explanations given to us, the Company has not accepted deposits covered under the provisions of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
  - vii. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
  - viii. The provisions of clause 4(viii) of the order regarding maintenance of cost records are not applicable to the Company.
  - ix. a) According to the records of the Company, statutory dues including provident fund, investor education and protection fund, income tax, wealth tax, service tax and other material statutory dues applicable to the Company, if any, have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2012, for a period of more than six months from the date they became payable.  
 b) According to the records of the Company, the details of disputed statutory dues aggregating to Rs. 4,60,072/- that have not been deposited on account of matters pending before the appellate authorities in respect of income tax are given below.
- | Nature of Dues/<br>Name of Statute | Disputed<br>Amount (Rs.) | Forum where dispute is<br>pending       |
|------------------------------------|--------------------------|---|
| Income Tax Act,<br>1961            | 4,60,072/-               | Commissioner of Income<br>Tax (Appeals) |
- x. In our opinion and according to information and explanation given to us, the Company neither has accumulated losses nor it has incurred cash losses during the financial year covered under audit and in the immediately preceding financial year.
  - xi. In our opinion and according to the information and explanations given to us, the Company neither has any loans from banks nor any debentures. Accordingly, the provisions of clause 4(xi) of the order are not applicable to the Company.
  - xii. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4(xii) of the order are not applicable to the Company.
  - xiii. The Company is not a chit fund or a nidhi mutual benefit fund/society. Accordingly, the provisions of clause 4(xiii) of the order are not applicable to the Company.
  - xiv. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the order are not applicable to the Company.
  - xv. The Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the order are not applicable to the Company.
  - xvi. The Company has not raised any term loan during the year. Accordingly, the provisions of clause 4(xvi) of the order are not applicable to the Company.
  - xvii. The Company has not raised any loans on short-term basis during the year. Accordingly, the provisions of clause 4(xvii) of the order are not applicable to the Company.
  - xviii. According to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
  - xix. According to the information and explanations given to us, the Company has not issued debentures during the year. Accordingly, the provisions of clause 4(xix) of the order are not applicable to the Company.
  - xx. According to the information and explanations given to us, the Company has not raised any money by way of public issue during the year. Accordingly, the provisions of clause 4(xx) of the order are not applicable to the Company.
  - xxi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

According to the information and explanations given to us, there are no disputed dues in respect of wealth tax and cess.

**For S.C. VASUDEVA & CO.,  
Chartered Accountants  
Firm Registration No.: 000235N**

**Place : Ludhiana  
Dated : 15<sup>th</sup> May, 2012**

**(SANJIV MOHAN)  
Partner  
Membership No. 86066**





**BALANCE SHEET as at 31<sup>st</sup> March, 2012**

Particulars	Note No.	As at 31 <sup>st</sup> March, 2012 (Amount in ₹)	As at 31 <sup>st</sup> March, 2011 (Amount in ₹)
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share Capital	3	31,924,360	31,924,360
(b) Reserves and surplus	4	1,723,086,561	1,182,476,198
		<u>1,755,010,921</u>	<u>1,214,400,558</u>
<b>(2) Non-current liabilities</b>			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (net)		-	-
(c) Other long term liabilities		-	-
(d) Long-term provisions	5	112,407	71,826
		<u>112,407</u>	<u>71,826</u>
<b>(3) Current liabilities</b>			
(a) Short-term borrowings		-	-
(b) Trade payables		-	-
(c) Other current liabilities	6	3,577,431	1,875,544
(d) Short-term provisions	7	15,604,690	9,300,472
		<u>19,182,121</u>	<u>11,176,016</u>
<b>TOTAL</b>		<u>1,774,305,449</u>	<u>1,225,648,400</u>
<b>II ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	8	8,871,666	10,869,930
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
		<u>8,871,666</u>	<u>10,869,930</u>
(b) Non-current investments	9	999,031,186	743,929,596
(c) Long-term loans and advances	10	58,320	109,124
(d) Other non-current assets		-	-
		<u>1,007,961,172</u>	<u>754,908,650</u>
<b>(2) Current assets</b>			
(a) Current investments	11	740,609,484	452,580,471
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and bank balances	12	1,520,768	1,736,076
(e) Short-term loans and advances	13	3,502,929	4,364,603
(f) Other current assets	14	20,711,096	12,058,600
		<u>766,344,277</u>	<u>470,739,750</u>
<b>TOTAL</b>		<u>1,774,305,449</u>	<u>1,225,648,400</u>

See accompanying notes forming part of the financial statements 2

As per our report of even date  
For S.C. VASUDEVA & CO.,  
Chartered Accountants  
Firm Registration No.: 000235N

For and on behalf of the Board of Directors

SANJIV MOHAN  
Partner  
Membership No. 86066

SACHIT JAIN  
Director

S.P. OSWAL  
Chairman

Place : Ludhiana  
Dated : 15<sup>th</sup> May, 2012

**STATEMENT OF PROFIT AND LOSS ACCOUNT for the year ended 31<sup>st</sup> March, 2012**

Particulars	Note No.	For the year ended 31 <sup>st</sup> March, 2012 (Amount in ₹)	For the year ended 31 <sup>st</sup> March, 2011 (Amount in ₹)
i Revenue from operations	15	133,047,404	84,396,404
ii Other income	16	12,305,042	8,521,004
iii <b>Total Revenue ( i + ii )</b>		<b>145,352,446</b>	<b>92,917,408</b>
iv Expenses :			
Cost of material consumed		-	-
Purchase of Stock-in-Trade		-	-
Change in inventories of finished goods and work in progress		-	-
Employee benefits expense	17	1,836,974	552,440
Finance costs		-	-
Depreciation and amortization expenses	8	268,589	302,861
Other expenses	18	7,701,150	10,140,760
<b>Total Expenses</b>		<b>9,806,713</b>	<b>10,996,061</b>
v Profit before extraordinary items and tax (iii - iv)		135,545,733	81,921,347
vi Extraordinary items : Gain on disposal of fixed assets		(538,834,927)	-
vii Profit before tax ( v - vi )		674,380,660	81,921,347
viii Tax expense :			
- Current Tax (Including ₹ 112,837,402 on extraordinary items)		124,500,000	11,300,000
- Deferred tax		-	-
- Tax adjustments of earlier years		(2,910)	-
ix Profit for the year ( vii - viii )		<b>549,883,570</b>	<b>70,621,347</b>
<b>Earning per equity share</b>			
[Nominal value per equity share ₹10/- (Previous Year: ₹10/-)]			
<b>Basic</b>		172.29	22.13
<b>Diluted</b>		172.29	22.13
Earning per equity share (Excluding extraordinary items)			
[Nominal value per equity share ₹10/- (Previous Year: ₹10/-)]			
<b>Basic</b>		38.82	22.13
<b>Diluted</b>		38.82	22.13
See accompanying notes forming part of the financial statements 2			

