

# 58<sup>th</sup>

Annual Report  
**2021-22**



**Vardhman**

**Vardhman  
Holdings Limited**



## Vardhman Holdings Limited

### BOARD OF DIRECTORS

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

### CHIEF FINANCIAL OFFICER

Ms. Poorva Bhatia

### COMPANY SECRETARY

Ms. Swati Mangla

### AUDITORS

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

### REGISTRAR AND TRANSFER AGENT

M/s. Alankit Assignments Limited  
New Delhi

### REGISTERED & CORPORATE OFFICE

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

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# Notice

NOTICE is hereby given that the **FIFTY EIGHTH ANNUAL GENERAL MEETING** of Vardhman Holdings Limited will be held on Friday, the 30<sup>th</sup> day of September, 2022 at 11:15 a.m. through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”), to transact the following business:-

## ORDINARY BUSINESS:

### Item No. 1 – To adopt Financial Statements:

To receive, consider and adopt the Audited Financial Statements (including the consolidated financial statements) of the Company for the Financial Year ended 31<sup>st</sup> March, 2022 together with Report of Board of Directors and Auditors thereon.

### Item No. 2 – To declare Dividend:

To declare a dividend of ₹ 5 per equity share for the year ended March 31, 2022.

### Item No. 3 – To re-appoint Mr. Sachit Jain as a director liable to retire by rotation:

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

### Item No. 4 – Appointment of M/s. K.C. Khanna & Co., Chartered Accountants, as Statutory Auditors of the Company:

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

### Resolution:-

“**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. K.C. Khanna & Co., Chartered Accountants (FRN No. 000481N), be and is hereby appointed as Statutory Auditors of the Company for a term of 5 (five) consecutive years starting from conclusion of the 58<sup>th</sup> Annual General Meeting till the conclusion of 63<sup>rd</sup> Annual General Meeting of the Company, at such remuneration and reimbursement of out-of-pocket expenses & applicable taxes, as may be finalized from time to time by the Chairman & Managing Director of the Company.”

## SPECIAL BUSINESS:

### Item No. 5- To re-appoint Mr. Shri Paul Oswal as Managing Director of the Company:

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

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, Mr. Shri Paul Oswal, be and is hereby re-appointed as Managing Director of the Company, not liable to retire by rotation, for a period of three (3) years w.e.f. 9<sup>th</sup> August 2022, at a remuneration as detailed below:-

SR. NO.	REMUNERATION	DETAILS
I.	Basic Salary	₹ 2,00,000 – 10,000 – ₹ 2,20,000 per month.
II.	Special Allowance	₹ 25,000/- p.m.
III.	Perquisites	The following perquisites shall be allowed in addition to the basic salary and special allowance.
a)	Car & Telephone	Free use of Company's car for official work as well as for personal purposes along with driver and telephone at Company's cost.
b)	Medical Reimbursement	Reimbursement of medical expenses incurred by the appointee (including medi-claim insurance premium) on self and his family, on actual basis.

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

**RESOLVED FURTHER THAT** Mrs. Suchita Jain, Director, be and is hereby authorised to execute an agreement on behalf of the Company with Mr. Shri Paul Oswal subject to such changes and modifications as may be approved by the Members”.

**Item No.6- Re-appointment of Mr. Rajeev Kumar Mittal as an Independent Director of the Company:**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule IV of the Companies Act, 2013, the rules made thereunder and Regulations 16, 17 & 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Rajeev Kumar Mittal (DIN:00765697), Independent Director, whose period of office is expiring on forthcoming Annual General Meeting and who has submitted a declaration confirming that he meets the criteria of Independence under Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment for a second term in accordance with the provisions of the Companies Act, 2013 and rules made thereunder and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of consecutive three (3) years starting from the conclusion of 58<sup>th</sup> Annual General Meeting till the conclusion of 61<sup>st</sup> Annual General Meeting.”

**Item No. 7- To appoint Dr. Pooja Mehta as an Independent Director of the Company:**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013, the rules made thereunder and Regulations 16, 17 & 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. Pooja Mehta (DIN: 07808149), who was appointed as an Additional Director of the Company and in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not

liable to retire by rotation, for a term of consecutive three (3) years starting from 29<sup>th</sup> September, 2022.”

**Item No. 8- To appoint Mr. Devendra Bhushan Jain as an Independent Director of the Company:**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013, the rules made thereunder and Regulations 16, 17 & 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Devendra Bhushan Jain (DIN: 06911676), who was appointed as an Additional Director of the Company and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of consecutive five (5) years starting from 29<sup>th</sup> September, 2022.”

**Item No. 9- To appoint Mr. Manjul Pahwa as an Independent Director of the Company:**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013, the rules made thereunder and Regulations 16, 17 & 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Manjul Pahwa (DIN: 08249236 ), who was appointed as an Additional Director of the Company and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of consecutive five (5) years starting from 29<sup>th</sup> September, 2022.”

**BY ORDER OF THE BOARD**

Sd/-

**(Swati Mangla)**

Company Secretary

Place: Ludhiana

Date: 06.09.2022

Membership No. ACS-50475

## Notes

1. Considering the ongoing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its circular dated May 5, 2022 read together with circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021 and December 14, 2021 (collectively referred to as "MCA Circulars"), permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the Members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
  2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), and MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has engaged the services of Central Depository Services (India) Limited (CDSL) as the agency to provide e-Voting facility.
  3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice (Refer Point 12). The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
  4. Generally, 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 and the proxy need not be a Member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form, Route Map and Attendance Slip are not annexed hereto.
  5. The statement pursuant to section 102 of the Companies Act, 2013, which sets out details relating to special business at the meeting, is annexed hereto.
  6. The information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the Director seeking appointment/ re-appointment in the Annual General Meeting is also being annexed hereto separately and forms part of the Notice. The Directors have furnished the requisite declarations for their appointment/ reappointment.
  7. The Register of Members and the Share Transfer Books of the Company shall remain closed from 20<sup>th</sup> September, 2022 to 30<sup>th</sup> September, 2022 (both days inclusive).
  8. The relevant statutory registers/documents will be available electronically for inspection by the Members during the AGM. Further, the documents referred to in the Notice, if any, will also be available electronically for inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email at [secretarial.lud@vardhman.com](mailto:secretarial.lud@vardhman.com).
- DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:**
9. In compliance with the MCA Circulars and SEBI Circular dated May 13, 2022 read with circular dated January 15, 2021 and May 12, 2020, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website [www.vardhman.com](http://www.vardhman.com), websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on website of Central Depository Services (India) Limited (e-Voting agency) at [www.evotingindia.com](http://www.evotingindia.com).

10. For receiving all communications (including Annual Report) from the Company electronically:

- a) Members holding shares in physical mode and who have not registered/ updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at [secretarial.lud@vardhman.com](mailto:secretarial.lud@vardhman.com) or to RTA at [rta@alankit.com](mailto:rta@alankit.com)
- b) Members holding shares in dematerialised mode are requested to register / update their email address with the relevant Depository Participant.

#### 11. INTRUCTIONS FOR REMOTE E-VOTING AND JOINING VIRTUAL MEETING ARE AS UNDER:

- (i) The Remote e-Voting period commences on 27<sup>th</sup> September, 2022 (9:00 a.m.) and ends on 29<sup>th</sup> September, 2022 (5:00 p.m.). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23<sup>rd</sup> September, 2022, may cast their vote electronically. The Remote e-Voting module

shall be disabled by CDSL for voting after end of voting period on 29<sup>th</sup> September, 2022.

Further, the facility for voting through electronic voting system will also be made available at the Meeting and Members attending the Meeting will be able to vote at the Meeting.

- (ii) Members who have already voted through Remote e-Voting would not be entitled to vote during the AGM.
- (iii) As per SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020, on e-Voting Facility provided by Listed Entities, “individual shareholders holding shares of the Company in demat mode” can cast their vote, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants. Members are advised to update their Mobile no. & email id in their demat account in order to access e-Voting facility. The procedure to login and access remote e-Voting & joining virtual meeting, as devised by the Depositories / Depository Participant(s), is given below:

#### Option 1 – Login through Depositories

NSDL	CDSL
<p><b>1. Members who have already registered for IDeAS facility to follow below steps:</b></p> <ol style="list-style-type: none"> <li>(i) Go to URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a></li> <li>(ii) Click on the “Beneficial Owner” icon under ‘IDeAS’ section.</li> <li>(iii) A new page will open. Enter the existing User ID and Password. On successful authentication, click on “Access to e-Voting”.</li> <li>(iv) Click on the company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</li> </ol>	<p><b>1. Members who have already registered for Easi / Easiest to follow below steps:</b></p> <ol style="list-style-type: none"> <li>(i) Go to URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a>; or</li> <li>(ii) URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a> and then go to Login and select New System Myeasi.</li> <li>(iii) Login with user id and password.</li> <li>(iv) Click on e-Voting. The option will be made available to reach e-Voting page without any further authentication.</li> <li>(v) Click on Company name or e-Voting service provider name to cast your vote during the remote e-Voting period.</li> </ol>

NSDL	CDSL
<p><b>2. User not registered for IDeAS e-Services:</b></p> <p>(i) To register click on link: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select option “Register Online for IDeAS” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</p> <p>(ii) Proceed with completing the required fields</p> <p><b>3. Users can directly access e-Voting module of NSDL and follow the below process:</b></p> <p>(i) Go to URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a></p> <p>(ii) Click on the icon “Login” which is available under ‘Shareholder/Member’ section.</p> <p>(iii) Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.</p> <p>(iv) On successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.</p> <p>(v) Click on the company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>	<p><b>2. User not registered for Easi/Easiest:</b></p> <p>(i) Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>(ii) Proceed with completing the required fields.</p> <p><b>3. Users can directly access e-Voting module of CDSL and follow the below process:</b></p> <p>(i) Go to URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></p> <p>(ii) Click on the icon “E-Voting”</p> <p>(iii) Provide demat Account Number and PAN No.</p> <p>(iv) System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</p> <p>(v) After successful authentication, the user will be provided links for the respective ESP where the e-Voting is in progress.</p> <p>(vi) Click on the company name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>

### Option 2 - Login through Depository Participants.

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/CDSL Depository site after successful authentication. Click on the company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

### Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- (iv) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.
- (i) The Members should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (ii) Click on “Shareholders” module.
  - (iii) Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - (iv) Next enter the Image Verification as displayed and Click on Login.
  - (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-Voting of any company, then your existing password is to be used.
  - (vi) If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form other than individual and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
Date of Birth (DOB)	<ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).</li> </ul>

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For members holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.
- (x) Click on the EVSN: 220906009 for <**Vardhman Holdings Limited**> on which you choose to vote.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.



(xv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**(xvii) Additional facility for Non-Individual Shareholders and Custodians – Remote e-Voting only:**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [secretarial.lud@vardhman.com](mailto:secretarial.lud@vardhman.com), if they have voted from individual tab & not uploaded same in the CDSL e-Voting system for the scrutinizer to verify the same.

**12. INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

- a) The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-Voting at point no. 11.
- b) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-Voting.
- c) Members are encouraged to join the Meeting through Laptops / iPads for better experience.
- d) Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- e) Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is, therefore, recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- f) Members who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [secretarial.lud@vardhman.com](mailto:secretarial.lud@vardhman.com). The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of AGM.
- g) Those members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.
- h) If any Votes are cast by the shareholders through the e-Voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-Voting during the meeting is available only to the shareholders attending the meeting.

**13. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES:**

- a. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), Aadhar (self-attested scanned copy of Aadhar Card) by email to [secretarial.lud@vardhman.com](mailto:secretarial.lud@vardhman.com)/ [rta@alankit.com](mailto:rta@alankit.com).
- b. For Demat shareholders - please update your email id & mobile no. with your respective Depository Participant (DP).
- c. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you may write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

14. M/s. Ashok K. Singla & Associates, Company Secretaries, have been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner. The Scrutinizer shall upon the conclusion of e-Voting period, unblock the votes in presence of at least two witnesses not in employment of the Company and make a report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
15. The Results of the resolutions passed at the AGM of the Company will be declared within 2 working days of the conclusion of AGM. The results declared along with the Scrutinizer's report shall be simultaneously placed on the Company's website [www.vardhman.com](http://www.vardhman.com) and on the website of CDSL and will be communicated to the Stock Exchanges.
16. Dividend income is taxable in the hands of the members and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961. In general, no tax will be deducted on payment of dividend to category of members who are resident individuals (with valid PAN details updated in their folio/client ID records) and the total dividend amount payable to them does not exceed ₹ 5,000/-. Members not falling in the said category, can go through the detailed note with regard to applicability of tax rates for various other categories of members and the documents that need to be submitted for nil or lower tax rate, which has been provided on the Company's website at [www.vardhman.com](http://www.vardhman.com).

**By Order of the Board**

Sd/-

**(Swati Mangla)**

Company Secretary

Place: Ludhiana

Date: 06.09.2022

## Annexure to the Notice:

### STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

#### ITEM NO. 4

M/s. R. Dewan & Co., Chartered Accountants (Firm Registration No. 017883N) were re-appointed as Statutory Auditors of the Company by the Members for a term of three consecutive years starting from the conclusion of 55<sup>th</sup> Annual General Meeting till the conclusion of 58<sup>th</sup> Annual General Meeting of the Company. Their tenure of three years is going to complete at the conclusion of the forthcoming Annual General Meeting. Upon the recommendation of Audit Committee, the Board of Directors in its meeting held on 9<sup>th</sup> August, 2022 had considered and approved the appointment of M/s. K.C. Khanna & Co., Chartered Accountants (Firm Registration No. 000481N), as Statutory Auditors of the Company for a term of five years, at such remuneration as may be finalised from time to time by the Chairman & Managing Director of the Company. The said appointment is subject to the approval by the Members.

M/s K.C. Khanna & Co. is a Chartered Accountant firm founded by Mr. K.C. Khanna in the year 1942 and having its headquarter in New Delhi. The firm is empanelled with Comptroller and Auditor General of India (CAG), Professional Development Committee of the Institute of Chartered Accountants of India and Audit Bureau of Circulations Limited, Mumbai and has a rich experience of 80 years in handling professional assignments i.e. Audit, Taxation, Corporate matters, Management Consultancy etc., in both Public Sector as well as Private Sector.

The Board of Directors recommends the Ordinary Resolution as set out at Item No. 4 of the Notice for approval by the Members. Accordingly, your approval is solicited.

#### MEMORANDUM OF INTEREST:

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 4.

#### ITEM NO. 5:

The Members of the Company in their 55<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2019 had approved re-

appointment of Mr. Shri Paul Oswal as Managing Director of the Company for a term of three years w.e.f 09.08.2019. As the term of his appointment expired on 08.08.2022, the Board of Directors in its meeting held on 9<sup>th</sup> August, 2022 has re-appointed Mr. Shri Paul Oswal as Managing Director for a period of three years with effect from 09.08.2022, at remuneration as detailed in the resolution. The said re-appointment of Mr. Shri Paul Oswal is subject to the approval by the Members.

Mr. Shri Paul Oswal holds Masters degree in Commerce (Gold Medalist). He is having a rich and varied experience of more than 50 Years in Textile Industry. He is associated with the Company since incorporation. Considering his vast and rich experience, the Board of Directors recommends the Special Resolution as set out at Item No. 5 of the Notice for approval by the Members. Accordingly your approval is solicited.

#### MEMORANDUM OF INTEREST:

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

#### ITEM NO. 6:

Mr. Rajeev Kumar Mittal was appointed as an Independent Director of the Company for a term of five consecutive years, pursuant to approval of the Members under the provisions of the Companies Act, 2013 through resolution passed at the 53<sup>rd</sup> Annual General Meeting held on 22<sup>nd</sup> September, 2017.

Considering the rich experience, knowledge, skills, valuable contribution to the Company and overall performance evaluation of Mr. Rajeev Kumar Mittal, the Board of Directors of the Company in its meeting held on 9<sup>th</sup> August, 2022 has approved and recommended his re-appointment as an Independent Director for a second term of consecutive three (3) years to the Members of the Company for their approval.

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company and shall be eligible for re-appointment on passing of a Special resolution by the Company.

Mr. Rajeev Kumar Mittal has given declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, he fulfills the conditions specified in the Act and the Rules framed thereunder for appointment as an Independent Director.

The Company has received a notice in writing from a Member proposing the candidature of Mr. Rajeev Kumar Mittal to be re-appointed as an Independent Director of the Company in accordance with the provisions of the Companies Act, 2013.

His brief Profile is provided at the end of this statement.

The Board of Directors recommends the Special Resolution as set out at Item No. 6 of the Notice for approval by the Members. Accordingly, your approval is solicited.

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

Except Mr. Rajeev Kumar Mittal, being the appointee, none of the Directors/ Key Managerial Personnel of the Company/ their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 6.

#### **ITEM NO. 7:**

The Board of Directors of the Company vide its Resolution dated 6<sup>th</sup> September, 2022 and on the basis of recommendation of Nomination & Remuneration Committee and pursuant to the provisions of Section 161(1) of the Companies Act, 2013 read with the Articles of Association of the Company, had appointed Dr. Pooja Mehta (DIN: 07808149) as an Additional Director, designated as an Independent Director of the Company with effect from 29<sup>th</sup> September, 2022 to hold office upto the date of forthcoming Annual General Meeting. Her term of appointment as an Independent Director will be consecutive three years starting from 29<sup>th</sup> September, 2022. She will be paid sitting fees and incidental expenses for attending the Board/ Committee Meetings, as applicable to other Independent Directors of the Company.

Dr. Pooja Mehta is a Master of Commerce from Guru Nanak

Dev University, Amritsar and Master of Philosophy from Kurukshetra University. She has completed her Ph.D from Punjabi University, Patiala on the topic of 'Socially Responsible Investment Intention – An Investigation of North Indian Individual Investor'. She is highly motivated, enthusiastic and dedicated professional with over 18 years of teaching experience. Her area of interests are Accounting, Finance and Corporate Laws. She has handled various administrative and leadership roles in different capacities.

Pursuant to the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, appointment of Independent Directors requires approval of the Members of the Company. Further, pursuant to Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a listed entity shall take approval of shareholders for appointment of Directors at the next general meeting or within three months from the date of appointment, whichever is earlier. Accordingly, the appointment of Dr. Pooja Mehta requires the approval of Members.