As per our report of even date  
For S.C. VASUDEVA & CO.,  
Chartered Accountants  
Firm Registration No.: 000235N

SANJIV MOHAN  
Partner  
Membership No. 86066

Place : Ludhiana  
Dated : 15<sup>th</sup> May, 2012

For and on behalf of the Board of Directors

SACHIT JAIN  
Director

S.P. OSWAL  
Chairman



Vardhman

**CASH FLOW STATEMENT for the year ended 31<sup>st</sup> March, 2012**

Particulars	For the year ended 31 <sup>st</sup> March, 2012 (Amount in ₹)	For the year ended 31 <sup>st</sup> March, 2011 (Amount in ₹)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items	135,545,733	81,921,347
Adjustments for :		
Depreciation and amortization	268,589	302,861
Profit on sale of Investments	(24,444,070)	(16,645,253)
Adjustment to the carrying amount of investment	(2,732,586)	4,551,637
Provisions no longer required written Back	(1,000)	(11,004)
	(26,909,067)	(11,801,759)
Operating profit before working capital changes	108,636,666	70,119,588
Adjustments for :		
(Increase)/Decrease in trade receivables	(7,740,018)	68,598,933
Increase/(Decrease) in trade payables and other liabilities	1,782,561	331,504
	(5,957,457)	68,930,437
Cash Generation from Operations	102,679,209	139,050,025
Taxes Paid	(5,394,562)	(11,483,661)
<b>Net Cash flow from / (used) in Operating activities (A)</b>	<b>97,284,647</b>	<b>127,566,364</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	(936,739,444)	(438,743,169)
Sale of Investments	420,785,497	257,986,391
Purchase of Fixed Assets	(133,700)	(185,268)
Cash flow from extra ordinary items (Disposal of fixed assets) (Net of Tax)	427,860,900	-
<b>Net Cash from / (used) in investing activities (B)</b>	<b>(88,226,747)</b>	<b>(180,942,046)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Recovery of Calls in arrears	-	4,557
Dividend Paid (including tax thereon)	(9,273,208)	(7,450,162)
<b>Net Cash from Financing Activities (C)</b>	<b>(9,273,208)</b>	<b>(7,445,605)</b>
<b>Net Increase in cash &amp; cash equivalents (A+B+C)</b>	<b>(215,308)</b>	<b>(60,821,287)</b>
<b>Cash &amp; cash equivalents as at the beginning</b>	<b>1,736,076</b>	<b>62,557,363</b>
<b>Cash &amp; cash equivalents as at the end</b>	<b>1,520,768</b>	<b>1,736,076</b>

See accompanying notes forming part of the financial statements

As per our report of even date  
For S.C. VASUDEVA & CO.,  
Chartered Accountants  
Firm Registration No.: 000235N

SANJIV MOHAN  
Partner  
Membership No. 86066

Place : Ludhiana  
Dated : 15<sup>th</sup> May, 2012

For and on behalf of the Board of Directors

SACHIT JAIN  
Director

S.P. OSWAL  
Chairman

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

### b) Use of Estimates:

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

### c) Revenue Recognition:

#### i) Income from Investments:

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

#### ii) Interest Income:

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

#### iii) Receipt against License Agreement:

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

### d) Employee Benefits:

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

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

#### (b) Post Employment Benefits:

##### i) Defined Contribution Plans:

###### (1.1) Superannuation:

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

###### (1.2) Provident Fund:

Contribution to Provident Fund is made in accordance with the provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and is charged to the statement of profit and loss.

##### ii) Defined Benefit Plans

###### (1.1) Gratuity

Provision for gratuity liability to employees is made on the basis of actuarial valuation as at the close of the year.

###### (1.2) Leave with Wages

Provision for leave with wages is made on the basis of actuarial valuation as at the close of the year.

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

**e) Fixed Assets:**

Fixed Assets are stated at historical cost less accumulated depreciation.

**f) Depreciation:**

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

**g) Investments:**

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

**h) Accounting for Taxes on Income:**

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

**i) Earning per Share:**

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

**j) Impairment of Assets:**

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

**k) Provision and Contingent Liabilities:**

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

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

ii) Contingent liability is disclosed in case there is:

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

## Notes to Financial Statements for the year ended March 31, 2012

## 3. SHARE CAPITAL

Particulars	As at 31 <sup>st</sup> March, 2012		As at 31 <sup>st</sup> March, 2011	
	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, 2012		As at 31 <sup>st</sup> March, 2011	
	Number	Amount in ₹	Number	Amount in ₹
At the beginning of the reporting period	3,191,536	31,915,360	3,191,536	31,915,360
Add: Issued during the year	-	-	-	-
Outstanding at the end of the reporting period	<b>3,191,536</b>	<b>31,915,360</b>	<b>3,191,536</b>	<b>31,915,360</b>

## b. Terms/ rights attached to equity shares

The Company has one class of shares viz. Equity Shares having a par value of ₹10/- each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and then the equity shareholders are entitled for such dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all Preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder. The rate of dividend for redeemable cumulative preference shares is decided by the board of directors as and when issued.

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

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

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

Particulars	As at 31 <sup>st</sup> March 2012 Number	As at 31 <sup>st</sup> March 2011 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 (Equity Shares of ₹ 10/- each)	As at 31 <sup>st</sup> March 2012		As at 31 <sup>st</sup> March 2011	
	Number	% Shareholding	Number	% Shareholding
Adinath Investment & Trading Company	1,048,770	32.86	1,048,770	32.86
Devakar Investment & Trading Company (P) Limited	806,353	25.27	806,353	25.27
Pradeep Mercantile Company (P) Limited	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, 2012

**4. RESERVES AND SURPLUS**

Particulars	As at 31 <sup>st</sup> March, 2012 Amount in ₹	As at 31 <sup>st</sup> March, 2011 Amount in ₹
<b>Capital Reserves</b>	<b>11,388</b>	11,388
Capital Redemption Reserve	7,000,000	7,000,000
Securities Premium Account	78,127,600	78,127,600
<b>Other Reserves :</b>		
<b>General Reserve</b>		
Balance as per the last financial statements	881,971,944	871,971,944
Add: Transferred from surplus balance in the Statement of profit And loss	55,000,000	10,000,000
Closing Balance	<u>936,971,944</u>	<u>881,971,944</u>
<b>Statutory Reserve (u/s 45-IC of RBI Act, 1934)</b>		
Balance as per last financial statements	55,500,000	38,000,000
Add: Transferred from surplus balance in the statement of profit and loss	110,000,000	17,500,000
Closing Balance	<u>165,500,000</u>	<u>55,500,000</u>
<b>Surplus i.e. Balance in the Statement of Profit and Loss</b>		
Balance as per the last financial statements	159,865,266	126,017,126
Add: Profit for the period transferred from Statement of Profit and Loss	549,883,570	70,621,347
Less: Appropriations		
Proposed equity dividend (amount per share ₹2.50 Per Share (Previous Year: ₹ 2.50 Per Share))	7,978,840	7,978,840
Tax on dividend	1,294,367	1,294,367
Transferred to General Reserve	55,000,000	10,000,000
Transferred to Statutory Reserve	110,000,000	17,500,000
Closing Balance	<u>535,475,629</u>	<u>159,865,266</u>
<b>Total</b>	<u>1,723,086,561</u>	<u>1,182,476,198</u>

**5. LONG-TERM PROVISIONS**

Particulars	As at 31 <sup>st</sup> March, 2012 Amount in ₹	As at 31 <sup>st</sup> March, 2011 Amount in ₹
Provision for employee benefits :		
- Leave encashment	39,861	25,091
- Gratuity	72,546	46,735
<b>Total</b>	<u>112,407</u>	<u>71,826</u>

**6. OTHER CURRENT LIABILITIES**

Particulars	As at 31 <sup>st</sup> March, 2012 Amount in ₹	As at 31 <sup>st</sup> March, 2011 Amount in ₹
Unpaid dividends#	590,260	419,676
Other payables		
- Expenses payable	2,987,171	1,455,867
<b>Total</b>	<u>3,577,431</u>	<u>1,875,543</u>

# unpaid dividends do not include any amount due and outstanding required to be credited to the Investors' Education and Protection Fund

**7. SHORT TERM PROVISIONS**

Particulars	As at 31 <sup>st</sup> March, 2012 Amount in ₹	As at 31 <sup>st</sup> March, 2011 Amount in ₹
Provision for employee benefits :		
- Leave encashment	41,840	2,748
Other provisions :		
- Provision for proposed equity dividend	7,978,840	7,978,840
- Provision for tax on proposed dividend	1,294,367	1,294,367
- Provision for current tax (net of advance tax ₹ 167,910,325 (Previous year ₹ 49,699,052))	6,289,643	24,517
<b>Total</b>	<u>15,604,690</u>	<u>9,300,472</u>

## Notes to Financial Statements for the year ended March 31, 2012

## 8. FIXED ASSETS

(Amount in ₹)

Particulars	ORIGINAL COST			Balance as at 31.03.2012	DEPRECIATION			Balance as at 31.03.2012	NET BLOCK	
	Balance As at 01.04.2011	Additions/ Adjustments	Disposal		Balance as at 01.04.2011	Depreciation during the year	Eliminated on disposal of assets		Balance as at 31.03.2012	Balance as at 31.03.2012
<b>TANGIBLE ASSETS</b>										
1. Freehold land	1,250,406	-	1,135,906	114,500	-	-	-	-	114,500	1,250,406
2. Buildings	13,710,314	133,700	4,716,322	9,127,692	4,090,790	268,589	3,988,853	370,526	8,757,166	9,619,524
<b>Current Year</b>	14,960,720	133,700	5,852,228	9,242,192	4,090,790	268,589	3,988,853	370,526	8,871,666	10,869,930
<b>Previous Year</b>	14,775,452	185,268	-	14,960,720	3,787,929	302,861	-	4,090,790	10,869,930	

## 9. NON-CURRENT INVESTMENTS

## Particulars

As at 31<sup>st</sup> March, 2012  
Amount in ₹As at 31<sup>st</sup> March, 2011  
Amount in ₹

## Long Term investments (at cost unless otherwise stated)

## I TRADE INVESTMENTS

**Investment in equity instruments****a. of associates (Quoted)**15,402,598 (Previous Year 15,402,598) Equity Shares  
of ₹ 10/- each fully paid up of Vardhman Textiles Limited

669,158,294

724,903,363

**b. of associates (unquoted)**300,000 (Previous Year 300,000) Equity Shares of ₹10/-  
each fully paid up of Vardhman Textile Components Limited  
25,000 (Previous Year 25,000) Equity Shares of ₹10/- each  
fully paid up of Vardhman Spinning & General Mills Limited

3,000,000

3,000,000

250,000

250,000

**c. of other entities**

## (i) Other (Quoted)

815,561 (Previous Year 815,561) Equity Shares of  
₹10/- each fully paid up of Vardhman Acrylics Limited

3,076,337

3,076,337

## (ii) Others (unquoted)

\*3,080,517 (Previous Year Nil) Equity Shares of  
₹10/- each fully paid up of Vardhman Special Steels Limited

55,745,069

-

## II OTHER THAN TRADE

**a. Investment in equity instruments of****other entities (quoted)**112 (Previous year 112) Equity shares of ₹10/- each fully  
paid-up of Garware Nylon Ltd.