The Company has received requisite notice in writing from a Member proposing appointment of Dr. Pooja Mehta as a candidate for the office of Independent Director of the Company for a term of consecutive three (3) years starting from 29<sup>th</sup> September, 2022.

The Company has received consent from Dr. Pooja Mehta and also a declaration confirming that she is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 as well as Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dr. Pooja Mehta is Independent of the Management and in the opinion of the Board, fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for appointment as an Independent Director of the Company. A copy of the draft letter for appointment as an Independent Director setting out the terms and conditions would be available for inspection without any fee to the Members at the Registered Office of the Company during normal business hours on any working day. A brief profile of Dr. Pooja Mehta, is provided at the end of this statement.

The Board recommends the Special Resolution as set out at Item No. 7 of the Notice for approval by the Members. Accordingly, your approval is solicited.

**MEMORANDUM OF INTEREST:**

Except Dr. Pooja Mehta, being the appointee, none of the Directors/ Key Managerial Personnel of the Company/ their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 7.

**ITEM NO. 8:**

The Board of Directors of the Company vide its Resolution dated 6<sup>th</sup> September, 2022 and on the basis of recommendation of Nomination & Remuneration Committee and pursuant to the provisions of Section 161(1) of the Companies Act, 2013 read with the Articles of Association of the Company, had appointed Mr. Devendra Bhushan Jain (DIN: 06911676) as an Additional Director, designated as an Independent Director of the Company with effect from 29<sup>th</sup> September, 2022 to hold office upto the date of forthcoming Annual General Meeting. His term of appointment as an Independent Director will be consecutive five years starting from 29<sup>th</sup> September, 2022. He will be paid sitting fees and incidental expenses for attending the Board/ Committee Meetings, as applicable to other Independent Directors of the Company.

Mr. Devendra Bhushan Jain is a Bachelor of Science from Bombay University. He has a rich business experience of more than 50 years with expertise in the field of Marketing.

Pursuant to the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, appointment of Independent Directors requires approval of the Members of the Company. Further, pursuant to Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a listed entity shall take approval of shareholders for appointment of Directors at the next general meeting or within three months from the date of appointment, whichever is earlier. Accordingly, the appointment of Mr. Devendra Bhushan Jain requires the approval of Members.

The Company has received requisite notice in writing from a Member proposing appointment of Mr. Devendra Bhushan Jain as candidate for the office of Independent Director of the Company for a term of consecutive five (5) years starting from 29<sup>th</sup> September, 2022.

The Company has received consent from Mr. Devendra Bhushan Jain and also a declaration confirming that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 as well as Regulation 16(b) of

the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Devendra Bhushan Jain is Independent of the Management and in the opinion of the Board, fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for appointment as an Independent Director of the Company. A copy of the draft letter for appointment as an Independent Director setting out the terms and conditions would be available for inspection without any fee to the Members at the Registered Office of the Company during normal business hours on any working day. A brief profile of Mr. Devendra Bhushan Jain, is provided at the end of this statement.

The Board recommends the Special Resolution as set out at Item No. 8 of the Notice for approval by the Members. Accordingly, your approval is solicited.

**MEMORANDUM OF INTEREST:**

Except Mr. Devendra Bhushan Jain, being the appointee, none of the Directors/ Key Managerial Personnel of the Company/ their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 8.

**ITEM NO. 9:**

The Board of Directors of the Company vide its Resolution dated 6<sup>th</sup> September, 2022 and on the basis of recommendation of Nomination & Remuneration Committee and pursuant to the provisions of Section 161(1) of the Companies Act, 2013 read with the Articles of Association of the Company, had appointed Mr. Manjul Pahwa (DIN: 08249236) as an Additional Director, designated as an Independent Director of the Company with effect from 29<sup>th</sup> September, 2022 to hold office upto the date of forthcoming Annual General Meeting. His term of appointment as an Independent Director will be consecutive five years starting from 29<sup>th</sup> September, 2022. He will be paid sitting fees and incidental expenses for attending the Board/ Committee Meetings, as applicable to other Independent Directors of the Company.

Mr. Manjul Pahwa has done Bachelor of Science in Mechanical Engineering and Economics from Columbia University, USA. After completing his academics, he has worked with a leading New York based Investment Bank as an expert on the subject of Merger & Amalgamation, Joint Ventures and Equity Capital Markets. Currently, he is the Managing Director of Ralson Tyres Limited and looking after portfolio & growth strategy, organization development and profit growth.

Pursuant to the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, appointment of Independent Directors requires approval of the Members of the Company. Further, pursuant to Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a listed entity shall take approval of shareholders for appointment of Directors at the next general meeting or within three months from the date of appointment, whichever is earlier. Accordingly, the appointment of Mr. Manjul Pahwa requires the approval of Members.

The Company has received requisite notice in writing from a Member proposing appointment of Mr. Manjul Pahwa as candidate for the office of Independent Director of the Company for a term of consecutive five (5) years starting from 29<sup>th</sup> September, 2022.

The Company has received consent from Mr. Manjul Pahwa and also a declaration confirming that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 as well as Regulation 16(b) of the

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Manjul Pahwa is Independent of the Management and in the opinion of the Board, fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for appointment as an Independent Director of the Company. A copy of the draft letter for appointment as an Independent Director setting out the terms and conditions would be available for inspection without any fee to the Members at the Registered Office of the Company during normal business hours on any working day. A brief profile of Mr. Manjul Pahwa, is provided at the end of this statement.

The Board recommends the Special Resolution as set out at Item No. 9 of the Notice for approval by the Members. Accordingly, your approval is solicited.

**MEMORANDUM OF INTEREST:**

Except Mr. Manjul Pahwa, being the appointee, none of the Directors/ Key Managerial Personnel of the Company/ their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 9.

**Information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2), regarding the Directors retiring by rotation/seeking appointment/re-appointment in the Annual General Meeting.**

<b>Name of the Director</b>	<b>Mr. Sachit Jain</b>	<b>Mr. Shri Paul Oswal</b>	<b>Mr. Rajeev Kumar Mittal</b>	<b>Dr. Pooja Mehta</b>	<b>Mr. Devendra Bhushan Jain</b>	<b>Mr. Manjul Pahwa</b>
Date of Birth	08.07.1966	08.04.1942	13.04.1962	19.12.1981	26.08.1942	06.02.1996
Age	56 years	80 years	60 years	40 years	80 years	26 years
Date of First Appointment	30.03.2005	12.04.1971	11.11.2016	29.09.2022	29.09.2022	29.09.2022
Number of Meetings of the Board attended during the financial year	1	1	4	-	-	-
Expertise in specific functional area	Business Executive having experience of more than 31 years in Textile & Steel Industry.	Rich Business experience of more than 50 years in Textile Industry.	Rich Business experience of more than 40 years in Steel Industry	Rich experience of more than 18 years in teaching.	Rich Business experience of more than 50 years with expertise in Marketing.	Experience in the field of Equity Capital Markets, Merger & Amalgamation and Joint Ventures.
Qualification	B.Tech, MBA	M.Com (Gold Medalist)	B.Com	M.Com, M.Phil, Ph.D	B.Sc	B.Sc – Mechanical Engineering and Economics
Directorships in other Listed Companies as on 31 <sup>st</sup> March, 2022	1.Vardhman Acrylics Limited 2.Vardhman Textiles Limited 3.Vardhman Special Steels Limited	1. Vardhman Acrylics Limited 2.Vardhman Textiles Limited	-	-	-	-
Chairman/Member of Committees of Other Listed Companies as on 31 <sup>st</sup> March, 2022	Stakeholders Relationship Committee: Vardhman Textiles Limited – Member	-	-	-	-	-



<b>Name of the Director</b>	<b>Mr. Sachit Jain</b>	<b>Mr. Shri Paul Oswal</b>	<b>Mr. Rajeev Kumar Mittal</b>	<b>Dr. Pooja Mehta</b>	<b>Mr. Devendra Bhushan Jain</b>	<b>Mr. Manjul Pahwa</b>
Listed entity from which the Director resigned in last 3 years	-	-	-	-	-	-
Skills and capabilities required by Independent Directors for the role and manner in which such requirements are met.	NA	NA	Leadership, Strategic Planning, Finance and Administration.  He will contribute the Board with his rich industrial experience and skills in dealing with the matters like Finance, Strategic Planning and Administration.	Leadership, Finance & Accounts and Administration  She will contribute the Board with her rich experience and knowledge in Finance & Accounts and Corporate Laws.	Leadership, Strategic Planning, Finance and Administration  He will contribute the Board with his rich business experience and knowledge in Marketing, Finance & Administration.	Leadership, Strategic Planning, Finance and Administration  He will contribute the Board with his experience in Equity Capital Markets and Business Finance.
Shareholding in the Company	2,330	56,880		-	-	-
Relationship with other Directors/ KMP	Related to Mr. Shri Paul Oswal, Mrs. Shakun Oswal and Mrs. Suchita Jain.	Related to Mrs. Shakun Oswal, Mr. Sachit Jain and Mrs. Suchita Jain.	Not related to any Director/ KMP.	Not related to any Director/ KMP.	Not related to any Director/ KMP.	Not related to any Director/ KMP.



# Directors' Report

## Dear Members,

The Directors of your Company have pleasure in presenting their 58<sup>th</sup> Annual Report of the business and operations of the Company along with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2022.

## 1. FINANCIAL RESULTS:

The financial performance of your Company for the year ended 31<sup>st</sup> March, 2022 is as under:-

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Revenue from operations (Net)	11,497.71	1,978.51	3,308.95	1,978.51
Other Income	185.46	124.69	185.46	124.69
Income from Associates	-	-	42,760.92	11,446.14
Profit before Depreciation, Interest & Tax (PBDIT)	11,375.72	1,876.17	45,947.89	13,322.31
Interest and Financial expenses	-	-	-	-
Profit before Depreciation and Tax (PBDT)	11,375.72	1,876.17	45,947.89	13,322.31
Depreciation	0.77	0.88	0.77	0.88
Profit before Tax (PBT)	11,374.96	1,875.29	45,947.12	13,321.43
Provision for Tax - Current	2,725.35	365.42	2,725.35	365.42
- Deferred Tax	313.95	4.86	313.95	4.86
- MAT Credit Entitlement	-	-	-	-
<b>Profit after tax (PAT)</b>	<b>8,335.66</b>	<b>1,505.01</b>	<b>42,907.82</b>	<b>12,951.15</b>
Other Comprehensive Income	4,356.18	5,060.25	4,356.18	5,060.25
Total Comprehensive Income	12,691.84	6,565.26	47,264.00	18,011.40
Balance brought forward	45,945.32	39,681.06	2,09,619.50	1,91,909.11
Profit available for appropriation	12,691.84	6,565.26	47,264.00	18,011.40
<b>Appropriations:</b>				
Proposed Dividend on Equity Shares	159.58	-	159.58	-
Transfer to Statutory Reserve	1,667.13	301.00	672.39	301.00
Closing balance of surplus i.e. Balance in Statement of Profit & Loss	56,810.45	45,945.32	2,56,051.53	2,09,619.50
Earnings per share (₹.)				
- Basic	261.18	47.16	1344.43	405.80
- Diluted	261.18	47.16	1344.43	405.80

## 2. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

### A. FINANCIAL ANALYSIS

#### i. STANDALONE

During the year under review, your Company has registered Revenue from Operations of ₹11,497.71 Lakhs as compared to ₹ 1,978.51 Lakhs in the previous year. The Company earned other income of ₹ 185.46 Lakhs during the year as against ₹ 124.69 Lakhs during last year.

#### PROFITABILITY:

The Company earned profit before depreciation, interest and tax of ₹ 11,375.72 Lakhs as against ₹ 1,876.17 Lakhs in the previous year. After providing for depreciation of ₹ 0.77 Lakhs (Previous Year ₹ 0.88 Lakhs), provision for current tax ₹ 2,725.35 Lakhs (Previous Year ₹ 365.42 Lakhs), deferred tax ₹ 313.95 Lakhs (Previous Year ₹ 4.86 Lakhs), the net profit from operations worked out to ₹ 8,335.66 Lakhs as compared to ₹ 1,505.01 Lakhs in the previous year.

The balance available for appropriation after adding balance in surplus account is ₹ 12,691.84 Lakhs. Out of this, a sum of ₹ 1,667.13 Lakhs is proposed to be transferred to Special reserve account and the balance of ₹ 56,810.46 Lakhs is proposed to be carried as surplus to the balance sheet.

Return on Net Worth for the financial year 2021-22 increased from 2.25% to 10.49% on account of increase in net profits during the year.

#### ii. CONSOLIDATED

During the year under review, your Company has registered Revenue from Operations of ₹ 3,308.95 Lakhs as compared to ₹ 1,978.51 Lakhs in the previous year. The Company earned other income of ₹ 185.46 Lakhs during the year as against ₹ 124.69 Lakhs during last year.

#### PROFITABILITY:

The Company earned profit before depreciation, interest and tax of ₹ 45,947.89 Lakhs as against ₹ 13,322.31 Lakhs in the previous year. After providing

for depreciation of ₹ 0.77 Lakhs (Previous Year ₹ 0.88 Lakhs), provision for current tax ₹ 2,725.35 Lakhs (Previous Year ₹ 365.42 Lakhs), deferred tax ₹ 313.95 Lakhs (Previous Year ₹ 4.86 Lakhs), the net profit from operations worked out to ₹ 42,907.82 Lakhs as compared to ₹ 12,951.15 Lakhs in the previous year.

The balance available for appropriation after adding balance in surplus account is ₹ 47,264.00 Lakhs. Out of this, a sum of ₹ 672.39 Lakhs is proposed to be transferred to Special reserve account and the balance of ₹ 2,56,051.53 Lakhs is proposed to be carried as surplus to the balance sheet.

### B. RESOURCES UTILISATION:

- a) **Fixed Assets:** The Net Block as at 31<sup>st</sup> March, 2022 was ₹ 320.90 Lakhs as compared to ₹ 321.67 Lakhs in the previous year.
- b) **Current Assets:** The current assets as on 31<sup>st</sup> March, 2022 were ₹ 76,663.72 Lakhs as against ₹ 62,824.34 Lakhs in the previous year.

### C. FINANCIAL CONDITIONS & LIQUIDITY:

Particulars	₹ in Lakhs)	
	2021-22	2020-21
<b>Cash and Cash equivalents:</b>		
Beginning of the year	7,638.83	468.75
End of the year	262.34	7,638.83
<b>Net cash provided (used) by:</b>		
Operating Activities	7,829.18	8,214.27
Investing Activities	(15,046.08)	(1,041.88)
Financing Activities	(159.59)	(2.31)

### D. BUSINESS OUTLOOK:

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

### **E. MANAGEMENT PERCEPTION OF RISK AND CONCERNS:**

The Company recognizes that risk is an integral and unavoidable component of business and is committed to managing the risk in a proactive and effective manner. The Company is a NBFC registered with RBI and mainly engaged in investment activities. It follows a strategy of adopting a systematic approach to investment into different asset classes and keeping the portfolio dynamic as per the changing market conditions. The Company is prone to all the financial risks and capital market fluctuations.

### **3. DIVIDEND:**

The Board of Directors in its meeting held on 25<sup>th</sup> May, 2022 has recommended a dividend of ₹ 5/- per share on fully paid-up Equity Shares of the Company for the financial year 2021-22.

### **4. 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, 2022, there are no outstanding/unclaimed deposits from the public.

### **5. INVESTOR EDUCATION AND PROTECTION FUND (IEPF):**

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government after the completion of seven years from the date of transfer to the Unpaid Dividend Account of the Company. The shareholders whose dividends have been transferred to the IEPF Authority can claim their dividend from the Authority. The unclaimed or unpaid dividend relating to the Financial Year 2014-15 is due for remittance in the month of October, 2022 to the Investor Education and Protection Fund established by the Central Government.

Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by shareholders for seven consecutive years or more shall

also be transferred to the IEPF Authority. The Company has sent notice to all shareholders whose shares are due to be transferred to the IEPF Authority and has also published requisite advertisement in the newspapers in this regard.

The details of these shares are also provided on the website of the Company at <https://www.vardhman.com>

### **6. CONSOLIDATED FINANCIAL STATEMENT:**

In accordance with Companies Act, 2013 and Indian Accounting Standard IND AS-110 on Consolidated Financial Statements read with IND AS-28 on 'Accounting for Investments in Associates' the Audited Consolidated Financial Statements are provided in the Annual Report.

### **7. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:**

During the year under review, no Company has become or ceased to be Company's subsidiary, joint venture or associate company. Further, the Company does not have any material subsidiary. The Company has following associate companies, the details of their financials for the year 2021-22 are given below:-

#### **Vardhman Textiles Limited (VTXL)**

Vardhman Textiles Limited (VTXL) is an Associate Company of the Company. The Company holds 27.52% shares of VTXL as on 31<sup>st</sup> March, 2022. VTXL is engaged in manufacturing of world class textiles. During the year, the Revenue from Operations (Consolidated) of VTXL was ₹ 9,622.34 crores as compared to ₹ 6,139.87 crores in the previous year. VTXL has a Net Profit after comprehensive income (Consolidated) of ₹ 1,558.03 crores as compared to ₹ 431.66 crores in the previous year.

#### **Vardhman Spinning and General Mills Limited (VSGM)**

Vardhman Spinning and General Mills Limited (VSGM) is an Associate Company of the Company. The Company holds 50% shares of VSGM as on 31<sup>st</sup> March, 2022. It is a trading Company dealing in trading of Cotton and Fibre. During the year, the Company has not traded any goods, however, the Revenue from Operations is ₹ 0.42 lakhs for the Financial Year 2021-22 as compared to ₹ 0.99 lakhs in the previous year. The Company earned a Net Profit of ₹ 0.04 lakhs as compared to ₹ 0.17 lakhs in the previous year.

## 8. DIRECTORS:

**Liabile to retire by rotation:** In accordance with the provisions of the Articles of Association of the Company, Mr. Sachit Jain, Director of the Company, retire by rotation at the conclusion of the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommended his appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

**Cessation from Directorship:** During the year, Mr. Chaman Lal Jain ceased to be a Director of the Company with effect from 28<sup>th</sup> September, 2021.