1,250

1,250

Less : Provision for Diminution in value of Investments

1,250

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

96,040 (Previous year 96,040) Equity shares of ₹10/- each fully  
paid-up of Industrial Development Bank of India Limited

12,698,608

12,698,608



Notes to Financial Statements for the year ended March 31, 2012

Particulars	As at 31 <sup>st</sup> March, 2012 Amount in ₹	As at 31 <sup>st</sup> March, 2011 Amount in ₹
<b>b Investment in mutual funds (quoted)</b>		
<b>Fixed maturity plans</b>		
5,000,000 (Previous Year Nil) Units of ₹10/- each of HDFC Fixed Maturity Plan Series XI Growth - 36 Months	50,000,000	-
5,510,159 (Previous Year Nil) Units of ₹10/- each of Kotak FMP Series 84-Growth	55,101,590	-
15,000,000 (Previous Year Nil) Units of ₹10/- each of Kotak FMP Series 77-Growth	150,000,000	-
	<u>999,031,186</u>	<u>743,929,596</u>
1. Aggregate amount of Quoted Investments	940,037,867	740,681,346
2. Market Value of Quoted Investments	3,372,222,241	4,005,760,324
3. Aggregate amount of Unquoted Investments	58,995,069	3,250,000
4. Aggregate Provision for diminution in value of Investments	1,750	1,750
* received during the year on account of Scheme of Demerger between Vardhman Textiles Limited and Vardhman Special Steels Limited		

10. LONG-TERM LOANS AND ADVANCES

Particulars	As at 31 <sup>st</sup> March, 2012 Amount in ₹	As at 31 <sup>st</sup> March, 2011 Amount in ₹
(unsecured, considered good ) Other loans and advances -Loans to employees	58,320	109,124
	<u>58,320</u>	<u>109,124</u>

11. CURRENT INVESTMENTS

Particulars	As at 31 <sup>st</sup> March, 2012 Amount in ₹	As at 31 <sup>st</sup> March, 2011 Amount in ₹
<b>CURRENT INVESTMENTS (AT LOWER OF COST AND FAIR VALUE)</b>		
<b>Investment in Equity instruments of other entities (quoted)</b>		
Nil (Previous Year 1,53,362) Equity Shares of ₹10/- each fully paid up of Abhishek Industries Limited	-	1,897,684
20,000 (Previous Year 20,000) Equity Shares of ₹10/- each of Infrastructure Development Finance Company Limited	4,086,452	4,086,452
Less : Provision for Diminution in value of Investments	<u>1,386,452</u>	<u>994,452</u>
<b>Total</b>	<u>2,700,000</u>	<u>4,989,684</u>
<b>Investment in Mutual Funds (quoted)</b>		
Nil (Previous Year 2,000,000) Units of ₹10/- each of HDFC Fixed Maturity Plan Series XI Growth - 18 Months	-	20,000,000
Nil (Previous Year 5,000,000) Units of ₹ 10/- each of Kotak FMP Series 34-Growth	-	50,000,000
Nil (Previous Year 5,500,000) Units of ₹ 10/- each of ICICI Prudential FMP Series 55	-	55,000,000
<b>Total</b>	<u>-</u>	<u>125,000,000</u>
<b>Investment in Bonds/Debentures (unquoted)</b>		
5 (Previous Year 5) Redeemable Non-Convertible Debentures of ₹ 1,000,000/- each of Barclays Investments & Loans (India) Limited	5,000,000	5,000,000
<b>Total</b>	<u>5,000,000</u>	<u>5,000,000</u>

Notes to Financial Statements for the year ended March 31, 2012

Particulars	As at 31 <sup>st</sup> March, 2012 Amount in ₹	As at 31 <sup>st</sup> March, 2011 Amount in ₹
<b><u>Investment in Bonds/Debentures (Quoted)</u></b>		
500 (Previous Year Nil)		
Units of ₹ 10,000/- each of 6.00% NHAI Tax Free Bonds	5,000,000	-
50 (Previous Year Nil) Non Convertible Debentures of ₹1,000,000/- each of 11.40% TATA Power Co Ltd	53,786,507	-
Less : Provision for Diminution in value of Investments	698,550	-
29,668 (Previous Year Nil) Units of ₹ 1,000/- each of 8.20% NHAI Tax Free Bonds	29,668,000	-
12,362 (Previous Year Nil) Units of ₹1,000/- each of 8.30% NHAI Tax Free Bonds	12,362,000	-
<b>Total</b>	<b>100,117,957</b>	<b>-</b>
<b><u>Investment in Mutual Funds (unquoted)</u></b>		
Nil (Previous Year 38,745) Units of ₹10/- each of DSP Black Rock India Tiger Mutual Fund		2,000,000
Less : Provision for Diminution in value of Investments	-	255,080
65,825 (Previous Year 4,910) Units of ₹10/- each of HDFC Top 200 Fund Growth	13,000,000	1,000,000
37,459 (Previous Year 77,160) Units of ₹10/- each of Reliance Banking Fund Growth Plan	4,285,183	8,500,000
Less : Provision for Diminution in value of Investments	751,340	89,698
301,972 (Previous Year Nil) Units of ₹10/- each of Reliance Gold Saving Fund - Growth Plan	3,999,990	-
Nil (Previous Year 10,005,941) Units of ₹10/- each of Reliance Liquid Fund Cash Plan Daily Dividend	-	111,481,187
527,657 (Previous Year Nil) Units of ₹10/- each of Reliance Short Term Fund - Retail Plan - Growth Option	10,000,000	-
4,033,923 (Previous Year Nil) Units of ₹10/- each of UTI-Short Term Income Fund - Institutional Growth Option	50,000,000	-
20,054 (Previous Year Nil) Units of ₹1,000/- each of SBI-Ultra Short Term Fund - Retail Plan - Daily Dividend	20,070,080	-
55,643 (Previous Year Nil) Units of ₹1,000/- each of SBI-PLF-SI Daily Dividend	55,823,985	-
1,540,456 (Previous Year Nil) Units of ₹10/- each of SBI-Dynamic Bond Fund - Growth	20,000,000	-
1,173,192 (Previous Year Nil) Units of ₹10/- each of BSL Dynamic Bond Fund Retail Plan - Growth Option	20,000,000	-
63 (Previous Year Nil) Units of ₹100/- each of BSL Floating Rate Fund Short Term Dividend Plan	6,287	-
Nil (Previous Year 58,525) Units of ₹10/- each of SBI-Ultra Short Term Fund Retail Plan	-	1,214,845
<b>Total</b>	<b>196,434,185</b>	<b>123,851,254</b>
<b><u>Investments under Portfolio Management Services</u></b>		
<b><u>Investment in Equity Shares of other entities (Quoted)</u></b>		
Nil (Previous Year 1,928)		
Equity Shares of ₹10/- each fully paid up of Bajaj Finance Ltd		1,443,600
Less : Provision for Diminution in value of Investments	-	94,290
Nil (Previous Year 6,046) Equity Shares of ₹10/- each fully paid up of Central Bank of India		1,330,950
Less : Provision for Diminution in value of Investments	-	481,487
Nil (Previous Year 3,157) Equity Shares of ₹10/- each fully paid up of Cholamandalam Investment & Finance Limited		582,626
Less : Provision for Diminution in value of Investments	-	30,466
		552,160

**Notes to Financial Statements for the year ended March 31, 2012**

Particulars	As at 31 <sup>st</sup> March, 2012 Amount in ₹	As at 31 <sup>st</sup> March, 2011 Amount in ₹
Nil (Previous Year 27,189) Equity Shares of ₹1/- each fully paid up of City Union Bank Ltd	1,289,597	
Less : Provision for Diminution in value of Investments	- 71,530	1,218,067
Nil (Previous Year 4,649) Equity Shares of ₹10/- each fully paid up of Dewan Housing Finance Corporation Limited	1,453,255	
Less : Provision for Diminution in value of Investments	- 206,858	1,246,397
Nil (Previous Year 30,579) Equity Shares of ₹1/- each fully paid up of Edelweiss Capital Limited	1,769,135	
Less : Provision for Diminution in value of Investments	- 542,917	1,226,218
Nil (Previous Year 5,984) Equity Shares of ₹10/- each fully paid up of Emkay Global Financial Services Limited	630,360	
Less : Provision for Diminution in value of Investments	- 292,264	338,096
Nil (Previous Year 2,786) Equity Shares of ₹10/- each fully paid up of Federal Bank Ltd	1,198,504	
Less : Provision for Diminution in value of Investments	- 32,423	1,166,081
Nil (Previous Year 23,479) Equity Shares of ₹1/- each fully paid up of Geojit Financial Services Limited	894,029	
Less : Provision for Diminution in value of Investments	- 363,403	530,626
Nil (Previous Year 9,086) Equity Shares of ₹10/- each fully paid up of GIC Housing Finance Limited	1,204,654	
Less : Provision for Diminution in value of Investments	- 272,885	931,769
Nil (Previous Year 12,959) Equity Shares of ₹2/- each fully paid up of India Infoline Limited	1,489,741	
Less : Provision for Diminution in value of Investments	- 528,831	960,910
Nil (Previous Year 5,528) Equity Shares of ₹10/- each fully paid up of Indian Bank	1,423,755	
Less : Provision for Diminution in value of Investments	- 137,113	1,286,642
Nil (Previous Year 5,540) Equity Shares of ₹2/- each fully paid up of LIC Housing Finance Limited	1,488,208	
Less : Provision for Diminution in value of Investments	- 235,614	1,252,594
Nil (Previous Year 1,730) Equity Shares of ₹10/- each fully paid up of Mahindra & Mahindra Financial Services Ltd.	1,373,500	
Less : Provision for Diminution in value of Investments	- 30,674	1,342,826
Nil (Previous Year 7,643) Equity Shares of ₹2/- each fully paid up of Mannapuram General Finance & leasing Ltd.	1,110,144	
Less : Provision for Diminution in value of Investments	- 95,154	1,014,990
Nil (Previous Year 6,260) Equity Shares of ₹1/- each fully paid up of Motilal Oswal Financial Services Limited	1,154,038	
Less : Provision for Diminution in value of Investments	- 346,811	807,227
Nil (Previous Year 5,862) Equity Shares of ₹2/- each fully paid up of Phoenix Mills Limited	1,234,297	
Less : Provision for Diminution in value of Investments	- 163,017	1,071,280
Nil (Previous Year 437) Equity Shares of ₹10/- each fully paid up of Shri Ram City Union Finance Limited	300,279	
Less : Provision for Diminution in value of Investments	- 80,468	219,811
Nil (Previous Year 929) Equity Shares of ₹10/- each fully paid up of Shri Ram Transport Finance Limited	-	671,300
Nil (Previous Year 4,618) Equity Shares of ₹10/- each fully paid up of Sobha Developers Limited	1,544,413	
Less : Provision for Diminution in value of Investments	- 189,030	1,355,383
Nil (Previous Year 1,364) Equity Shares of ₹10/- each fully paid up of Sundaram Finance Limited	899,957	
Less : Provision for Diminution in value of Investments	- 231,665	668,292
Nil (Previous Year 5,384) Equity Shares of ₹10/- each fully paid up of Yes Bank Limited	-	1,511,481
	-	21,570,923