### Declaration by Independent Directors:

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

Your Board confirms that in its opinion the Independent Directors possess the requisite integrity, experience, expertise, proficiency and qualifications. All the Independent Directors on the Board of the Company are registered with the Indian Institute of Corporate Affairs, Manesar, Gurgaon (IICA) as notified by the Central Government under Section 150(1) of the Companies Act, 2013 and shall undergo online proficiency self-assessment test, if applicable, within the time prescribed by the IICA.

### Company's Policy relating to Directors appointment, payment of remuneration and discharge of their duties:

The Nomination & Remuneration Committee of the Company has formulated the Nomination & Remuneration Policy on Director's appointment and remuneration which includes the criteria for determining qualifications, positive attributes, independence of a director and other matters as provided under Section 178(3) of the Companies Act, 2013.

The Nomination & Remuneration Policy is annexed hereto and forms part of this report as **Annexure I**.

### Familiarization programme for Board Members:

Your Company has formulated Familiarization Programme for all the Board members in accordance with Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Schedule IV of the Companies Act, 2013 which provides that the Company shall familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of Industry in which the Company operates, business model of the Company etc. through various programs.

The Familiarization Programme for Board members may be accessed on the Company's website at the link:

[https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Holdings%20Ltd/Familisation\\_Program\\_for\\_Board\\_Members.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Holdings%20Ltd/Familisation_Program_for_Board_Members.pdf)

### Annual Evaluation of the Board Performance:

The meeting of Independent Directors of the Company for the financial year 2021-22 was held on 29<sup>th</sup> March, 2022 to evaluate the performance of Non-Independent Directors, Chairperson of the Company and the Board as a whole.

The evaluation was done by way of discussions on the performance of the Non- Independent Directors, Chairman and Board as a whole.

A policy on the performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of non-executive directors and executive directors has been formulated by the Company.

## 9. KEY MANAGERIAL PERSONNEL (KMP):

In compliance with provisions of Section 203 of the Companies Act, 2013, following are the KMPs of the Company as on 31st March, 2022:

S. No.	Name	Designation
1.	Shri Paul Oswal	Chairman & Managing Director
2.	Poorva Bhatia	Chief Financial Officer
3.	Swati Mangla	Company Secretary

## 10. NUMBER OF BOARD MEETINGS:

During the year under review, the Board met four (4) times and the intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013. The details of Board Meetings are set out in Corporate Governance Report which forms part of this Annual Report.

## 11. AUDITORS AND AUDITORS REPORT:

### Statutory Auditors:

At the 55<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2019, M/s. R. Dewan & Company, Chartered Accountants (Firm Registration No. 017883N) were re-appointed as Statutory Auditors of the Company to hold office till the conclusion of 58<sup>th</sup> Annual General Meeting of the Company.

Further, the Statutory Auditors of the Company have submitted Auditors' Report on the accounts of the Company for the accounting year ended 31<sup>st</sup> March, 2022.

This Auditors' Report is self-explanatory and requires no comments.

### Secretarial Auditors:

M/s Khanna Ashwani & Associates, Company Secretaries, were appointed as Secretarial Auditors of the Company by the Board of Directors of the Company in its meeting held on 26<sup>th</sup> May, 2021 for the financial year 2021-22.

The Secretarial Auditors of the Company have submitted their Report in Form No. MR-3 as required under Section 204 of the Companies Act, 2013 for the financial year ended 31<sup>st</sup> March, 2022. This Report is self-explanatory and requires no comments. The Report forms part of this report as **Annexure II**.

### Cost Auditors

Under the provisions of Section 148(1) of the Companies Act, 2013, maintenance of cost records is not applicable to the Company.

## 12. AUDIT COMMITTEE :

### Composition of Audit Committee:

The Audit Committee consists of four Independent Directors i.e. Mrs. Apinder Sodhi, Mr. Sat Pal Kanwar, Mr. Om Parkash Sharma and Mr. Sanjeev Jain.

Mrs. Apinder Sodhi is the Chairperson of the Committee and Company Secretary of the Company is the Secretary of the Committee. All the recommendations made by the Audit Committee were accepted by the Board.

## 13. VIGIL MECHANISM & SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013 the Company has established a "Vigil Mechanism" incorporating Whistle Blower Policy in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for employees and Directors of the Company, for expressing the genuine concerns of unethical behavior, actual or suspected fraud or violation of the codes of conduct by way of direct access to the Chairman/ Chairman of the Audit Committee.

The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns.

The Policy on Vigil Mechanism and Whistle Blower Policy as approved by the Board may be accessed on the Company's website at the link: [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Holdings%20Ltd/Vigil\\_Mechanism\\_and\\_Whistle\\_Blower\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Holdings%20Ltd/Vigil_Mechanism_and_Whistle_Blower_Policy.pdf)

### Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Your Directors further state that, during the year under review, there were no complaints filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## 14. BUSINESS RESPONSIBILITY REPORT (BRR):

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandate the inclusion of the BRR as part of the Annual Report for top 1000 listed entities based on market capitalization. In compliance with the Listing Regulations, we have integrated BRR disclosure into our Annual Report.

## 15. DIVIDEND DISTRIBUTION POLICY (DDP):

As per Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the top 1000 listed companies are required to formulate a DDP. Accordingly, a DDP was adopted to set out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company. The policy is available on the Company's website at the link: [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Holdings%20Ltd/Dividend\\_Distribution\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Holdings%20Ltd/Dividend_Distribution_Policy.pdf)

## 16. CORPORATE GOVERNANCE:

The Company has in place a system of Corporate Governance. Corporate Governance is about maximizing shareholder value legally, ethically and sustainably. A separate report on Corporate Governance forming part of the Annual Report of the Company is annexed hereto. A certificate from the Practising Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the report on Corporate Governance.

## 17. CORPORATE SOCIAL RESPONSIBILITY (CSR):

**Vision & Core areas of CSR:** Your Company is committed to and fully aware of its Corporate Social Responsibility (CSR), the guidelines in respect of which were more clearly laid down in the Companies Act, 2013. The Company's vision on CSR is that the Company being a responsible Corporate Citizen would continue to make a serious endeavor for a quality value addition and constructive contribution in building a healthy and better society through its CSR related initiatives and focus on education, environment, health care and other social causes.

**CSR Policy:** The Corporate Social Responsibility (CSR) Policy of the Company indicating the activities to be undertaken by the Company, as approved by the Board, may be accessed on the Company's website at the link: [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Holdings%20Ltd/Risk\\_Management\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Holdings%20Ltd/Risk_Management_Policy.pdf)

During the year, the Company has spent ₹ 132.70 Lakhs on CSR activities.

The disclosures related to CSR activities pursuant to Section 134(3) of the Companies Act, 2013 read with Rule 9 of Companies (Accounts) Rules, 2014 and Companies (Corporate Social Responsibility) Rules, 2014 is annexed hereto and forms part of this report as **Annexure III**.

## 18. RISK MANAGEMENT:

The Risk Management Policy required to be formulated under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been duly formulated and approved by the Board of Directors of the Company. The aim of Risk Management Policy is to maximize opportunities in all activities and to minimize adversity. The policy includes identifying types of risks and its assessment, risk handling, monitoring and reporting, which in the opinion of the Board may threaten the existence of the Company.

The Risk Management Policy may be accessed on the Company's website at the link:

[https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Holdings%20Ltd/Risk\\_Management\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Holdings%20Ltd/Risk_Management_Policy.pdf)

## 19. INTERNAL FINANCIAL CONTROLS:

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

A report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 as given by the Statutory Auditors of the Company forms part of Independent Auditor's Report on Standalone Financial Statements as **Annexure B** and Independent Auditor's Report on Consolidated Financial Statements as **Annexure A**.



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

All contracts/arrangements/transactions entered into by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement/transaction with related parties which could be considered material in accordance with the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, the disclosure of Related Parties Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

The Policy on dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Holdings%20Ltd/Related\\_Party\\_Transactions\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Holdings%20Ltd/Related_Party_Transactions_Policy.pdf)

Your Directors draw attention of the Members to Note no. 26 to the standalone financial statement which sets out related party disclosures.

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

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the standalone financial statement (Please refer to Note no. 6 to the standalone financial statement).

## 22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars with respect to conservation of energy and other areas as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 are not applicable.

## 23. ANNUAL RETURN

In terms of Section 92(3) and 134(3)(a) of the Companies Act, 2013 the Annual Return of the Company is available on the website of the Company at the link: [www.vardhman.com](http://www.vardhman.com).

## 24. HUMAN RESOURCES /INDUSTRIAL RELATIONS:

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

## 25. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

The disclosures in respect of managerial remuneration as required under section 197 (12) read with Rule 5 (1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is attached in **Annexure IV** and form part of this report.

None of the employees has received salary of ₹ 1.02 crores per annum or ₹ 8.50 lakhs per month or more during the Financial Year 2021-22. However, the particulars of employees as per Rule 5 (2) and 5(3) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith.

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

## 26. MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of this report.

## 27. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to provisions of Section 134 (5) of the Companies Act, 2013 the Board hereby submits its responsibility statement:-

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- b. appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2022 and of the profit of the Company for the year ended on 31<sup>st</sup> March, 2022;
- c. proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts have been prepared on a going concern basis;
- e. the internal financial controls has been laid down to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

## 28. GENERAL DISCLOSURES:

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

1. Change in nature of Business of the Company.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
4. No fraud has been reported by the Auditors to the Audit Committee or the Board.
5. There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.
6. There was no instance of one time settlement with any Bank or Financial Institution.

## 29. ACKNOWLEDGEMENT:

Your Directors are pleased to place on record their sincere gratitude to the Government, Bankers, Business Constituents and Shareholders for their continued and valuable co-operation and support to the Company and look forward to their continued support and co-operation in future too.

They also take this opportunity to express their deep appreciation for the devoted and sincere services rendered by the employees of the Company during the year.

**For and on Behalf of the Board**

Sd/-

**(S.P. Oswal)**

Place : Ludhiana

Dated : 25<sup>th</sup> May, 2022

Chairman & Managing Director



# Index of Annexures

(Forming part of Board Report)

Annexure No.	Particulars
I	Nomination and Remuneration Policy.
II	Secretarial Audit Report in form no. MR-3 for FY 2021-22.
III	CSR Activities – Annual Report FY 2021-22.
IV	Particulars of employees and related disclosures.

## Annexure-I

### Nomination and Remuneration Policy of Vardhman Holdings Limited

#### 1. PREFACE:

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

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

The amended policy is as under:-

#### 2. ROLE OF THE COMMITTEE:

- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to Board their appointment and removal.
- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To recommend to the Board remuneration policy related to remuneration of Directors (whole time Directors, Executive Directors etc), Key Managerial

Personnel and other employees while ensuring the following:-

- That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
- That relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- That remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate of the working of the company and its goals.

- To formulate criteria for evaluation of Directors and the Board.
- To devise a policy on Board diversity.

#### 3. MEMBERSHIP:

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

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

#### **4. CHAIRMAN:**

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

#### **5. FREQUENCY OF MEETINGS:**

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

#### **6. COMMITTEE MEMBERS' INTERESTS:**

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

#### **7. SECRETARY:**

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

#### **8. VOTING:**

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

#### **9. MINUTES OF COMMITTEE MEETING:**

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

#### **10. EFFECTIVE DATE & AMENDMENTS:**

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

## Annexure-II

## Form No. MR-3

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31.03.2022.**

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

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

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

Based on our verification of the **Vardhman Holdings Limited** books, papers, minutes books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31.03.2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute book, forms and returns filed and other records maintained by the company for the financial year ended on 31.03.2022 according to the provisions of:

- (i) The **Companies Act, 2013** (the Act) and the rules made thereunder;
- (ii) The **Securities Contracts (Regulation Act, 1956 ('SCRA'))** and the rules made thereunder;
- (iii) The **Depositories Act, 1996** and the Regulations and Bye-laws framed thereunder;
- (iv) **Foreign Exchange Management Act, 1999** and the rules and regulations made thereunder to the extent of

Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the **Securities and Exchange Board of India Act, 1992** ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (**Substantial Acquisition of Shares and Takeovers**) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (**Prohibition of Insider Trading**) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (**Issue of Capital and Disclosure Requirements**) Regulations, 2018; not applicable to the company during period of audit.
  - (d) The Securities and Exchange Board of India (**Share Based Employee Benefits and Sweat Equity**) Regulations, 2021; not applicable during the period of audit.
  - (e) The Securities and Exchange Board of India (**Issue and Listing of Non- Convertible Securities**) Regulations, 2021; not applicable to the company during period of audit.
  - (f) The Securities and Exchange Board of India (**Registrar to an Issue and Share Transfer Agents**) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (**Delisting of Equity Shares**) Regulations, 2021; not applicable to the company during period of audit.
  - (h) The Securities and Exchange Board of India (**Buyback of Securities**) Regulations, 2018; not applicable to the company during period of audit. and

- (i) Listing Agreement and SEBI (**Listing Obligations and Disclosure Requirements**) Regulations 2015 (effective 1st December 2015)
- (vi) **Other Applicable laws** like environmental laws and labour laws; are not applicable during the audit period as the company is not undertaking any manufacturing process or division. Company is undertaking the business of Non Banking Financial Company, under the provisions and regulations of master circular issued by the RBI, and the provisions related to NBFC's, to the extent applicable to the NBFC category (NBFC – ND-SI), being applicable to the company during the audit period.

We have also examined compliance with the applicable clauses of the following:-

- (i) **Secretarial Standards** issued by The Institute of Company Secretaries of India (ICSI) - ICSI had issued Secretarial Standards numbering 1 and 2 corresponding with reference to the provisions of the Companies Act, 2013 (effective 1 July 2015) and the Management adheres to them;
- (ii) The **Listing Agreements** entered into by the Company with BSE Limited and National Stock Exchange of India Limited;
- (iii) NBFC Reporting Compliances with regards to filing of various returns applicable to the company.

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

#### **We further report that**

- The Board of Directors of the Company is duly constituted with proper balance of **Executive Directors, Non-Executive Directors and independent Directors**. The changes in the composition of the Board of Directors, if any, that took place during the period under review were carried out in compliance with the provisions of the Act.
- **Adequate notice** is given to all directors to schedule the **Board Meetings, Agenda** and detailed **notes** on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

Place: Ludhiana  
Date: 25.05.2022  
UDIN: F003254D000380070

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

**Annexure: -A**

To,  
The Members,

**Vardhman Holdings Limited.**  
**Vardhman Premises, Chandigarh Road,**  
**LUDHIANA-141010,**  
**Punjab (India).**

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc and we have relied on such representation for giving our report.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with the management has conducted the affairs of the Company.

Sd/-  
Signature:

**(Ashwani Kumar Khanna)**

Place: Ludhiana

Date: 25.05.2022

UDIN: F003254D000380070

FCS No. 3254

CP No. 2220

**ANNEXURE-III****ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2021-22****1. Brief outline on CSR Policy of the Company.****Broad contours of CSR Policy of the Company are:**

- 1) Promotion of Education
- 2) Rural Development
- 3) Promoting Healthcare
- 4) Any other project/programme pertaining to activities listed in Schedule-VII of the Companies Act, 2013.

**2. Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mrs. Suchita Jain	Chairperson/ Non-Independent, Non-Executive Director	2	2
2.	Mrs. Apinder Sodhi	Member/ Independent, Non-Executive Director	2	2
3.	Mr. Vikas Kumar	Member/Non- Independent, Non-Executive Director	2	1

Note: Mr. Vikas Kumar was appointed as member of the committee w.e.f. 11<sup>th</sup> Nov, 2021.

Mr. Chaman Lal Jain ceased to a Director of the Company w.e.f. 28<sup>th</sup> September, 2021..

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company**

Link of Composition:- [https://www.vardhman.com/Document/Report/Company%20Information/Board/Vardhman%20Holdings%20Ltd/List\\_of\\_Committees\\_of\\_Directors.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Board/Vardhman%20Holdings%20Ltd/List_of_Committees_of_Directors.pdf)

Link of Policy:- [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Holdings%20Ltd/Corporate\\_Social\\_Resonsibility\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Holdings%20Ltd/Corporate_Social_Resonsibility_Policy.pdf)

Link of CSR Projects:- <https://www.vardhman.com/Investors/Compliances>

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). NA**

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2021-22	NIL	NIL

**6. Average net profit of the company as per section 135(5).**

₹ 2,793.98 lakhs

7 (a)	7 (b)	7 (c)	7 (d)
Two percent of average net profit of the company as per section 135(5)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Amount required to be set off for the financial year, if any	Total CSR obligation for the financial year (7a+7b-7c).
₹ 55.88 lakhs	NIL	NIL	₹ 55.88 lakhs

**8.**

**(a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
2021-22	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 58.42 lakhs	NIL	NA	-	-	-

\* In addition, an amount of ₹ 74.28 lakhs, pertaining to financial year 2020-21, has also been spent during the current financial year.