Notes to Financial Statements for the year ended March 31, 2012

Particulars	As at 31 <sup>st</sup> March, 2012 Amount in ₹	As at 31 <sup>st</sup> March, 2011 Amount in ₹
<b>Investment in Bonds/Debentures/Certificate of Deposits (Quoted)</b>		
Nil (Previous Year 24,364) Units of ₹ 25,000/- each of IFCI Deep Discount Bond	-	62,737,640
Nil (Previous Year 50) Units of ₹100,000/- each of OBC CD	-	4,592,100
Nil (Previous Year 98) Units of ₹500,000/- each of 11.35% Tata Motors Finance Perpetual Bonds	-	49,629,341
213 (Previous Year Nil) Units of ₹1,000,000/- each of 10.05% Air India Bonds	231,201,086	-
475 (Previous Year Nil) Units of ₹200,000/- each of 10.75% DPSC Bonds	101,232,684	-
	<u>332,433,770</u>	<u>116,959,081</u>
<b>Investment in Bonds/Debentures/Certificate of Deposits (Unquoted)</b>		
12,337 (Previous Year Nil) 3% Debentures of ₹100/- each of Marwar Consultancy Pvt Ltd	1,233,700	-
12,521 (Previous Year Nil) 3% Debentures of ₹ 100/- each of Vahin Advisors and Traders Pvt Ltd	1,252,100	-
12,399 (Previous Year Nil) 3% Debentures of ₹ 100/- each of Jade Stone Development and Holding Pvt Ltd	1,239,900	-
14,641 (Previous Year Nil) 3 % Debentures of ₹ 100/- each of Prabal Traders and Advisors Pvt Ltd	1,464,100	-
29,156 (Previous Year Nil) 8.50% Debentures of ₹ 100/- each of Zwenzi Traders & Advisors Pvt Ltd	2,915,600	-
29,238 (Previous Year Nil) 8.25% Debentures of ₹ 100/- each of Sherin Advisors & Traders Pvt Ltd	2,923,800	-
5,575 (Previous Year 7,544) 10% Convertible Debentures of ₹ 1,000 each of ATS Township Private Limited	5,575,000	7,544,000
58,561 (Previous Year 57,683) 10% Convertible Debentures of ₹ 100 each of Darode Jog Realities Private Ltd.	5,856,100	5,768,300
47,659 (Previous Year 41,835) 10% Convertible Debentures of ₹ 100 each of Amit Enterprises Promoters & Builders Private Limited.	4,765,900	4,183,500
90,039 (Previous year Nil) 15% Convertible Debentures of ₹ 100 each of Lavim Developers Private Limited	9,003,900	-
Less : Provision for Diminution in value of Investments	<u>197,185</u>	-
52,477 (Previous year Nil) 10% Convertible Debentures of ₹ 100 each of Ambojini Property Developers Private Limited	5,247,700	-
34,527 (Previous Year 16,883) 10% Convertible Debentures of ₹ 100 each of Mantri Hamlet Private Limited	3,452,700	1,688,300
	<u>44,733,315</u>	<u>19,184,100</u>
<b>Investment in Equity Fund/Liquid Funds/Debt Funds/Monthly Income Plans (Unquoted)</b>		
923,687 (Previous Year 1,016,275) Units of ₹10/- each of Reliance Medium Term Fund - Monthly Dividend Plan	9,618,455	10,548,040
Nil (Previous Year 15,533) Units of ₹10/- each of HDFC Cash Management Fund		
- Treasury Advantage Plan - Retail - Daily Dividend	-	155,828
Nil (Previous Year 216,894) Units of ₹10/- each of AIG India Treasury Fund-Retail Plan	-	2,172,135
388 (Previous Year 208) Units of ₹100,000/- each of India Venture Trust fund	38,800,000	20,800,000
Nil (Previous Year 2,349) Units of ₹10/- each of Liquid Benchmark DD		2,349,442
Less : Provision for Diminution in value of Investments	-	<u>16</u>
6,000 (Previous Year Nil) Units of ₹100/- each of Morgan Stanley Liquid Fund Daily Dividend	600,000	-
100 (Previous Year Nil) Units of ₹100,000/- each of ASK Real Estate Fund	10,000,000	-
	<u>59,018,455</u>	<u>36,025,429</u>



Notes to Financial Statements for the year ended March 31, 2012

**Particulars**

As at 31<sup>st</sup> March, 2012  
Amount in ₹

As at 31<sup>st</sup> March, 2011  
Amount in ₹

**Investment in Equity Shares (Unquoted)**

15,023 (Previous Year Nil) Equity Shares of ₹1/- each fully paid up of Marwar Consultancy Pvt Ltd	15,023	-
15,011 (Previous Year Nil) Equity Shares of ₹1/- each fully paid up of Vahin Advisors and Traders Pvt Ltd	15,011	-
14,979 (Previous Year Nil) Equity Shares of ₹1/- each fully paid up of Jade Stone Development and Holding Pvt Ltd	14,979	-
14,975 (Previous Year Nil) Equity Shares of ₹1/- each fully paid up of Prabal Traders and Advisors Pvt Ltd	14,975	-
14,928 (Previous Year Nil) Equity Shares of ₹1/- each fully paid up of Zwenzi Traders & advisors Pvt Ltd	14,928	-
14,919 (Previous Year Nil) Equity Shares of ₹1/- each fully paid up of Sherin Advisors & Traders Pvt Ltd	14,919	-
7,870 (Previous Year Nil) Equity Shares of ₹10/- each fully paid up of Ambojini Property Developers Private Limited	78,700	-
15 (Previous Year Nil) Equity Shares of ₹100/- each fully paid up of Darode Jog Realities Private Limited	1,500	-
150 (Previous Year Nil) Equity Shares of ₹10/- each fully paid up of Lavim Developers Private Limited	1,500	-
Less : Provision for Diminution in value of Investments	33	-
15 (Previous Year Nil) Equity Shares of ₹10/- each fully paid up of Mantri Hamlet Private Limited	150	-
15 (Previous Year Nil) Equity Shares of ₹10/- each fully paid up of Amit Enterprises Promoters & Builders Pvt Ltd	150	-
	<u>171,802</u>	-
<b>Total</b>	<b>740,609,484</b>	<b>452,580,471</b>
Notes:		
1. Aggregate amount of quoted investments	432,336,729	276,290,483
2. Aggregate amount of unquoted investments	311,306,315	182,056,134
3. Aggregate Market value of quoted investments	431,403,913	276,678,645
4. Aggregate Provision for diminution in value of Investments	3,033,560	5,766,146

**12. CASH AND BANK BALANCES**

**Particulars**

Cash and cash equivalents		
a) Balances with banks		
- On current accounts	908,328	1,289,701
b) Cash on hand	22,180	26,699
c) Other Bank Balances		
- Earmarked balances with banks (Dividend accounts)	590,260	419,676
<b>Total</b>	<b>1,520,768</b>	<b>1,736,076</b>

**13. SHORT TERM LOANS AND ADVANCES**

**Particulars**

(unsecured considered good)		
Loans and advances to related parties	-	-
Others:		
- Application Money	3,452,125	4,291,699
- Loans and advances to employees	50,804	72,904
<b>Total</b>	<b>3,502,929</b>	<b>4,364,603</b>

## Notes to Financial Statements for the year ended March 31, 2012

**14. OTHER CURRENT ASSETS**

Particulars	As at 31 <sup>st</sup> March, 2012 Amount in ₹	As at 31 <sup>st</sup> March, 2011 Amount in ₹
(unsecured, considered good)		
Interest Receivable	3,514,006	1,985,869
Other recoverable	17,197,090	10,072,731
<b>Total</b>	<b>20,711,096</b>	<b>12,058,600</b>

**15. REVENUE FROM OPERATIONS**

Particulars	For the year ended 31 <sup>st</sup> March, 2012 Amount in ₹	For the year ended 31 <sup>st</sup> March, 2011 Amount in ₹
Interest Received [TDS ₹ 1,030,728 (Previous year ₹950,294)]	29,490,240	17,540,080
Other Financial services	103,557,164	66,856,324
	<b>133,047,404</b>	<b>84,396,404</b>
<b>Revenue from other financial services comprise:</b>		
Dividend Income from long term trade investments:		
- Associates	69,311,691	46,207,794
- others	822,063	78,120
Dividend income from current investments	8,979,340	3,925,157
Net Gain on sale of Investments		
- Current Investments	24,444,070	16,645,253
	<b>103,557,164</b>	<b>66,856,324</b>

**16. OTHER INCOME**

Particulars	Amount in ₹	Amount in ₹
Receipt against License agreement	8,250,000	8,250,000
Adjustment to carrying amount of investment	2,732,586	-
Provisions no longer required written back	1,000	11,004
Rent received	312,000	260,000
Miscellaneous	1,009,456	-
<b>Total</b>	<b>12,305,042</b>	<b>8,521,004</b>

**17. EMPLOYEE BENEFITS EXPENSE**

Particulars	Amount in ₹	Amount in ₹
Salaries, Wages and Bonus	1,836,974	552,440
<b>Total</b>	<b>1,836,974</b>	<b>552,440</b>

**18. OTHER EXPENSES**

Particulars	Amount in ₹	Amount in ₹
Rent	296,340	296,340
Professional charges	6,265,383	4,190,905
Insurance	5,812	-
Rates and Taxes	7,979	7,949
Auditors Remuneration:		
Audit Fee	22,060	22,060
Provision for diminution in value of Investments	-	4,551,637
Prior period items	24,280	6,499
Miscellaneous	1,079,296	1,065,370
<b>Total</b>	<b>7,701,150</b>	<b>10,140,760</b>

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

The Company has contested the additional demand in respect of income tax amounting to ₹ 9,81,575 (Previous Year ₹ 9,11,902). Pending appeal with appellate authorities, no provision has been made in the books of account as the Company is hopeful to get the desired relief in appeal.

**20.** The Company has only one reportable business segment and therefore, no separate disclosure is required in accordance with Accounting Standard 17 on "Segment Reporting" notified by the Companies (Accounting Standards) Rules, 2006.

**Notes to Financial Statements for the year ended March 31, 2012**

- 21.** The calculation of Earning per Share (EPS) as disclosed in the Statement of 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 Statement of Profit and Loss Account and Balance Sheet as required in accordance with Accounting Standard - 15 (Revised) are as under:-

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

(Amount in ₹)

Particulars	Leave (Unfunded)		Gratuity (Unfunded)	
	Current Year	Previous year	Current Year	Previous year
Present value of obligation as at beginning of the year	25,091	18,741	46,735	20,920
Interest cost	2,195	1,593	4,089	1,778
Current service cost	15,585	11,578	11,135	8,478
Benefits paid / transferred	-	-	-	-
Actuarial (gain)/ loss on Obligations	(3,010)	(6,821)	10,587	15,559
Present value of obligation as at end of the year	39,861	25,091	72,546	46,735

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

- (c) Amount recognized in Balance Sheet:

(Amount in ₹)

Particulars	Leave (Unfunded)		Gratuity (Unfunded)	
	Current Year	Previous year	Current Year	Previous year
Present value of obligation as at end of the year	39,861	25,091	72,546	46,735
Fair value of Plan Assets as at end of the year	-	-	-	-
Unfunded Liability	(39,861)	(25,091)	(72,546)	(46,735)
Present value of unfunded obligation as at end of the year	-	-	-	-
Unfunded Actuarial (gains)/ losses	-	-	-	-
Unfunded Net Asset/ (Liability) recognised in Balance Sheet.	(39,861)	(25,091)	(72,546)	(46,735)

- (d) Expenses Recognized in Profit and Loss

(Amount in ₹)

Particulars	Leave (Unfunded)		Gratuity (Unfunded)	
	Current Year	Previous year	Current Year	Previous year
Current service cost	15,585	11,578	11,135	8,478
Interest cost	2,195	1,593	4,089	1,778
Expected return on Plan Assets	-	-	-	-
Actuarial (gain)/ loss on Obligations	(3,010)	(6,821)	10,587	15,559
Total expense recognised in Profit and Loss Account	14,770	6,350	25,811	25,815

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

- (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)	8.75%	8.50%	8.75%	8.50%
Rate of increase in compensation levels (per annum)	7.00%	7.00%	6.00%	6.00%
Rate of return on Plan Assets (per annum)	N.A.	N.A.	N.A.	N.A.
Expected Average remaining working lives of employees (years)	14.60	30.00	14.60	30.00
Method Used	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit





**Notes to Financial Statements for the year ended March 31, 2012**

**Assets side :**

(Amount in ₹)