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

1	2	3	4	5		6	7	8	9	10	10	
				State	District						Name	CSR registration number
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project.		Project Duration (Months)	Amount allocated for the project (in ₹ Lakhs)	Amount spent in the current financial Year (in ₹ Lakhs)	Amount transferred to unspent CSR Account for the project as per Section 135(6) (in ₹ Lakhs)	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency.	
1	Providing pathological equipment to Community Health Centre, Baddi, HP	Clause (i) Promoting Healthcare including Preventive Healthcare	No	Himachal Pradesh	Solan	13	3.10	-	-	No	Banarso Devi Oswal Public Charitable Trust	CSR00000977

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

1	2	3	4	5		6	7	8	
				State	District			Name	CSR registration number
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in ₹ Lakhs)	Mode of implementation - Direct (Yes/ No).	Mode of implementation - Through implementing agency.	
1	Provided financial assistance to Agra Heritage Centre.	Clause (v) Promotion of Arts & Culture	No	Uttar Pradesh	Agra	5.00	Yes	NA	NA
2	Provided financial support to CMC Hospital for promoting Research, implementation of Kaizen Process & Human Resource Development.	Clause (i) Promoting Healthcare including Preventive Healthcare	Yes	Punjab	Ludhiana	5.00	Yes	NA	NA
3	Provided safe drinking water facility.	Clause (i) Sanitation	Yes	Punjab	Ludhiana	0.45	No.	Banarso Devi Oswal Public Charitable Trust	CSR00000977
4	Contribution made to Hero DMC Heart Institute for the treatment of BPL and needy heart patients.	Clause (i) Promoting Healthcare including Preventive Healthcare	Yes	Punjab	Ludhiana	15.00	Yes	NA	NA
5	Provided financial support for annual tuition fee for five students of Auro Mira Vidhya Mandir, Kechla, Odisha.	Clause (ii) Promoting Education	No	Odisha	Koraput	2.25	Yes	NA	NA
6	Contribution to Aurobindo Ashram Trust for rural development projects	Clause (X) Rural Development Projects	No	Pondicherry	Pondicherry	5.00	Yes	NA	NA



1	2	3	4	5		6	7	8	
				State	District			Name	CSR registration number
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in ₹ Lakhs)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
7	Contributed for the Construction of Auditorium at Sri Aurobindo College of Commerce & Management, Ludhiana	Clause (ii) Promoting Education	Yes	Punjab	Ludhiana	25.72	Yes	Shri Aurobindo Socio Economic & Management Research Institute	CSR00000873
						<b>58.42</b>			

- (d) Amount spent in Administrative Overheads: : NIL
- (e) Amount spent on Impact Assessment, if applicable : NA
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 58.42 Lakhs
- (g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	₹ 55.88 Lakhs
(ii)	Total amount spent for the Financial Year	₹ 58.42 Lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 2.54 Lakhs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 2.54 Lakhs

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Lacs)	Amount spent in the reporting Financial Year (in ₹ Lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2020-21	74.28	74.28	-	-	-	NIL

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced.	Project duration (Months)	Total amount allocated for the project (in ₹ Lakhs)	Amount spent on the project in the reporting Financial Year (in ₹ Lakhs)	Cumulative amount spent at the end of reporting Financial Year. (in ₹ Lakhs)	Status of the project - Completed / Ongoing
1	FY31.03.2021_1	Contribution towards construction of "The Mother Auditorium" at Sri Aurobindo College of Commerce & Management (SACCM), Ludhiana	2020-21	24	100.00	74.28	100.00	Completed
						<b>74.28</b>		

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year****(Asset-wise details).**

- (a) **Date of creation or acquisition of the capital asset(s):** NA
- (b) **Amount of CSR spent for creation or acquisition of capital asset:** NA
- (c) **Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.:** NA
- (d) **Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):** NA

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).**

NA

Sd/-

**Suchita Jain**

(Chairperson of CSR Committee)

Sd/-

**S.P. Oswal**

(Managing Director)

## ANNEXURE-IV

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2021-22 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2021-22 are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/ KMP for Financial Year 2021-22 (Amount in Lakhs)	% Increase in Remuneration in the Financial Year 2021-22	Ratio of remuneration of each Director/ KMP to median remuneration of employees
1	Shri Paul Oswal Chairman & Managing Director	64.06	65.70	4.96
2.	Shakun Oswal Non-Executive Director	-	-	-
3.	Sachit Jain Non-Executive Director	-	-	-
4.	Suchita Jain Non-Executive Director	-	-	-
5.	Chaman Lal Jain Non-Executive Director*	0.28	NA	NA
6.	Jagdish Rai Singal Non-Executive Independent Director	0.38	-5.00	0.03
7.	Apinder Sodhi Non-Executive Independent Director	1.23	6.96	0.10
8.	Sat Pal Kanwar Non-Executive Independent Director	1.08	8.00	0.08
9.	Om Parkash Sharma Non-Executive Independent Director	0.78	0.00	0.06
10.	Rajeev Kumar Mittal Non-Executive Independent Director	0.40	300	0.03
11.	Sanjeev Jain Non-Executive Independent Director	0.78	0.00	0.06
12.	Vikas Kumar Non-Executive Director	-	-	-
13.	Poorva Bhatia Chief Financial Officer	12.91	28.09	1
14.	Swati Mangla Company Secretary	5.25	0.00	0.41

\* Mr. Chaman Lal Jain ceased to be a director of the Company w.e.f. 28.09.2021.

2. The median remuneration of employees of the Company during the Financial Year was ₹ 12.91 lakhs ( previous year ₹ 10.08 lakhs)
3. In the financial year, there was an increase of 28.09% in the median remuneration of employees.
4. There were 3 permanent employees on the rolls of the Company as on March 31, 2022.
5. Average percentage increase in the managerial remuneration in the last financial year 2021-22 was 52.26%.
6. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**B. DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

1. Persons employed throughout the financial year, who were in receipt of remuneration which, in aggregate, was not less than ₹ 1,02,00,000/- per annum – NIL.
2. Persons employed for a part of financial year, who were in receipt of remuneration for any part of that year, at a rate which in aggregate, was not less than ₹ 8,50,000/- per month – Nil.
3. A statement showing names of Top 10 Employees in terms of remuneration drawn during the year is as follows:

S No., Name, Age, Designation, Gross Remuneration (in ₹lakhs p.a.), Nature of Employment, Qualifications, Experience (in years), Date of Joining, Previous Employment and Percentage of equity shares held as on 31st March, 2022.

1) Shri Paul Oswal, 80, Chairman & Managing Director, 64.06, Regular, M. Com (Gold Medalist), 54, 12.04.1971, Started career with Vardhman, 1.78%. 2) Poorva Bhatia, 33, Manager, 12.91, Regular, B Com, Chartered Accountant, 11, 24.10.2011, Started career with Vardhman, Nil. 3) Swati Mangla, 32, Executive, 5.25, Regular, B.Com, MBA, Company Secretary, 7, 01.07.2014, Started career with Vardhman, Nil

**Note:** Except Mr. Shri Paul Oswal, none of the above employees is related to any Director of the Company.

# Corporate Governance Report

This report on Corporate Governance forms part of the Annual Report. Corporate Governance refers to a combination of laws, regulations, procedures, implicit rules and good corporate practices that ensure that a Company meets its obligations to optimize shareholder's value and fulfill its responsibilities to the community, customers, employees, Government and other segments of society. Your Company is committed to adopting the best practices of Corporate Governance as manifested in the Company's functioning to achieve the business excellence by enhancing long-term shareholder's value. Efficient conduct of the business of the Company through commitment to transparency and business ethics in discharging its corporate responsibilities is hallmarks of the best practices followed by the Company. This report on Corporate Governance, besides being in compliance of the mandatory SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, gives an insight into the functioning of the Company.

## 1. VARDHMAN GROUP'S PHILOSOPHY:

- ❖ Continued expansion in areas "which we know best".
- ❖ Total customer focus in all operational areas.
- ❖ Products to be of best available quality for premium market segments through TQM.
- ❖ Zero defect implementation.
- ❖ Integrated diversification/ product range expansion.
- ❖ Global Orientation.
- ❖ World class manufacturing facilities with most modern R & D and process Technology.
- ❖ Faith in individual potential and respect for human values.
- ❖ Encouraging innovation for constant improvements to achieve excellence in all functional areas.
- ❖ Accepting change as a way of life.
- ❖ Appreciating our role as a responsible corporate citizen.

## 2. BOARD OF DIRECTORS/BOARD MEETINGS:

### i. Composition as on 31<sup>st</sup> March, 2022:

The Composition of Board and category of Directors are as follows:-

Category	Name of Directors
Promoter Directors	# Shri Paul Oswal (Chairman & Managing Director) # Shakun Oswal (Non- Executive, Non- Independent Director) # Sachit Jain (Non- Executive, Non- Independent Director) # Suchita Jain (Non- Executive, Non- Independent Director)
Independent Directors	# Apinder Sodhi # Om Parkash Sharma # Sanjeev Jain # Sat Pal Kanwar # Jagdish Rai Singal # Rajevee Kumar Mittal
Non- Executive Non-Independent Director	# Vikas Kumar

### Relationship Inter-se:

# Except Mr. Shri Paul Oswal, Mrs. Shakun Oswal, Mr. Sachit Jain and Mrs. Suchita Jain, none of the Directors of the Company are related to any other Director of the Company.

### ii. Board Meetings:

During the Financial Year 2021-22, the Board met 4 times on the following dates:

- 26<sup>th</sup> May, 2021
- 13<sup>th</sup> August, 2021
- 11<sup>th</sup> November, 2021
- 5<sup>th</sup> February, 2022

**III. Attendance of the Directors at the Board Meetings during the year and at last Annual General Meeting of the Company and also the number of other Directorship/Chairmanship in Indian Public Limited Companies and names of other Listed Entities where the person is director and category of directorship therein are as follows:-**

Name of Director	No. of Board meetings attended	Attendance at last AGM	Total no. of Directorships in other Companies	Names of other Listed Entities where the person is director	Category of Directorship in other listed entities	No. of Committee memberships in other Companies	Total No. of Board Chairmanship in other Companies	Total No. of Committee Chairmanship in other companies
Shri Paul Oswal	1	No	6	Vardhman Textiles Limited Vardhman Acrylics Limited	Executive Director Non-Executive Director	3	3	3
Shakun Oswal	1	No	3	-	-	3	-	-
Sachit Jain	1	No	8	Vardhman Textiles Limited Vardhman Acrylics Limited Vardhman Special Steels Limited	Non – Executive Director Non – Executive Director Executive Director	1	-	-
Suchita Jain	4	Yes	9	Vardhman Textiles Limited Vardhman Special Steels Limited Vardhman Acrylics Limited	Executive Director Non-Executive Director Non-Executive Director	6	1	1
Chaman Lal Jain*	2	No	-	-	-	-	-	-
Apinder Sodhi	4	Yes	1	Vardhman Acrylics Limited	Non-Executive-Director	1	-	-
Jagdish Rai Singal	3	No	4	-	-	-	-	-
Om Parkash Sharma	4	No	-	-	-	-	-	-
Sat Pal Kanwar	4	No	-	-	-	-	-	-
Rajeev Kumar Mittal	4	No	3	-	-	-	-	-
Vikas Kumar	1	No	4	-	-	1	-	-
Sanjeev Jain	4	No	-	-	-	-	-	-

\* Mr. Chaman Lal Jain ceased to be a director of the Company with effect from 28<sup>th</sup> September, 2021.

Video conferencing facility was provided to facilitate Directors travelling abroad or present at other locations to participate in the Board meetings.

## 2. BOARD COMMITTEES:

### i. Board Committees, their composition and terms of reference are provided as under:

NAME OF COMMITTEE	COMPOSITION	TERMS OF REFERENCE
Audit Committee	Apinder Sodhi (Chairperson) Sat Pal Kanwar Om Parkash Sharma Sanjeev Jain	<ul style="list-style-type: none"> <li>The role of the Audit Committee is as per Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</li> </ul>
Nomination and Remuneration Committee	Apinder Sodhi (Chairperson) Sat Pal Kanwar Sachit Jain	<ul style="list-style-type: none"> <li>The role of the Nomination and Remuneration Committee is as per Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</li> <li>Formulated and recommended Nomination and Remuneration Policy.</li> <li>The Nomination &amp; Remuneration Policy includes policy on Director's appointment and remuneration including the criteria for determining qualifications, positive attributes, independence of a Director and other matters as provided under Section 178(3) of the Companies Act, 2013.</li> </ul> <p>Nomination and Remuneration Policy of the Company forms part of the Board Report as <b>Annexure I</b>.</p>
Corporate Social Responsibility Committee	Suchita Jain (Chairperson) Apinder Sodhi Vikas Kumar	<ul style="list-style-type: none"> <li>Formulated and recommended CSR Policy of the Company indicating CSR activities proposed to be undertaken by the Company pursuant to provisions of Schedule VII of the Companies Act, 2013 read with CSR Rules, 2014. The CSR policy may be accessed on the Company's website at the link: <a href="https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Holdings%20Ltd/Corporate_Social_Resonsibility_Policy.pdf">https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Holdings%20Ltd/Corporate_Social_Resonsibility_Policy.pdf</a></li> <li>Recommends expenditure to be incurred for CSR activities/ project and ensures effective monitoring of CSR policy of the company from time to time.</li> </ul> <p>The Annual Report on CSR activities undertaken by the Company forms part of the Board Report as <b>Annexure III</b>.</p>
Stakeholders Relationship Committee	Apinder Sodhi (Chairperson) Sat Pal Kanwar Sachit Jain	<ul style="list-style-type: none"> <li>The Committee reviews and ensures redressal of investor grievances.</li> <li>The Committee noted that during the year the Company had received 2 complaints from Investors and the same had been duly resolved by the Company.</li> </ul>
Risk Mangement Committee	Sachit Jain (Chairman) Sat Pal Kanwar Apinder Sodhi	<ul style="list-style-type: none"> <li>The Risk Management Policy of the Company aims to maximise opportunities in all activities and to minimize adversity.</li> <li>The Risk Manangement framework includes identifying types of risks and its assessment, risk handling, monitoring and reporting, which in the opinion of the Board may threaten the existence of the Company.</li> <li>The Risk Management policy may be accessed on the Company's website at the link: <a href="https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Holdings%20Ltd/Risk_Management_Policy.pdf">https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Holdings%20Ltd/Risk_Management_Policy.pdf</a></li> </ul>

Ms. Swati Mangla, Company Secretary and Compliance Officer of the Company is the Secretary of all Board Committees constituted under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**ii. Meetings of Board Committees held during the year and Director's attendance:**

Board Committees	Audit	CSR	Nomination & Remuneration	Stakeholders Relationship	Risk Management Committee
Meetings held	4	2	1	1	2
Sachit Jain	N.A.	N.A.	0	0	0
Suchita Jain	N.A.	2	N.A.	N.A.	N.A.
Apinder Sodhi	4	2	1	1	2
Om Parkash Sharma	4	N.A.	N.A.	N.A.	N.A.
Chaman Lal Jain*	N.A.	1	N.A.	N.A.	N.A.
Vikas Kumar**	N.A.	1	N.A.	N.A.	N.A.
Sat Pal Kanwar	4	N.A.	1	1	2
Sanjeev Jain	4	N.A.	N.A.	N.A.	N.A.
Shri Paul Oswal	N.A.	N.A.	N.A.	N.A.	N.A.
Shakun Oswal	N.A.	N.A.	N.A.	N.A.	N.A.
Rajeev Kumar Mittal	N.A.	N.A.	N.A.	N.A.	N.A.
Jagdish Rai Singal	N.A.	N.A.	N.A.	N.A.	N.A.

\* Mr. Chaman Lal Jain ceased to be a Director of the Company w.e.f. 28<sup>th</sup> September, 2021.

\*\* Mr. Vikas Kumar was appointed as Member of the CSR Committee w.e.f. 11<sup>th</sup> November, 2021.

N.A. - Not a member of the Committee

**iii. Meeting of Independent Directors:**

The meeting of Independent Directors of the Company for the Financial Year 2021-22 was held on 29<sup>th</sup> March, 2022 to evaluate the performance of Non-Independent Directors of the Company, Chairman of the Company and the Board as a whole.

**Performance Evaluation**

The performance evaluation of Non-Independent Directors of the Company, Chairman of the Company and the Board as a whole, was done by Independent Directors by way of discussions on their performance.

A policy on the performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of non- executive directors and executive directors has been formulated by the Company.

Pursuant to the provisions of the Companies Act, 2013, Listing Regulations and as per the Nomination and Remuneration Policy, the Board of Directors/ Independent Directors/ Nomination & Remuneration Committee

("NRC") (as applicable) had undertaken an evaluation of the Board's own performance, the performance of its Committees and of all the individual Directors including the Chairman of the Board of Directors based on various parameters relating to roles, responsibilities and obligations of the Board, effectiveness of its functioning, contribution of Directors at meetings and the functioning of its Committees.

**Familiarisation programme for Independent Directors**

The details of the Familiarisation Programme conducted for the Independent Directors of the Company are available on the Company's website at the link:

[https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Holdings%20Ltd/Familisation\\_Program\\_for\\_Board\\_Members.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Holdings%20Ltd/Familisation_Program_for_Board_Members.pdf)

**iv. Core Skills/ Expertise/ Competencies available with the Board:-**

The Board comprises of highly qualified members who possess required skills, expertise and competence that



allow them to make effective contributions to the board and its committees.

The table below summarizes the key attributes and skills matrix considered necessary for effective functioning of the Company and are currently available with Board.

Name of Director	Area of Expertise
Shri Paul Oswal	Strategic Planning Leadership Industry Experience Financial Expertise
Shakun Oswal	Strategic Planning Leadership Industry Experience Financial Expertise
Sachit Jain	Strategic Planning Leadership Industry Experience Financial Expertise
Suchita Jain	Strategic Planning Leadership Industry Experience Financial Expertise
Apinder Sodhi	Leadership Industry Experience
Jagdish Rai Singal	Strategic Planning Leadership Industry Experience Financial Expertise
Om Parkash Sharma	Leadership Industry Experience
Sat Pal Kanwar	Leadership Industry Experience Financial Expertise
Rajeev Kumar Mittal	Strategic Planning Leadership Industry Experience Financial Expertise
Vikas Kumar	Strategic Planning Leadership Industry Experience Financial Expertise
Sanjeev Jain	Leadership Industry Experience Financial Expertise

#### 4. DIRECTOR'S REMUNERATION:

##### i) Chairman & Managing Director:

The Company pays remuneration to Chairman and Managing Director as approved by the Board of Directors and the Members of the Company in the General Meeting.

A detail of remuneration paid to the Managing Director during the year 2021-22 is as given below:

(₹ in Lakhs)

Name	Shri Paul Oswal
Designation	Chairman & Managing Director
Salary	22.40
Perquisites & Allowances	41.66
Retirement Benefit	-
Commission	-
Performance Linked Incentive	-

The tenure of office of Mr. S.P. Oswal is 3 (three) years from the date of his appointment and can be terminated by either party by giving three months notice in writing. There is no separate provision for the payment of Severance Fees.

##### ii) Non-Executive Directors:

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

The Non-Executive Directors are paid sitting fees @ ₹. 10,000/- per Board Meeting and @ ₹ 7,500/- per Committee Meeting. The detail of sitting fees paid to the Non-Executive Directors during the Financial Year 2021-22 is given hereunder:-

S. No.	NAME OF DIRECTOR	SITTING FEE (₹)
1.	Apinder Sodhi	1,22,500
2.	Sat Pal Kanwar	1,07,500
3.	Om Parkash Sharma	77,500
4.	Chaman Lal Jain*	27,500
5.	Sanjeev Jain	77,500
6.	Jagdish Rai Singal	37,500
7.	Rajeev Kumar Mittal	40,000

\* Mr. Chaman Lal Jain ceased to be a director of the Company with effect from 28<sup>th</sup> September, 2021.

## 5. SHAREHOLDING DETAIL OF DIRECTORS AS ON 31.03.2022:

The shareholding of the Directors in the Equity Share Capital of the Company is given as follows: -

S. No.	NAME OF DIRECTOR	NUMBER OF SHARES HELD
1.	Shri Paul Oswal	56,880
2.	Shakun Oswal	19,084
3.	Sachit Jain	2,330
4.	Suchita Jain	28,416
5.	Sat Pal Kanwar	1267

\*No other director holds any share in the Equity Share Capital of the Company.

### i. The details of Annual General Meeting & No. of Special Resolutions passed during last three financial years are as follows:

Meeting	Day, Date and Time of the Meeting	Venue	No. of Special Resolutions
57 <sup>th</sup> Annual General Meeting for financial year ended 31 <sup>st</sup> March, 2021	Tuesday, 28 <sup>th</sup> September, 2021 at 3.00 p.m.	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")	-
56 <sup>th</sup> Annual General Meeting for financial year ended 31 <sup>st</sup> March, 2020	Monday, 28 <sup>th</sup> September, 2020 at 3.00 p.m.	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")	3
55 <sup>th</sup> Annual General Meeting for financial year ended 31 <sup>st</sup> March, 2019	Monday, 30 <sup>th</sup> September, 2019 at 10.00 a.m.	Regd. Office, Chandigarh Road, Ludhiana- 141010	1

### (ii) Postal Ballot:

During the year, no resolution was passed through postal ballot. There is no immediate proposal for passing any resolution through postal ballot in the financial year 2022-23.

## 7. DISCLOSURES:

- There was no materially significant related party transaction. The Policy on dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link:[https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Holdings%20Ltd/Related\\_Party\\_Transactions\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Holdings%20Ltd/Related_Party_Transactions_Policy.pdf)
- There has not been any non-compliance by the Company in respect of which penalties or strictures were imposed by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other Statutory Authority during the last three years.
- The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil mechanism and Whistle Blower Policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The policy on "Vigil Mechanism and Whistle

Blower” may be accessed on the Company’s website at the link : [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Holdings%20Ltd/Vigil\\_Mechanism\\_and\\_Whistle\\_Blower\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Holdings%20Ltd/Vigil_Mechanism_and_Whistle_Blower_Policy.pdf)

- iv. The Company has complied with all the applicable requirements specified in Regulation 17 to 27 and 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- v. The Board of Directors of the Company has adopted (i) the Code of Practices and procedures for Fair Disclosure of Unpublished Price Sensitive Information and (ii) the Code of Conduct, as required under SEBI (Prohibition of Insider Trading) Regulations, 2015.
- vi. During the year no complaint was filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- vii. Risk Management policy as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been duly formulated and approved by the Board of Directors of the Company. The aim of Risk Management Policy is to maximize opportunities in all activities and to minimize adversity.
- viii. Further, the Company has complied with all mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company may also take up the non-mandatory requirements of the Listing Regulations in due course of time.
- ix. The Company has no material subsidiary. The policy for determining ‘material’ subsidiary is available at Company’s website at the link: [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Holdings%20Ltd/Policy\\_for\\_Determining\\_Material\\_Subsiidiaries.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Holdings%20Ltd/Policy_for_Determining_Material_Subsiidiaries.pdf)
- x. As on March 31, 2022, there was no outstanding GDRs/ ADRs/ Warrants or any convertible instruments.
- xi. As the Company is an Investment Company, Commodity Price Risk / Foreign Exchange Risk and Hedging is not applicable to the Company.
- xii. During the year, the Company has not raised any funds through preferential allotment or qualified institutional placement.
- xiii. A certificate from a Company Secretary in Practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority forms part of this report.
- xiv. There is no such instance where the Board has not accepted any recommendation of any committee of the board which is mandatorily required.
- xv. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/entity of which statutory auditor is part is ₹ 0.88 lakhs.

## 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 Financial Results are published in prominent daily newspapers viz., “Financial Express” and “Desh Sewak”. The Financial Results of the Company are also made available at the Company’s web-site [www.vardhman.com](http://www.vardhman.com)

### GENERAL INFORMATION FOR SHAREHOLDERS

#### i) 58th Annual General Meeting:

Date : 30<sup>th</sup> September, 2022  
 Time : 11:15 a.m.  
 Venue : through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”).

#### ii) Financial Calendar 2022-23 (Tentative)

First Quarter Results : August, 2022  
 Second Quarter Results : November, 2022  
 Third Quarter Results : February, 2023  
 Annual Results : May, 2023

#### iii) Dates of Book Closure : 20<sup>th</sup> September, 2022 to 30<sup>th</sup> September, 2022

#### iv) Dividend payment date : within 30 days after declaration

v) **Listing :** The securities of the Company are listed on the following Stock Exchanges: -

1. BSE Limited, Mumbai (BSE), 1st Floor, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, Fort, Mumbai-400 001.
2. National Stock Exchange of India Limited (NSE), “Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai.”

Listing fee, as applicable, has been duly paid to both the aforesaid Stock Exchanges.

vi) **Stock Code:**

- BSE Limited, Mumbai : 500439
- National Stock Exchange of India Limited : VHL

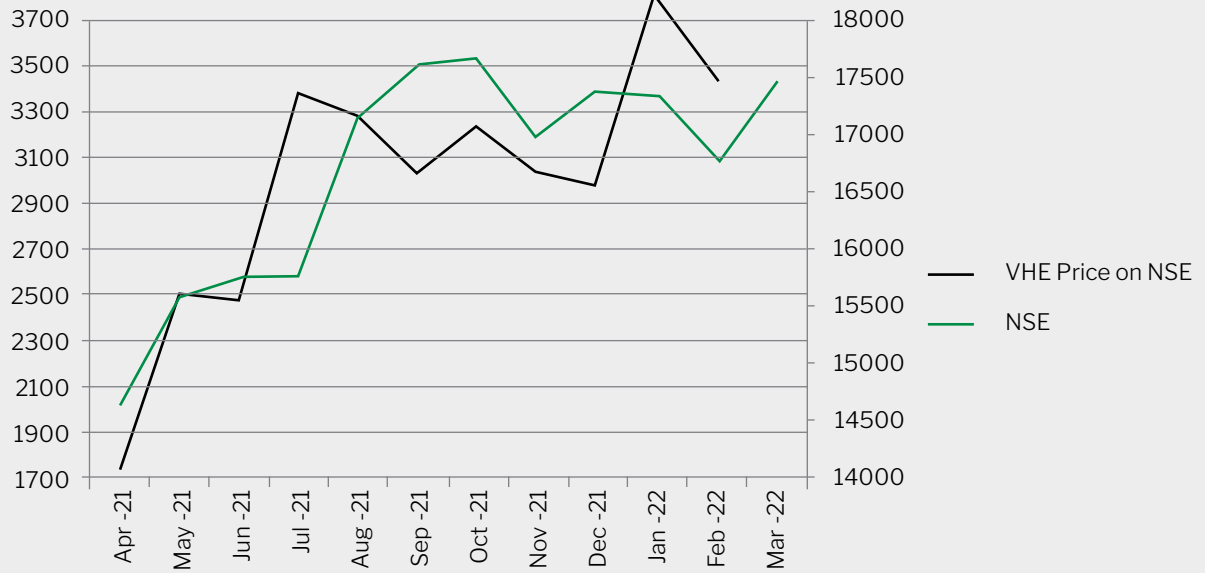
vii) **Stock Market Data:**

The month-wise highest and lowest and closing stock prices of NSE vis-a-vis BSE during the financial year 2021-22 are given below:-

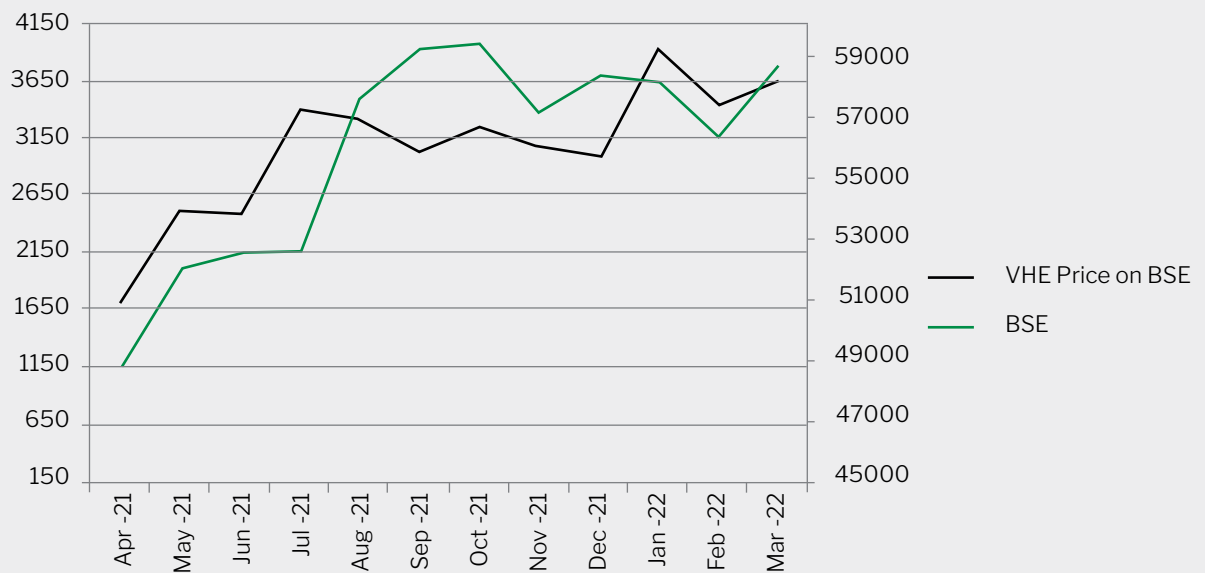
Financial Year 2021-22	Share Prices of Vardhman Holdings Limited on NSE				Share Prices of Vardhman Holdings Limited on BSE			
	Highest (₹)	Lowest (₹)	Closing (₹)	%age change over last month's closing	Highest (₹)	Lowest (₹)	Closing (₹)	%age change over last month's closing
April 21	1830.95	1600	1719.85	-2.20	1829.70	1600.05	1707	-3.78
May 21	2794	1630.15	2501.45	45.44	2800	1656.65	2502.85	46.62
June 21	2888	2388.85	2475.40	-1.04	2949.95	2430	2483.90	-0.76
July 21	3820.55	2450	3386.30	36.80	3,810.40	2438.60	3,387.95	36.40
August 21	3500	2800	3298.25	-2.60	3500	2800.50	3297.50	-2.67
September 21	3449.95	3000	3022.25	-8.37	3447.90	2957.80	3017.30	-8.50
October 21	3450	3000	3239.80	7.20	3,439.65	3,000	3,243.75	7.51
November 21	3449	2933	3038.25	-6.22	3,441.35	2,930	3,066.00	-5.48
December 21	3142	2823	2981.85	-1.86	3,073.00	2,830	2,983.75	-2.68
January 22	4680	2959.85	3901.90	30.86	4,667.55	2,980.30	3,923.70	31.50
February 22	4245.50	3285	3435.70	-11.95	4,150.05	3,300	3,422.20	-12.78
March 22	3930.60	3286.55	3631.55	5.70	3,894.65	3,300	3,656.05	6.83

viii) Performance of the Company in comparison to broad-based indices:

**NSE:**



**BSE:**



**ix) Information regarding dividend payment:**

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') dividends not encashed / claimed within seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF").

Dividends remaining unpaid/unclaimed upto the Financial Year 2013-14 have been transferred to the Investors' Education and Protection Fund (IEPF). The unclaimed or unpaid dividend relating to the Financial Year 2014-15 is due for remittance in the month of October, 2022 to IEPF.

The IEPF Rules mandate companies to transfer shares of Members whose dividends remain unpaid/unclaimed for a continuous period of seven years to the demat account of IEPF Authority. In accordance with the said IEPF Rules, the Company had sent notices to all the Members whose shares were due to be transferred to the IEPF Authority and simultaneously published newspaper advertisement. Thereafter, the shares of these Members were transferred to the IEPF and necessary e-form(s) in this regard were filed with MCA.

The Members whose dividend/ shares are transferred to the IEPF Authority can claim their shares/ dividend from the Authority by following the required procedure. Members are requested to get in touch with the Nodal Officer/ Compliance Officer for further details on the subject at [secretarial.lud@vardhman.com](mailto:secretarial.lud@vardhman.com).

**x) Registrar & Transfer Agent:**

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

**M/s. Alankit Assignments Limited,**

205-208, Anarkali Complex, Jhandewalan Extension, New Delhi-110055

Phone: (011) 42541234/23541234, Fax: (011) 41540064, E-mail: [rta@alankit.com](mailto:rta@alankit.com)

**xi) Share Transfer System:**

With effect from April 1, 2019, SEBI has mandated that no share can be transferred by the Company in physical mode. Accordingly, the Company has stopped accepting any fresh lodgement for transfer of shares in physical form. The Company had sent communication to the shareholders encouraging them to dematerialise their holding in the Company. The procedure for dematerialisation of shares is available on the website of the Company.

The shares of the Company are traded on the Stock Exchanges compulsorily in demat 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) of the Company is **INE701A01023**.

**xii) Distribution of Shareholding as on 31<sup>st</sup> March, 2022:**

Range No. of Shares	SHAREHOLDERS		SHARES	
	Numbers of Total Holders	% to Total Holders	Numbers of shares Held	% to Total Shares
Upto-500	9554	98.77	246590	7.73
501-1000	49	0.51	37393	1.17
1001-5000	44	0.45	77154	2.42
5001-10000	7	0.07	55349	1.73
10001-above	19	0.20	2775050	86.95
<b>Total</b>	<b>9673</b>	<b>100</b>	<b>3191536</b>	<b>100</b>

**xiii) Dematerialisation of shares:**

As on 31<sup>st</sup> March, 2022, 98.63% of the capital comprising 31,47,919 shares, out of total of 31,91,536 shares, were dematerialized.

**xiv) Address for correspondence:**

Registered office: Vardhman Premises, Chandigarh Road, Ludhiana-141010

Tel : 0161-2228943-48

Fax : 0161-2601048, 2602710, 2222616

E-mail : [secretarial.lud@vardhman.com](mailto:secretarial.lud@vardhman.com)

(Exclusively for redressal of investors' grievances)

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

**xv) List of credit ratings:**

The Company has not obtained rating from any credit rating agency during the financial year 2021-22 as the Company has not taken any Long term/ Short term borrowings.

## Chairman & Managing Director's Declaration

- A. I, S.P. Oswal, Chairman & Managing Director of Vardhman Holdings Limited declare that all Board Members and Senior Management Personnel have affirmed compliance with 'Code of Conduct for Board & Senior Management Personnel' for the year ended 31st March, 2022.

Date: 25<sup>th</sup> May, 2022

Place: Ludhiana

Sd/-

**(S.P. Oswal)**

Chairman and Managing Director

- B. I, S.P. Oswal, Chairman & Managing Director of Vardhman Holdings Limited, on behalf of the Board of Directors of the Company, hereby confirm that the Independent Directors of the Company fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the Management.

Date: 25<sup>th</sup> May, 2022

Place: Ludhiana

Sd/-

**(S.P. Oswal)**

Chairman and Managing Director

## CERTIFICATE FROM PRACTISING COMPANY SECRETARIES

This is to certify that on the basis of documents verified by us and explanations given to us by the Company, we hereby certify that none of the following directors on the Board of Vardhman Holdings Limited ('the Company') have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any other Statutory Authority:

S. No.	Director Identification Number	Name of the Directors
1.	00121737	Mr. Shri Paul Oswal
2.	00121915	Mrs. Shakun Oswal
3.	00746409	Mr. Sachit Jain
4.	00746471	Mrs. Suchita Jain
5.	07650988	Mr. Vikas Kumar
6.	01504398	Mr. Sat Pal Kanwar
7.	02721270	Mr. Om Parkash Sharma
8.	00699341	Mr. Jagdish Rai Singal
9.	00765697	Mr. Rajeev Kumar Mittal
10.	01242929	Mr. Sanjeev Jain
11.	06642994	Mrs. Apinder Sodhi

This certificate is issued pursuant to Clause 10 (i) of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For Ashok K Singla & Associates  
Company Secretaries,

Sd/-  
**Ashok Singla**

Proprietor

Membership No. 2004

Certificate of Practice No. 1942

UDIN:- F002004 D000 381174

Place: Ludhiana

Date: 25<sup>th</sup> May, 2022



## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,

The Members of

**Vardhman Holdings Limited**

We have examined the compliance of conditions of corporate governance by Vardhman Holdings Limited (hereinafter referred "the Company"), for the year ended on 31<sup>st</sup> March, 2022 as stipulated in relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. 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, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Regulations, as applicable.

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

For Khanna Ashwani & Associates  
(Company Secretaries)

Sd/-

**Ashwani Kumar Khanna**

(Practising Company Secretary)

(B.Com, FCS, CAIIB)

M.No.3254

CP No. 2220

Place: Ludhiana

Date: 25<sup>th</sup> May, 2022

UDIN: F003254D000380061

# Business Responsibility Report

## About The Company

Vardhman Holdings Limited (VHL) is a Non-Banking Financing Company Non-deposit taking Systemically important (NBFC-ND-SI) registered with Reserve Bank of India. The Company is listed on National Stock Exchange of India Limited and BSE Limited at Mumbai. The Company is purely an Investment Company and does not accept any public deposit. The main source of Income of the Company is dividend and interest received on its investments. The Company has its two associate Companies i.e. Vardhman Textiles Limited and Vardhman Spinning and General Mills Limited.

## About This Report

The Securities and Exchange Board of India (SEBI) as per its (Listing Obligations and Disclosure Requirements) Regulations, 2015 has mandated the inclusion of a "Business Responsibility Report" (BRR) as part of Company's Annual Report for top 1000 listed entities based on market capitalization at the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The reporting framework is based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)' released by the Ministry of Corporate Affairs, Government of India, in July 2011 which contains 9 Principles and Core Elements for each of those 9 Principles. Following is the Business Responsibility Report of our Company based on the format suggested by SEBI. Detailed Business Responsibility Report for 2021-22 (available at: [www.vardhman.com](http://www.vardhman.com)) is based on the 9 Principles enshrined in the NVGs.