<b>Particulars</b>	<b>Amount Outstanding</b>	
	<b>Current Year</b>	<b>Previous Year</b>
(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
(a) Secured	-	-
(b) Unsecured	<b>3,561,249</b>	4,473,727
<b>TOTAL</b>	<b>3,561,249</b>	4,473,727
(3) Break up of leased assets and stock on hire and other assets counting towards Asset Finance Company (AFC) activities		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial lease	-	-
(b) Operating lease	-	-
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire	-	-
(b) Repossessed Assets	-	-
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>
(4) Break-up of Investments (Net of Provisions):		
Current Investments :		
1. Quoted :		
(i) Shares : (a) Equity	<b>2,700,000</b>	26,560,608
(b) Preference	-	-
(ii) Debentures and Bonds	<b>427,551,727</b>	121,959,081
(iii) Units of Mutual Funds	<b>600,000</b>	2,349,426
(iv) Government Securities	-	-
(v) Others		
- Units of Fixed Maturity Plans	-	125,000,000
2. Unquoted :		
(i) Shares : (a) Equity	<b>171,802</b>	-
(b) Preference	-	-
(ii) Debentures and Bonds	<b>54,733,315</b>	19,184,100
(iii) Units of Mutual Funds	-	11,500,000
(iv) Government Securities	-	-
(v) Others		
- Units of Private Equity Fund (Health Care)	<b>38,800,000</b>	20,800,000
- Units of Liquid Floater Plans	<b>216,052,639</b>	125,227,256
<b>TOTAL (A=1+2)</b>	<b>740,609,483</b>	452,580,471
Long Term investments :		
1. Quoted :		
(i) Shares : (a) Equity	<b>740,679,596</b>	740,679,596
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
2. Unquoted :		
(i) Shares : (a) Equity	<b>3,250,000</b>	3,250,000
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds / Fixed Maturity Plans	<b>255,101,590</b>	-
(iv) Government Securities	-	-
(v) Others	-	-
<b>TOTAL (B=1+2)</b>	<b>999,031,186</b>	743,929,596
<b>GRAND TOTAL (A+B)</b>	<b>1,739,640,669</b>	1,196,510,067

## Notes to Financial Statements for the year ended March 31, 2012

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

Category	Amount net of provisions					
	Current Year			Previous Year		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	-	3,561,249	3,561,249	-	4,473,727	4,473,727
<b>Total</b>	<b>-</b>	<b>3,561,249</b>	<b>3,561,249</b>	<b>-</b>	<b>4,473,727</b>	<b>4,473,727</b>

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

Category	Current Year		Previous Year	
	Market Value / Break up or Fair Value or Net Asset Value	Book Value (Net of Provisions)	Market Value / Break up or Fair Value or Net Asset Value	Book Value (Net of Provisions)
1. Related Parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	3,107,232,293	731,229,700	3,995,002,136	731,229,700
2. Other than related parties	1,010,350,175	1,008,410,970	467,117,733	465,280,367
<b>Total</b>	<b>4,117,582,468</b>	<b>1,739,640,670</b>	<b>4,462,119,869</b>	<b>1,196,510,067</b>

- (7) Other information

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

**Notes :**

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

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

ANNEX I  
CRAR

Items	Current year	Previous year
i) CRAR (%)	99.00	99.52
ii) CRAR - Tier I Capital (%)	99.00	99.52
iii) CRAR - Tier II Capital (%)	-	-

**EXPOSURES**

**Exposure to Real Estate Sector**

Amount in ₹

Items	Current year	Previous year
a. Direct Exposure		
(i) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	-	-
(ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi- family residential buildings, multi- tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure would also include non Fund based (NFB) limits;	-	-

Notes to Financial Statements for the year ended March 31, 2012

Continued....

(Amount in ₹)

Items	Current year	Previous year
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures		
(a) Residential,	-	-
(b) Commercial Real Estate	-	-
b. Indirect Exposure		
Fund based and non- fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).		
<b>Asset Liability Management</b>		
<b>Maturity pattern of certain items of assets and liabilities</b>		

(₹ in crores)

	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
<b>Liabilities</b>									
Borrowings from banks	-	-	-	-	-	-	-	-	-
Market Borrowings	-	-	-	-	-	-	-	-	-
<b>Assets</b>									
Advances	-	-	-	0.35	-	0.01	-	-	0.36
Investments	-	-	-	-	-	-	-	-	173.96

Note: Though the aggregate amount of advances and investments are mentioned in the column in 'Total' above, details are given only for those advance and investments where maturity pattern can be ascertained.

As per our report of even date  
For S.C. VASUDEVA & CO.,  
Chartered Accountants  
Firm Registration No.: 000235N

For and on behalf of the Board of Directors

SANJIV MOHAN  
Partner  
Membership No. 86066

SACHIT JAIN  
Director

S.P. OSWAL  
Chairman

Place : Ludhiana  
Dated : 15<sup>th</sup> May, 2012

**VARDHMAN HOLDINGS LIMITED**  
REGISTERED OFFICE: CHANDIGARH ROAD, LUDHIANA - 141 010



**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 48th Annual General Meeting of the Company to be held on Saturday, the 1<sup>st</sup> day of September, 2012 at 12.00 P.M. and at any adjournment thereof.  
Signed this.....day of.....2012.

Affix  
Revenue  
Stamp here

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 of Rupee One should reach the Company's Registered Office at least 48 hours before the time of meeting.

**VARDHMAN HOLDINGS LIMITED**  
REGISTERED OFFICE: CHANDIGARH ROAD, LUDHIANA - 141 010



**SUGGESTIONS**

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

Suggestion.....  
.....  
.....

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

--	--	--	--	--	--

**VARDHMAN HOLDINGS LIMITED**  
REGISTERED OFFICE: CHANDIGARH ROAD, LUDHIANA - 141 010



**ATTENDANCE SLIP**

I hereby record my presence at the 48<sup>th</sup> Annual General Meeting of the above named Company being held at Registered Office of the Company situated at Chandigarh Road, Ludhiana, at 12.00 P.M., on Saturday, the 1<sup>st</sup> day of September, 2012.

..... Full Name of the Member (In BLOCK LETTERS)	..... Signature
Folio No./Client ID No. ....	No. of Shares held.....
DPID No. ....	
..... Full Name of the Proxy (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 of the Company.