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company:** L17111PB1962PLC002463
2. **Name of the Company:** Vardhman Holdings Limited
3. **Registered address:** Vardhman Premises, Chandigarh Road, Ludhiana- 141010.
4. **Website:** [www.vardhman.com](http://www.vardhman.com)
5. **E-mail id:** [secretarial.lud@vardhman.com](mailto:secretarial.lud@vardhman.com)
6. **Financial Year reported:** 2021-22
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):** The Company holds a certificate of registration issued by the Reserve Bank of India to carry on business of Non-deposit taking systemically Important (NBFC-ND-SI) under section 45-IA of the Reserve Bank of India 1934. NIC Code: 6430
8. **List three key products/services that the Company manufactures/provides (as in balance sheet):** The Company does not manufacture any product or provide any service. The Company is purely an Investment Company. It does not accept deposit from public.
9. **Total number of locations where business activity is undertaken by the Company**
  - (a) **Number of International Locations (Provide details of major 5):** Nil
  - (b) **Number of National Locations:** 1
10. **Markets served by the Company – Local/State/National/International:** Nil

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital (INR):** ₹ 319.15 Lakhs
2. **Total Turnover (INR):** ₹ 11, 497.71 Lakhs
3. **Total profit after taxes (INR):** ₹ 8,335.66 Lakhs
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** 1.59%
5. **List of activities in which expenditure in 4 above has been incurred: The following activities are covered under CSR initiatives of the Company:**
  - a. Promoting Healthcare including Preventive Healthcare
  - b. Promoting Education
  - c. Rural Development
  - d. Promotion of Art & Culture

**SECTION C: OTHER DETAILS**

- Does the Company have any Subsidiary Company/ Companies?** No
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):**  
Not Applicable
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:** No

**SECTION D: BR INFORMATION**

- Details of Director/Directors responsible for BR: The Board is responsible for the implementation of the BR policies.**
- Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)**

**(a) Details of the Director/Director responsible for implementation of the BR policy/policies**

- DIN Number: 07650988
- Name: Mr. Vikas Kumar
- Designation: Director

**(b) Details of the BR head**

Sr. No.	Particulars	Details
1	DIN number	07650988
2	Name	Vikas Kumar
3	Designation	Director
4	Telephone number	0161-2228943
5	Email id	<a href="mailto:vikaskumar@vardhman.com">vikaskumar@vardhman.com</a>

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policies for:	Y	N	Y	Y	Y	N	Y	Y	N
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	NA	Y	Y	Y	NA	Y	Y	NA
3.	Does the policy conform to any national / international standards? If yes, specify?	N	NA	N	N	N	NA	N	Y	NA
4.	Is it a board approved policy? If yes, has it been signed by MD /owner /CEO / appropriate Board Director?	Y	NA	N	Y	N	NA	N	Y	NA
5.	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	NA	N	Y	Y	NA	N	Y	NA
6.	Indicate the link for the policy to be viewed online	Various policies of the Company are available on the website of the Company at <a href="https://www.vardhman.com/Investors/CompanyInformation">https://www.vardhman.com/Investors/CompanyInformation</a>								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	NA	Y	Y	Y	NA	Y	Y	NA
8.	Does the company have an in-house structure to implement the policy?	Y	NA	Y	Y	Y	NA	Y	Y	NA
9.	Does the Company have a grievance redressal mechanism related to the policy to address stakeholders' grievances related to the policy?	Y	NA	Y	Y	Y	NA	N	Y	NA
10.	Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Y	NA	Y	Y	Y	NA	N	Y	NA

**(b) If answer to the question at serial number 1 against any principal, is 'No', please explain why: (Tick up to 2 options)**

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within the next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)		*				*			*

\* Being purely an investment Company, this is not applicable.

### 3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year - Annually
- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes. The hyperlink for viewing the same is [https://www.vardhman.com/Document/Report/Compliances/BRR/Vardhman%20Holdings%20Ltd/BRR\\_2021-22.pdf](https://www.vardhman.com/Document/Report/Compliances/BRR/Vardhman%20Holdings%20Ltd/BRR_2021-22.pdf). It is published annually in the Annual Report.

#### SECTION E: PRINCIPLE-WISE PERFORMANCE

##### Principle 1: Corporate Governance for Ethics, Transparency and Accountability

- 1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs / Others?**

We are committed to adopting the best corporate governance practices as manifested in the company's functioning to achieve business excellence by enhancing the long term shareholder's value. Efficient conduct of the business of the Company through commitment to transparency and business ethics in discharging its corporate responsibilities are hallmarks of the best practices being followed at VHL.

The Composition of the Board of Directors of the Company is governed by the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on March 31, 2022, the Company has 11 directors on its board (including the Chairman), of which 6 are independent, 1 is non-independent, 4 are non-executive non-independent directors.

To ensure accountability and monitoring, the Board has constituted various committees such as: Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility (CSR) Committee, Risk Management Committee and Stakeholders' Relationship Committee. The Committees meet periodically during the year to supervise, review performance and advice on the necessary direction to be taken.

**Code of Conduct:** VHL has its Code of Conduct which extends to all directors and employees of Company which aims at maintaining highest standards of business conduct in line with the ethics of the Company, provides guidance in difficult situations involving conflict of interest & moral dilemma and ensures compliance with all applicable laws. All employees have to read and understand this code and agree to abide by it.

The Code of Conduct is available at the Company's web site at the link [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Holdings%20Ltd/Code\\_of\\_Conduct\\_for\\_Directors\\_and\\_Senior\\_management.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Holdings%20Ltd/Code_of_Conduct_for_Directors_and_Senior_management.pdf)

**Vigil Mechanism/ Whistle Blower Policy:** The Vigil Mechanism of the Company, which also incorporates

a Whistle Blower Policy in terms of the Uniform Listing Agreement aims to provide a channel to the Employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy. The mechanism provides for adequate safeguards against victimization of Employees and Directors to avail of the mechanism and also provide for direct access to the Chairman/ Chairman of the Audit Committee in exceptional cases.

The Vigil Mechanism/ Whistle Blower Policy is available at the company's website link [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Holdings%20Ltd/Vigil\\_Mechanism\\_and\\_Whistle\\_Blower\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Holdings%20Ltd/Vigil_Mechanism_and_Whistle_Blower_Policy.pdf)

- 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof in about 50 words or so.**

During the financial year under review, 2 (two) complaints were received from the shareholders and the same were duly resolved.

### Principle 2: Sustainability of Products & Services across Life-cycle

- 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

The Company is a Non Banking Financing Company {Non-Deposit taking Systemically important (ND-SI)} registered with Reserve Bank of India. The Company is engaged in purely in Investment activities. It does not produce any goods/ provide any services.

- 2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

Considering the nature of business of the Company, the detail in respect to the resource use (energy, water, raw material etc.) per unit of product is not applicable to the Company.

- 3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also provide details thereof, in about 50 words or so.**

As the Company is in Investment activities, the requirements regarding procedures in place for sustainable sourcing is not applicable to the Company.

- 4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Not Applicable.

- 5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%). Also provide details thereof in 50 words or so.**

Considering the nature of business of the Company, the requirement to have mechanism to recycle product and waste is not applicable to Company.

### Principle 3: Employee Well-being

- 1. Please indicate the Total number of employees.**

The Company had 3 (three) employees as on 31<sup>st</sup> March, 2022.

- 2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.**

During the financial year under review, no employee was hired on temporary/ contractual/ casual basis by the Company.

- 3. Please indicate the Number of permanent women employees.**

The Company had 2 (Two) permanent women employees as on 31<sup>st</sup> March, 2022.

- 4. Please indicate the Number of permanent employees with disabilities.**

The Company did not have any permanent employee having disability as on 31<sup>st</sup> March, 2022.

- 5. Do you have an employee association that is recognized by management?**

The Company does not have any employee association that is recognized by the Management.

- 6. What percentage of your permanent employees is members of this recognized employee association?**

Not applicable.

**7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

**8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

- (a) Permanent Employees- Nil
- (b) Permanent Women Employees- Nil
- (c) Casual/Temporary/Contractual Employees- Nil
- (d) Employees with Disabilities- Nil

**Principle 4: Stakeholder Engagement**

**1. Has the company mapped its internal and external stakeholders? Yes/No**

The Company recognizes employees and shareholders/investors as our key stakeholders. The internal stakeholders like employees of the Company are reached through regular engagements. The external stakeholders are reached through defined activities such as posting of quarterly results and regular updates at Stock Exchanges etc.

**2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

Since the Company has only three employees and does not deal with public at large, this point is not applicable.

**3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof in 50 words or so.**

The Company being an investment company not accepting deposits does not deal with public at large.

**Principle 5: Human Rights**

**1. Does the policy of the Company on Human Rights cover only the Company or extends to the Group/ Joint Ventures /Suppliers / Contractors/ NGOs/ others?**

The Company adhere to all statutes which embody the principles of human rights such as prevention of child labour, prevention of sexual harassment, equal employment opportunities, rights to raise grievances over relevant issues etc. The Company is committed to foster a work environment in which all individuals are treated with respect and dignity.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

No complaint was received pertaining to human rights violation during the past financial year.

**Principle 6: Protection and Restoration of the Environment**

**1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures / Suppliers / Contractors/ NGOs/ others?**

The Company does not have any specific policy on protection and restoration of the environment.

**2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

Since the business of the Company is purely making investments, It does not have any strategies/initiatives to address global environmental issues.

**3. Does the company identify and assess potential environmental risks? Y/N**

Since the business of the Company is purely making investments, it does not call for any direct identification and assessment of potential environmental risks.

**4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof in, about 50 words or so. If Yes, whether any environmental compliance report is filed?**

Since, the Company is engaged in the activities related to investment, Clean Development Mechanism is not applicable to the Company.

**5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

Our initiative to reduce waste generation at our offices include using jet hand dryers in washrooms to minimize usage of tissue rolls, printing on both sides of paper and generating awareness in employees to shift to paperless office model.

**6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Being in the business of making investments only, the Company do not generate any emissions/ waste.

**7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

The Company has not received any legal notices for causing any environmental issues.

**Principle 7: Responsible Advocacy**

**1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

The Company is not a member of any trade and chamber or association.

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

As the Company is not a member of any trade and chamber or association, this point is not applicable on the Company.

**Principle 8: Supporting Inclusive Growth and Equitable Development**

**1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

Through CSR (Corporate Social Responsibility) initiatives, the Company supports the principles of inclusive growth and equitable development. The Company has in effect, a detailed CSR policy monitored by a CSR committee appointed by the Board of Directors. CSR initiatives are developed with a key emphasis on promoting education, offering advanced healthcare facilities, contribution to rural development, conservation of environment etc. The areas of emphasis are covered in Schedule VII of the Companies Act, 2013.

**2. Are the programmes / projects undertaken through in-house team / own foundation /external NGO / government structures/any other organization?**

The programmes/projects are undertaken either directly by the Company or through implementing agency.

**3. Have you done any impact assessment of your initiative?**

The Company, in order to ensure that the benefit of CSR initiatives reaches the people who need to be supported, internally performs an impact assessment at the end of each financial year. This assessment helps us in understanding the efficacy of the programs in terms of delivering desired benefits to the community and gaining insights for improving the design and impact of future initiatives.

**4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

The Company has spent an amount of ₹132.70 lakhs during the financial year 2021-22 towards CSR related activities. The details of projects undertaken are given in Annexure-III of Board' Report.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

We strive to continuously engage with surrounding communities and offer aid by understanding the problems being faced. Initiatives to be adopted are designed and delivered in a transparent manner, considering the inputs from the residents of the locality.

The Company's CSR policy is available online on its website at the following link: [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Holdings%20Ltd/Corporate\\_Social\\_Resonsibility\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Holdings%20Ltd/Corporate_Social_Resonsibility_Policy.pdf)



### Principle 9: Providing Value to Customers, Employees and Consumers

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year**

The Company does not have any direct customer/consumer being a Non-deposit accepting Investment Company. The Company has a well-defined system of addressing shareholder complaints. All complaints are appropriately addressed and resolved. There are no customer complaints/consumer cases pending against the Company as on 31st March, 2022.

**2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)**

Not applicable, since the Company is engaged in the Investment activities.

**3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

During the last five years, no cases have been filed by any stakeholders against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour.

**4. Did your Company carry out any consumer survey/ consumer satisfaction trends?**

No, the Company does not have any customers.





# **Standalone Financial Statements**

# Independent Auditors' Report

To the Members of **Vardhman Holdings Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Vardhman Holdings Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of

the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended 31 March 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matter described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibility described in the Auditor's responsibility for the audit of standalone financial statement section of our report, including in relation to the matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><b>(a) Assessment of carrying value of investments</b> (as described in note 2.9.1.3 and 2.9.1.4 of the financial statements)</p> <p>The accounting for investments is a Key Audit matter as there is a risk that fair valuation of investments is not done appropriately. Accordingly, the existence and valuation of investments is considered as a key audit matter. The impairment assessment and fair valuation for such investments have been done by the management in accordance with Ind AS 113.</p>	<p>We performed the following procedures in relation to existence and valuation of investments:</p> <ul style="list-style-type: none"> <li>• Assessed the design and implementation of controls over valuation and existence of investments.</li> <li>• On a sample basis, tested the key controls set up by the management on existence and valuation of investments.</li> <li>• Traced the quantity held from the confirmation provided by the Custodian with the books as at March 31st, 2022</li> <li>• Tested the valuation of the investments as per the investment valuation policy approved by the management.</li> </ul>
<p><b>(b) Deferred Tax asset</b> (uncertainty in estimation in the future profits and the accuracy of the provision)</p> <p>As per Ind AS 12- Income Taxes, The amounts of income taxes recoverable in future periods in respect of deductible temporary differences and the carry forward of unused tax losses and credits. The reversal of deferred tax assets depends upon the management estimates and future realizable profits which have a degree of uncertainty.</p>	<p>On review of the deferred Tax Asset the following factors were considered:</p> <ul style="list-style-type: none"> <li>• Existence of sufficient taxable temporary difference.</li> <li>• Convincing other evidence that sufficient taxable profits will be available in the future.</li> </ul> <p>Based on the future projections and representations provided to us, the Company's judgment on recoverability of Deferred Tax Asset as mentioned in Note 2.5.2 of the Standalone Financial Statements is fair and reasonable.</p>

## Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Reports including Annexures to Board's Reports, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the

work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

## Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate

accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of management's and Board of Directors' use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31 March 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements. Refer note 27 to the financial statements.
  - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c) There were no amounts which were to be transferred to the Investor Education and Protection Fund by the Company.
  - d) (i) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in note 35 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (ii) The Management has represented that, to the best of its knowledge and belief, as disclosed in note 35 to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in

writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (iii) Based on the audit procedures performed that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.

- e) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

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

**(Rakesh Marwaha)**  
Partner

Date: 25/05/2022  
Place: Ludhiana  
UDIN: 22504991AJOHQH8486

## Annexure A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory requirements section of our report of even date)

With reference to Annexure A referred to in the Independent Auditors' Report to the members of the company on the standalone financial statements for the year ended 31 March 2022, we report the following:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and the situation of property, plant and equipment.
- (B) The Company does not have any intangible assets. Accordingly, clause 3(i)(a)(B) of the order is not applicable.
- (b) According to the information and explanations given to us, the Company has a program of verification of property, plant and equipment, capital work-in-progress and right-of-use assets so to cover all the items once every 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Based on the examination of the registered sale deed / transfer deed / conveyance deed / court order provided to us, we report that, the title deeds of all the immovable properties of land and buildings (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and non-current assets held for sale, are held in the name of the Company as at the balance sheet date.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is an investment company (NBFC), primarily engaged in acquisition, sale, divest or otherwise dealing in securities, shares, stocks, equity linked securities, debentures, bonds etc. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of the security of current assets at any point of time during the year. Accordingly, clause 3(ii) (b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in or provided any guarantees and security to companies, firms, limited liability partnerships or any other parties during the year. The Company has not granted loans and advances in the nature of loans during the year to any company, firms or limited liability partnerships. The Company has not provided guarantees or securities during the year to any company, firms or limited liability partnerships. Therefore, clause 3(iii) (a), (b), (c), (d), (e) & (f) of the Order is not applicable.
- (iv) According to the information and explanations given to us, the Company has not given loan to an entity in which the director(s) are interested as specified under Section 185 of the Companies Act, 2013 ("the Act"). Further, in our opinion, the Company has complied with the provisions of Section 186 of the Act in relation to investments made.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into Goods and Services Tax ("GST")

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues

have been regularly deposited by the Company with the appropriate authorities;

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to GST, Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Customs, Value Added Tax or Cess or other statutory dues which have not been deposited on account of any dispute, except as mentioned below:

Name of the Statute	Nature of Dues	Amount* (Rs. Lacs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Income Tax Act, 1961	Income tax	136.44	2019-2020	CIT(A)

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) The Company has not taken any loan or other borrowings during the financial years. Accordingly, the provisions of clause 3(ix)(a), 3(ix)(b), 3(ix)(c), 3(ix)(d), 3(ix)(e) & 3(i)(f) of the Order are not applicable to the company

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) According to the information and explanations given to us, the Company has not received any whistle blower complaints during the year. Therefore, clause 3(xi) (c) of the Order is not applicable.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.



- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) We have been informed by the company that they are having their own internal audit department which conducts the internal audit on regular basis. Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit is being conducted by the company's own internal audit department on concurrent basis, hence no formal internal audit reports are available.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it is registered under section 45-IA vide Registration no. N-06.00587 dated 20.07.2007.
- (b) The Company is registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CICs. Accordingly, clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios (refer to note 34 to standalone financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) a) In respect of other than ongoing projects, the Company does not have any unspent Corporate Social Responsibility (CSR) amount which is required to be transferred to a Fund specified in Schedule VII to the Companies Act, 2013 before the date of this report and within a period of six months of the expiry of the financial year in compliance with the second proviso to sub-section (5) of section 135 of the said Act.
- b) In respect of ongoing projects, the Company does not have unspent Corporate Social Responsibility (CSR) amount which is required to be transferred to a Special account before the date of this report and within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Act.

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

**(Rakesh Marwaha)**  
Partner  
M.No. 504991

Date: 25/05/2022  
Place: Ludhiana

# Annexure B

to the Independent Auditors' report on the standalone financial statements of Vardhman Holdings Limited for the year ended 31 March 2022

## Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### Opinion

We have audited the internal financial controls with reference to standalone financial statements of Vardhman Holdings Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company as at and for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

### Meaning of Internal Financial Controls with Reference to Standalone financial statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements

include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

### **Inherent Limitations of Internal Financial Controls with Reference to Standalone financial statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or

fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

**(Rakesh Marwaha)**

Partner  
M.No. 504991

Date: 25/05/2022

Place: Ludhiana

# Standalone Balance Sheet

as at 31<sup>st</sup> March 2022

(All amounts in Rs lakhs, unless otherwise stated)

Particulars	Note No.	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Cash and bank balances	3	262.34	7,638.83
(b) Bank Balances other than (a) above	4	11.43	9.79
(c) Receivables			
(i) Trade Receivables		-	-
(ii) Other Receivables	5	609.68	577.05
(d) Current investments	6	75,539.92	53,001.43
(e) Other Financial assets	7	230.41	1,572.51
		<b>76,653.78</b>	<b>62,799.61</b>
<b>2 Non Financial Assets</b>			
(a) Current Tax assets (Net)	12A	105.20	-
(b) Deferred Tax Asset (Net)	8	2,415.08	3,913.66
(c) Property, Plant and Equipment	9	320.90	321.67
(d) Other non-financial assets	10	9.95	24.73
		<b>2,851.13</b>	<b>4,260.06</b>
		<b>79,504.91</b>	<b>67,059.67</b>
<b>TOTAL ASSETS</b>			
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>1 Financial Liabilities</b>			
(a) Payables			
(i) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(b) Other financial liabilities	11	18.35	81.27
<b>2 Non Financial Liabilities</b>			
(a) Current tax liabilities (Net)	12	-	43.30
(b) Provisions	13	1.55	2.90
(c) Other Current liabilities	14	47.65	27.10
		<b>67.55</b>	<b>154.57</b>
<b>3 Equity</b>			
(a) Equity Share Capital	15	319.24	319.24
(b) Other Equity	16	79,118.12	66,585.86
		<b>79,437.36</b>	<b>66,905.10</b>
		<b>79,504.91</b>	<b>67,059.67</b>
<b>TOTAL LIABILITIES AND EQUITY</b>			
<b>Significant Accounting Policies</b>			
	<b>1 to 35</b>		

As per our report of even date

**R. Dewan & Co.**

Chartered Accountants

Firm Regn. No. 017883N

For and on behalf of the Board of Directors

**Rakesh Marwaha**Partner  
M. No. 504991**Swati Mangla**Company Secretary  
Membership no.50475**Poorva Bhatia**

Chief Financial Officer

**Suchita Jain**Director  
DIN:00746471**S.P. Oswal**Chairman & Managing Director  
DIN: 00121737

Place: Ludhiana

Date: May 25, 2022

# Standalone Statement of Profit and Loss

for the year ended 31<sup>st</sup> March 2022 (All amounts in Rs lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
<b>I Revenue from operations</b>			
(i) Interest Income	17	393.67	779.91
(ii) Dividend Income	18	8,452.44	6.38
(iii) Net gain on fair value changes	19	2,651.60	1,192.22
<b>Total Revenue from operations</b>		<b>11,497.71</b>	<b>1,978.51</b>
<b>II Other income</b>	20	185.46	124.69
<b>III Total Income (I + II)</b>		<b>11,683.17</b>	<b>2,103.20</b>
<b>IV Expenses</b>			
Employee benefits expense	21	81.83	56.11
Depreciation and amortization expenses	9	0.77	0.88
Other expenses	22	225.61	170.92
<b>Total Expenses</b>		<b>308.21</b>	<b>227.91</b>
<b>V Profit/(Loss) before exceptional Items and Tax (III-IV)</b>		<b>11,374.96</b>	<b>1,875.29</b>
<b>VI Exceptional Items</b>		-	-
<b>VII Profit before tax (V-VI)</b>		11,374.96	1,875.29
<b>VIII Tax expense:</b>			
- Current Tax		2,725.35	365.42
- Deferred tax		313.95	4.86
<b>IX Profit for the year (VII - VIII)</b>		<b>8,335.66</b>	<b>1,505.01</b>
<b>X Other Comprehensive Income/(Loss)</b>			
(A) (i) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefits plans		(0.09)	0.10
- Net Gain/loss on Fair Valuation of Equity instruments carried at FVOCI		4,840.80	5,060.18
(ii) Income tax relating to items that will not be reclassified to profit or loss		(484.53)	(0.03)
(B) (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total Other comprehensive Income/(loss) for the period</b>		<b>4,356.18</b>	<b>5,060.25</b>
<b>XI Total Comprehensive income/loss for the period (IX+X) (Comprising profit (Loss) and other Comprehensive Income for the period)</b>		<b>12,691.84</b>	<b>6,565.26</b>
<b>XII Earnings per equity share</b>			
[Earning per equity share ₹10/- (Previous Year:₹10)]			
Basic		261.18	47.16
Diluted		261.18	47.16
Significant Accounting Policies	1 to 35		

As per our report of even date

**R. Dewan & Co.**

Chartered Accountants

Firm Regn. No. 017883N

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

**Rakesh Marwaha**

Partner

M. No. 504991

**Swati Mangla**

Company Secretary

Membership no.50475

**Poorva Bhatia**

Chief Financial Officer

**Suchita Jain**

Director

DIN:00746471

**S.P. Oswal**

Chairman & Managing Director

DIN: 00121737

Place: Ludhiana

Date: May 25, 2022

# Standalone Cash Flows Statement

for the year ended 31<sup>st</sup> March 2022 (All amounts in Rs lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net Profit before tax and extraordinary items</b>		11,374.96		1,875.29
<b>Adjustments for :</b>				
Depreciation and amortization	0.77		0.88	
Net (Profit)/Loss on sale of Current Investments	(838.70)		(579.16)	
Fair Valuation (Gain)/Loss on Current Investments	(1,812.89)		(613.06)	
		<b>(2,650.82)</b>		<b>(1,191.34)</b>
<b>Operating profit before working capital changes</b>		<b>8,724.14</b>		<b>683.95</b>
<b>Adjustments for :</b>				
( Increase)/Decrease in trade receivables & Other assets	1,322.61		8,146.86	
Increase/( Decrease) in trade payables and other liabilities	(43.81)		(259.43)	
		1,278.80		7,887.43
Cash Generation from Operations		<b>10,002.94</b>		<b>8,571.38</b>
Taxes Paid		(2,173.74)		(357.11)
<b>Net Cash flow from / (used in) Operating activities (A)</b>		<b>7,829.20</b>		<b>8,214.27</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Investments	(18,595.92)		(8,909.84)	
Sale of Investments	3,549.81		7,867.96	
<b>Net Cash flow from / (used in) investing activities (B)</b>		<b>(15,046.11)</b>		<b>(1,041.88)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Dividend Paid (including tax thereon)	(159.58)		(2.31)	
<b>Net Cash flow from / (used in) Financing Activities (C)</b>		<b>(159.58)</b>		<b>(2.31)</b>
<b>Net Increase in cash &amp; cash equivalents (A+B+C)</b>		<b>(7,376.49)</b>		<b>7,170.08</b>
<b>Cash &amp; cash equivalents as at the beginning</b>		<b>7,638.83</b>		<b>468.75</b>
<b>Cash &amp; cash equivalents as at the end</b>		<b>262.34</b>		<b>7,638.83</b>
Significant Accounting Policies	1 to 35			

As per our report of even date

**R. Dewan & .Co.**

Chartered Accountants

Firm Regn. No. 017883N

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

**Rakesh Marwaha**

Partner

M. No. 504991

**Swati Mangla**

Company Secretary

Membership no.50475

**Poorva Bhatia**

Chief Financial Officer

**Suchita Jain**

Director

DIN:00746471

**S.P. Oswal**

Chairman & Managing Director

DIN: 00121737

Place: Ludhiana

Date: May 25, 2022

# Standalone Statement of Changes in Equity

for the year ended 31<sup>st</sup> March 2022 (All amounts in Rs lakhs, unless otherwise stated)

## A. Equity share capital

Particulars	Amount
Balance as at 1st April 2020	319.24
Changes in Equity Share Capital during the year	-
<b>Balance as at 31st March 2021</b>	<b>319.24</b>
Changes in Equity Share Capital during the year	-
<b>Balance as at 31st March 2022</b>	<b>319.24</b>

## B. Other Equity

Particulars	OTHER EQUITY						Total	
	Reserves & Surplus			Items of other comprehensive income				
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General reserve	Statutory Reserve (u/s 45-IC of RBI Act, 1934)	Retained Earnings	Equity instruments through other comprehensive income	
<b>Balance as of 1 April 2021</b>	<b>0.11</b>	<b>70.00</b>	<b>781.28</b>	<b>9,659.72</b>	<b>10,129.43</b>	<b>40,177.84</b>	<b>5,767.48</b>	<b>66,585.86</b>
Transfer to statutory Reserve u/s 45-IC of RBI Act,1934		-	-		1,667.13	(1,667.13)		-
Profit/Loss for the period						8,335.66		8,335.66
Other Comprehensive Income for the period						(0.09)	4,356.27	4,356.18
Dividend @ Rs.5/Share for financial year 2020-21						(159.58)		(159.58)
<b>Balance as of 31 March 2022</b>	<b>0.11</b>	<b>70.00</b>	<b>781.28</b>	<b>9,659.72</b>	<b>11,796.56</b>	<b>46,686.70</b>	<b>10,123.75</b>	<b>79,118.12</b>

# Standalone Statement of Changes in Equity

for the year ended 31<sup>st</sup> March 2022 (All amounts in Rs lakhs, unless otherwise stated)

## B Other Equity (Contd.)

Particulars	OTHER EQUITY						Total	
	Reserves & Surplus					Items of other comprehensive income		
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General reserve	Statutory Reserve (u/s 45-IC of RBI Act, 1934)			Retained Earnings
<b>Balance as of 1 April 2020</b>	<b>0.11</b>	<b>70.00</b>	<b>781.28</b>	<b>9,659.72</b>	<b>9,828.43</b>	<b>38,973.76</b>	<b>707.30</b>	<b>60,020.60</b>
Transfer to statutory Reserve u/s 45-IC of RBI Act, 1934	-	-	-	-	301.00	(301.00)	-	-
Profit/Loss for the period	-	-	-	-	-	1,505.01	-	1,505.01
Other Comprehensive Income for the period	-	-	-	-	-	0.07	5,060.18	5,060.25
<b>Balance as of 31 March 2021</b>	<b>0.11</b>	<b>70.00</b>	<b>781.28</b>	<b>9,659.72</b>	<b>10,129.43</b>	<b>40,177.84</b>	<b>5,767.48</b>	<b>66,585.86</b>

As per our report of even date

**R. Dewan & .Co.**

Chartered Accountants

Firm Regn. No. 017883N

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

**Rakesh Marwaha**

Partner

M. No. 504991

**Swati Mangla**

Company Secretary

Membership no.50475

**Poorva Bhatia**

Chief Financial Officer

DIN:00746471

**Suchita Jain**

Director

DIN:00121737

**S.P. Oswal**

Chairman & Managing Director

Place: Ludhiana

Date: May 25, 2022



# Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

## 1 GENERAL 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. The Company is listed on two stock exchanges i.e. at National Stock Exchange and at Bombay Stock Exchange.

The financial statements were approved for issue in accordance with a resolution of the directors on May 25, 2022

## 2 SIGNIFICANT ACCOUNTING POLICIES, SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS AND APPLICABILITY OF NEW AND REVISED IND AS

### 2.1 Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), and the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

### 2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take

those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

### 2.3 Revenue recognition

Effective April 1, 2018, the Company adopted Ind AS 115 'Revenue from Contracts with Customers'. First time adoption has been conducted retrospectively with cumulative effect of initially applying this standard as on the transition date. The effect on the transition to Ind AS 115 is insignificant.

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue recognised from major business activities:

#### 2.3.1 Income from Investments

Profit/loss earned on sale of investments is recognised on settlement date basis. Profit or loss on sale of investments is determined on the basis of weighted average cost method. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

#### 2.3.2 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### 2.3.3 Rental income

As a lessor: Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease"

### 2.3.4 Receipt against License Agreement:

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

## 2.4 Employee benefits

### 2.4.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes

to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- b. net interest expense or income; and
- c. re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

### 2.4.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

# Notes to Standalone Financial Statement

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

## 2.5 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

### 2.5.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current income tax assets/liabilities for current year is recognized at the amount expected to be paid to and/or recoverable from the tax authorities.

### 2.5.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction

that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income-tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income-tax. Accordingly, MAT Credit is recognised as asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

### 2.5.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

## 2.6 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

The Cost of an item of Property, plant and equipment comprises:

- a. its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates
- b. any attributable expenditure directly attributable for bringing an asset to the location and the working condition for its intended use and
- c. the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Depreciation is provided on Straight Line Method on the basis of useful lives of such assets specified in Schedule II to the Companies Act, 2013 except the assets costing Rs. 5000/- or below on which depreciation is charged @ 100%. Depreciation is calculated on pro-rata basis.

The estimated useful life of the assets have been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support etc and are as under:

Buildings	60 years
Furniture and Fixtures & Office Equipment	3-10 years
Vehicles	8 years

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or

losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

### 2.7 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

# Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

## 2.8 Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursements will be received and amount of the receivable can be measured reliably.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

## 2.9 Financial instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

## 2.9.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

### 2.9.1.1 Classification of financial assets

Financial instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

Interest income is recognised in profit or loss for instruments measured at Fair value through other comprehensive income (FVTOCI). All other financial assets are subsequently measured at fair value.

### 2.9.1.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

### 2.9.1.3 Investments in equity instruments measured at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- a. it has been acquired principally for the purpose of selling it in the near term; or
- b. on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- c. it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

### 2.9.1.4 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL/ FVTOCI.



## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

### 2.9.1.5 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument

has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables,

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

the Company has used a practical expedient as permitted under Ind AS 109. The Company follows simplified approach for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

### 2.9.1.6 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

### 2.9.2 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

#### 2.9.2.1 Financial liabilities at fair value through profit and loss (FVTPL)

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- a. it has been incurred principally for the purpose of repurchasing it in the near term; or
- b. on initial recognition it is part of a portfolio of identified financial instruments that the



## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

Company manages together and has a recent actual pattern of short-term profit-taking; or

- c. it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- a. such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- b. the financial liability forms part of group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- c. it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the statement of profit and loss.

### 2.9.2.2 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities

that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### 2.9.2.3 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

### 2.10 Earnings per share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit

# Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

## 2.11 Significant accounting judgements, estimates and assumptions

In the application of the Company's accounting policies, which are described as stated above, the Directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods."

### 2.11.1 Key sources of uncertainty

In the application of the Company accounting policies, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based

on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

#### 2.11.1.1 Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future, salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### 2.11.1.2 Useful lives of depreciable tangible assets

Management reviews the useful lives of depreciable/ amortisable assets at each reporting date.

As at March 31, 2022 management assessed that the useful lives represent the expected utility of the assets to the Company.

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 2.11.1.3 Fair Value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors of the Company approves the fair values determined by the Chief Financial Officer of the Company including determining the appropriate valuation techniques and inputs for fair value measurements.

### 2.12 Contingent Liability

In ordinary course of business, the Company faces claims by various parties. The Company annually assesses such claims and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosures in the financial statements but does not record a liability in its financial statements unless the loss becomes probable.

### 2.13 Applicability of new and revised IND AS

On 23 March 2022, the Ministry of Corporate Affairs ("MCA") through notifications, amended to existing Ind AS. The same shall come into force from annual reporting period beginning on or after 1st April 2022. Key Amendments relating to the same whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- Ind AS 16 Property, Plant and Equipment – For items produced during testing/trail phase, clarification added that revenue generated out of the same shall

not be recognised in Statement of Profit and Loss and considered as part of cost of PPE.

- Ind AS 37 Provisions, Contingent Liabilities & Contingent Assets – Guidance on what constitutes cost of fulfilling contracts (to determine whether the contract is onerous or not) is included.
- Ind AS 41 Agriculture– This aligns the fair value measurement in Ind AS 41 with the requirements of Ind AS 113 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.
- Ind AS 101 – First time Adoption of Ind AS – Measurement of Foreign Currency Translation Difference in case of subsidiary/associate/ JV's date of transition to Ind AS is subsequent to that of Parent – FCTR in the books of subsidiary/associate/JV can be measured based Consolidated Financial Statements.
- Ind AS 103 – Business Combination – Reference to revised Conceptual Framework. For contingent liabilities / levies, clarification is added on how to apply the principles for recognition of contingent liabilities from Ind AS 37. Recognition of contingent assets is not allowed.

Ind AS 109 Financial Instruments – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law”

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 3 CASH AND BANK BALANCES

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Cash and cash equivalents</b>		
a) Cash on hand	0.03	0.03
b) Balances with banks		
- On current accounts	120.96	23.03
- Fixed Deposits with less than 3 months maturity	141.35	7,615.77
	<b>262.34</b>	<b>7,638.83</b>

### 4 Bank Balances other than (a) above

Particulars	As at 31.03.2022	As at 31.03.2021
Other Bank Balances		
- Earmarked balances with banks	11.43	9.79
	<b>11.43</b>	<b>9.79</b>

\* Earmarked balances with banks includes Rs. 9.78 lacs (March 31, 2021: Rs. 9.79 lacs ) pertaining to dividend accounts with banks and Rs.1.65 lacs (March 31, 2021:Rs Nil) pertaining to balances in unspent CSR accounts.

### 5 Receivables

Particulars	As at 31.03.2022	As at 31.03.2021
Interest Receivable	609.68	577.05
	<b>609.68</b>	<b>577.05</b>

### 6 INVESTMENTS

Particulars	As at 31.03.2022	As at 31.03.2021
<b>A Long Term investments</b>		
<b>TRADE INVESTMENTS</b>		
<b>Financial assets carried at cost</b>		
<b>Investment in Associates</b>		
<b>a. (Quoted)</b>		
79,502,475 (31 March 2021: 15,895,095 of Rs. 10 per share ) Equity Shares of Rs. 2/- each fully paid up of Vardhman Textiles Limited	30,869.06	30,798.20
<b>b. (Unquoted)</b>		
25,000 (31 March 2021: 25,000) Equity Shares of Rs.10/- each fully paid up of Vardhman Spinning & General Mills Limited	2.50	2.50

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 6 INVESTMENTS (Contd.)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Financial assets measured at fair value through other comprehensive income</b>		
<b>a. Investment in equity instruments (Quoted)</b>		
733,762 (31 March 2021: 733,762) Equity Shares of Rs.10/- each fully paid up of Vardhman Acrylics Limited	394.40	268.92
5,218,954 (31 March 2021: 5,218,954) Equity Shares of Rs.10/- each fully paid up of Vardhman Special Steels Limited	11,904.43	7,189.11
<b>Other Investments:-</b>		
<b>a. Investment in equity/preference instruments of other entities (quoted)</b>		
112 (31 March 2021: 112) Equity shares of Rs.10/- each fully paid-up of Garware Nylon Ltd.	-	-
1,150 (31 March 2021: 1,150) Equity shares of Rs.1/- each fully paid-up of Hindustan Unilever Ltd.	23.56	27.96
50 (31 March 2021: 50) Equity shares of Rs.10/- each fully paid-up of Vinod Paper Mills Limited	-	-
8,000(31 March 2021: 8,000) Preference shares of Rs.10000/- each fully paid-up of Infrastructure Leasing & Financial Services Limited*	-	-
	<b>43,193.95</b>	<b>38,286.69</b>
<b>B CURRENT INVESTMENTS</b>		
<b>Investment in Equity instruments of other entities (quoted)</b>		
1,036,605 (31 March 2021: 1,059,890) Equity Shares of Rs.1/- each of Welspun India Limited	941.76	856.92
<b>Total</b>	<b>941.76</b>	<b>856.92</b>
<b>Investment in Debentures (Unquoted)</b>		
*72,261 (31 March 2021: 72,261 ) 10% Convertible Debentures of Rs. 100 each of Ambojini Property Developers Private Limited	142.16	142.16
*Nil (31 March 2021: 129) Units of Rs.100,000/- each of Shambhavi Reality Pvt. Ltd.	-	35.58
*80 (31 March 2021: 80) Units of Rs.100,000/- each of Sutlej Housing Pvt. Ltd.	60.00	80.00
*68 (31 March 2021: 68) Units of Rs.100,000/- each of ASP Infraprojects Pvt. Ltd.	9.70	22.52
*35 (31 March 2021: 35) Units of Rs.100,000/- each of Midcity Infrastructure Pvt. Ltd.	26.25	35.00
*62 (31 March 2021: 62) Units of Rs.100,000/- each of Gulam Mustafa Enterprises Pvt. Ltd.	28.77	30.14
	<b>266.88</b>	<b>345.40</b>

\*Investment in preference shares of IL&FS group companies aggregating to Rs. 539 lacs. In view of the uncertainty prevailing with respect to recovery of the investment value from the IL&FS group, the Management has measured such investments at Rs. NIL (March 31,2021 Rs.NIL) and recorded adjustment as FVTPL.

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 6 INVESTMENTS (Contd.)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Investment in /Liquid Funds/Debt Funds (quoted)</b>		
5,216.582 (31 March 2021: 63,644.04) Units of Rs.1000/- each of SBI Liquid Fund Direct Plan Growth	173.87	2,050.37
15,000,000 (31 March 2021: 15,000,000) Units of Rs.10/- each of SBI Debt Fund Series C-38(1224 Days)Direct Growth	1,902.47	1,827.41
31,571,195.768 units (31 march 21: Nil) of Kotak Equity arbitrage fund of Rs.10 each	9,998.28	-
52,74,762.432 ( 31 March 2021 : Nil ) units of Rs. 10/- each of L&T arbitrage opportunities fund direct growth	8,569.85	-
849,942.274 units (31 March 2021: Nil) Units of Rs.10/- each of SBI Arbitrage Opportunities Direct Plan-Growth	242.49	-
	<b>20,886.96</b>	<b>3,877.78</b>
<b>Investment in Equity Fund/Liquid Funds/Debt Funds/Monthly Income Plans/Alternate Investment Funds (Unquoted)</b>		
11,07,431.21 (31 March 2021: 5,827,545) Units of Rs.10/- each of Zodius Technology Fund	378.96	686.26
2,80,084.11 (31 March 2021: 299,950.89 ) Units of Rs.100/- each of IVY Cap Venture Fund-II	523.39	362.69
127.57 (31 March 2021: 133.57) Units of Rs.100,000/- each of India Venture Trust fund -I	33.95	25.02
3,905,499.21 (31 March 2021: 3,905,499.21) Units of Rs.10/- each of IIFL Seed Venture Fund 1	1,339.88	896.76
459,391(31 March 2021: 695,050) Units of Rs.100/- each of ICICI Prudential Real Estate fund AIF-I	514.70	783.81
18,547,493 (31 March 2021: 18,547,493) Units of Rs.10/- each of IIFL Real Estate Fund Domestic Series-2	677.00	873.18
2667.21 (31 March 2021: 3,183.66 ) Units of Rs.100,000/- each of ASK Real Estate Fund	4,010.63	4,422.24
988.673 (31 March 2021: 1000) Units of Rs.100000/- each of Baring Private Equity India AIF	2,187.85	1,583.13
432.5 (March 31, 2021: Nil) units of Rs. 100000/- each of INVESTEC Emerging India Credit Opportunities fund	432.50	-
	<b>10,098.86</b>	<b>9,633.09</b>
<b>Investment in Equity Shares (Unquoted)</b>		
19,280 (31 March 2021 : Nil ) Equity shares FV of Rs. 2 per share of One Mobikwik Systems Limited	149.96	-
*7,870 (31 March 2021: 7,870) Equity Shares of Rs.10/- each fully paid up of Ambojini Property Developers Private Limited	1.55	1.55
	<b>151.51</b>	<b>1.55</b>
<b>Total (B)</b>	<b>32,345.97</b>	<b>14,714.73</b>
<b>Total (A) + (B)</b>	<b>75,539.92</b>	<b>53,001.43</b>

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 6 INVESTMENTS (Contd.)

#### Notes:

Particulars	As at 31.03.2022	As at 31.03.2021
1. Aggregate amount of quoted investments (Gross)	65,020.17	43,018.89
2. Aggregate amount of unquoted investments (Gross)	10,519.75	9,982.54
3. Market value of quoted investments	358,953.18	218,491.34

### 6C. Investments

(Amount in lakhs)

Particulars	Carrying Cost	As at 31.03.2022 Amount in Lacs		Total
		At Fair Value		
		Through Other Comprehensive Income	Through profit or loss	
Mutual Funds			30,985.82	30,985.82
Government securities				-
Other approved securities				-
Debt securities			266.88	266.88
Equity instruments		12,298.83	1,116.83	13,415.66
Preference instruments			-	-
Subsidiaries				-
Associates	30,871.56			30,871.56
Joint Ventures				-
Others (specify)				-
<b>Total-Gross (A)</b>	<b>30,871.56</b>	<b>12,298.83</b>	<b>32,369.53</b>	<b>75,539.92</b>
(i) Investments outside india	-	-	-	-
(ii) Investments in India	30,871.56	12,298.83	32,369.53	75,539.92
<b>Total (B)</b>	<b>30,871.56</b>	<b>12,298.83</b>	<b>32,369.53</b>	<b>75,539.92</b>
Less-Allowance for Impairment (c)				
<b>Total- Net D = (A) - (C)</b>	<b>30,871.56</b>	<b>12,298.83</b>	<b>32,369.53</b>	<b>75,539.92</b>

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 6C. Investments (Contd.)

(Amount in lakhs)

Particulars	Carrying Cost	As at 31.03.2021		
		Fair Value		Total
		Through Other Comprehensive Income	Through profit or loss	
Mutual Funds	-	-	13,510.86	13,510.86
Government securities	-	-	-	-
Other approved securities	-	-	-	-
Debt securities	-	-	345.40	345.40
Equity instruments	-	7,458.03	886.44	8,344.47
Preference instruments	-	-	-	-
Subsidiaries	-	-	-	-
Associates	30,800.70	-	-	30,800.70
Joint Ventures	-	-	-	-
Others (specify)	-	-	-	-
<b>Total-Gross (A)</b>	<b>30,800.70</b>	<b>7,458.03</b>	<b>14,742.70</b>	<b>53,001.43</b>
(i) Investments outside india	-	-	-	-
(ii) Investments in India	30,800.70	7,458.03	14,742.70	53,001.43
<b>Total (B)</b>	<b>30,800.70</b>	<b>7,458.03</b>	<b>14,742.70</b>	<b>53,001.43</b>
Less-Allowance for Impairment (c)	-	-	-	-
<b>Total- Net D = (A) - (C)</b>	<b>30,800.70</b>	<b>7,458.03</b>	<b>14,742.70</b>	<b>53,001.43</b>

### 6 (D). Maturity pattern of certain items of assets and liabilities

As at March 31, 2022

(Amount in Lacs.)

Particulars	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	-	-	-	-	-	-	-	-	-
<b>Investments</b>	<b>173.87</b>	-	-	<b>18,810.61</b>	-	<b>7,805.11</b>	-	<b>48,750.33</b>	<b>75,539.92</b>



## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 6 (D). Maturity pattern of certain items of assets and liabilities (Contd.)

As at March 31, 2021

(Amount in Lacs.)

Particulars	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	-	-	-	-	-	-	-	-	-
<b>Investments</b>	<b>2,050.37</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>856.92</b>	<b>8,253.58</b>	<b>-</b>	<b>41,840.56</b>	<b>53,001.43</b>

### 7 Other Financial assets

Particulars	As at 31.03.2022	As at 31.03.2021
<b>(Unsecured and considered good), unless otherwise stated</b>		
- Other Recoverable	230.41	664.87
- Fixed deposits more than 3 months maturity	-	907.64
	<b>230.41</b>	<b>1,572.51</b>

### 8 Deferred tax assets (net)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Deferred tax liabilities</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting period	925.45	127.11
Gross deferred tax liability	<b>925.45</b>	<b>127.11</b>
<b>Deferred tax assets</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowable for tax purposes on payment basis	0.43	0.56
Mat Credit Recoverable	3,340.10	4,040.21
Gross deferred tax asset	3,340.53	4,040.77
<b>Deferred tax Assets (Net)</b>	<b>2,415.08</b>	<b>3,913.66</b>

# Notes to Standalone Financial Statement

(All amounts in Rs. lakhs, unless otherwise stated)

## NOTE - 9 - PROPERTY, PLANT & EQUIPMENT

Particulars	Deemed Cost			DEPRECIATION			NET BLOCK	
	Balance as at 01.04.2021	Additions/ Adjustments	Disposal	Balance as at 31.03.2022	Depreciation during the year	Eliminated on disposal of assets	Balance as at 31.03.2022	Balance as at 31.03.2021
<b>TANGIBLE ASSETS</b>								
1. Freehold land	284.33	-	-	284.33	-	-	284.33	284.33
2. Buildings	40.14	-	-	40.14	0.72	-	36.53	37.26
3. Office Equipment	0.73	-	-	0.73	0.05	-	0.04	0.08
<b>Current Year</b>	<b>325.20</b>	-	-	<b>325.20</b>	<b>0.77</b>	-	<b>4.30</b>	<b>321.67</b>

Particulars	Deemed Cost			DEPRECIATION			NET BLOCK	
	Balance as at 01.04.2020	Additions/ Adjustments	Disposal	Balance as at 31.03.2021	Depreciation during the year	Eliminated on disposal of assets	Balance as at 31.03.2021	Balance as at 01.04.2020
<b>TANGIBLE ASSETS</b>								
1. Freehold land	284.33	-	-	284.33	-	-	284.33	284.33
2. Buildings	40.14	-	-	40.14	0.72	-	2.89	37.98
3. Office Equipment	0.73	-	-	0.73	0.16	-	0.64	0.24
<b>Current Year</b>	<b>325.20</b>	-	-	<b>325.20</b>	<b>0.88</b>	-	<b>3.53</b>	<b>322.55</b>

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 10 Other Non Financial Assets

Particulars	As at 31.03.2022	As at 31.03.2021
<b>( unsecured, considered good )</b>		
Prepaid Expenses	5.69	4.05
Other recoverable	0.07	16.42
Security Deposit	4.19	4.26
	<b>9.95</b>	<b>24.73</b>

### 11 Other financial liabilities

Particulars	As at 31.03.2022	As at 31.03.2021
Other Payables:-		
- Expenses Payables	6.71	3.83
- Dues to Employees	11.64	3.16
- Other Liabilities	-	74.28
	<b>18.35</b>	<b>81.27</b>

### 12 Current Tax Liabilities (Net)

Particulars	As at 31.03.2022	As at 31.03.2021
Provision for Tax* (Net of advance tax)	-	43.30
	-	<b>43.30</b>

\* Provision for tax of previous year is net of Advance tax of Rs. 6065.75 lacs

### 12A Current Tax Assets (Net)

Particulars	As at 31.03.2022	As at 31.03.2021
Advance tax (net of provision for tax)	105.20	-
	<b>105.20</b>	-

\*Advance Tax is net of Provision for Tax of Rs. 8,672.66 lacs.

### 13 PROVISIONS

Particulars	As at 31.03.2022	As at 31.03.2021
Provision for employee benefits :		
- Gratuity	0.51	1.59
- Leave encashment	1.04	1.31
	<b>1.55</b>	<b>2.90</b>

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 14 OTHER CURRENT LIABILITIES

Particulars	As at 31.03.2022	As at 31.03.2021
Statutory Remittances	37.87	17.31
Unpaid dividends#	9.78	9.79
	<b>47.65</b>	<b>27.10</b>

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

### 15 Equity share capital

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Authorised share capital:</b>		
3,00,00,000 equity shares of Rs. 10 each (March 31, 2021: 3,00,00,000 equity shares of Rs. 10 each)	3,000.00	3,000.00
1,00,00,000 redeemable cumulative preference shares of Rs. 10 each (March 31, 2021: 1,00,00,000 redeemable cumulative preference shares of Rs. 10 each)	1,000.00	1,000.00
	<b>4,000.00</b>	<b>4,000.00</b>
<b>Issued up share capital comprises:</b>		
31,91,536 equity shares of Rs. 10 each (March 31, 2021: 31,91,536 equity shares of Rs. 10 each)	319.15	319.15
	<b>319.15</b>	<b>319.15</b>
<b>Subscribed and fully paid up share capital comprises:</b>		
31,91,536 equity shares of Rs. 10 each (March 31, 2021: 31,91,536 equity shares of Rs. 10 each)	319.15	319.15
Add: Forfeited Shares (Amount originally paid-up)	0.09	0.09
	<b>319.24</b>	<b>319.24</b>

#### 15.1 Rights, preference and restriction attached to equity shares

The Company has one class of equity shares having a par value of Rs.10/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting. 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 shareholders

#### 15.2 Rights, preference and restriction attached to preference shares

The rate of dividend on preference shares will be decided by the Board of Directors as and when issued. Preferential shares as and when issued shall have the cumulative right to receive dividend as and when declared and shall have preferential right of repayment on amount of capital.

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 15 Equity share capital (Contd.)

#### 15.3 Reconciliation of number of shares

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	3,191,536	319.24	3,191,536	319.24
Add:- Shares Issued during year	-	-	-	-
<b>Balance as at the end of the year</b>	<b>3,191,536</b>	<b>319.24</b>	<b>3,191,536</b>	<b>319.24</b>

#### 15.4 Details of shares held by the holding Company

There is no Holding / Ultimate Holding Company of the Company.

#### Details of shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	% holding	Number of shares	% holding
Adishwar Enterprises LLP	1,048,770	32.86%	1048770	32.86%
Devakar Investment & Trading Company (P) Limited	1,094,330	34.29%	1094330	34.29%

#### 15.5 Details of Shares held by promoters at the end of the year

Particulars	As at March 31, 2022			As at March 31, 2021		
	Number of shares	% holding	% change during the year	Number of shares	% holding	% change during the year
Adishwar Enterprises LLP	1,048,770	32.86%	-	1,048,770	32.86%	-
Devakar Investment & Trading Company (P) Limited	1,094,330	34.29%	-	1,094,330	34.29%	-
Shri Paul Oswal	56,880	1.78%	-	56,880	1.78%	-
Flamingo Finance & Investment Company Limited	50,671	1.59%	-	50,671	1.59%	-
Ramaniya Finance & Investment Company Limited	29,343	0.92%	-	29,343	0.92%	-
Suchita Jain	28,416	0.89%	-	28,416	0.89%	-
Shakun Oswal	19,084	0.60%	-	19,084	0.60%	-
Northern Trading Company	13,760	0.43%	-	13,760	0.43%	-
Santon Finance & Investment Company Limited	12,266	0.38%	-	12,266	0.38%	-

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 15 Equity share capital (Contd.)

#### 15.5 Details of Shares held by promoters at the end of the year

Particulars	As at March 31, 2022			As at March 31, 2021		
	Number of shares	% holding	% change during the year	Number of shares	% holding	% change during the year
Mahavir Spinning Mills Private Limited	10,332	0.32%	-	10,332	0.32%	-
Eastern Trading Company	9,840	0.31%	-	9,840	0.31%	-
Paras Syndicate	7,610	0.24%	-	7,610	0.24%	-
Amber Syndicate	6,689	0.21%	-	6,689	0.21%	-
Sachit Jain	2,330	0.07%	-	2,330	0.07%	-
Soumya Jain	80	0.00%	-	80	0.00%	-
Sagrika Jain	40	0.00%	-	40	0.00%	-

### 16 Other equity

Particulars	As on 31 March, 2022	As on March 31, 2021
Capital Reserve	0.11	0.11
Capital Redemption Reserve	70.00	70.00
Securities Premium	781.28	781.28
General reserve	9,659.72	9,659.72
Statutory Reserve (u/s 45-IC of RBI Act, 1934)	11,796.56	10,129.43
Retained Earnings	46,686.70	40,177.84
Equity instrument through other comprehensive income	10,123.75	5,767.48
	<b>79,118.12</b>	<b>66,585.86</b>

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 16 Other equity (Contd.)

Particulars	OTHER EQUITY							Total
	Reserves & Surplus						Items of other comprehensive income	
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General reserve	Statutory Reserve (u/s 45-IC of RBI Act, 1934)	Retained Earnings	Equity instruments through other comprehensive income	
Balance as of 1 April 2021	0.11	70.00	781.28	9,659.72	10,129.43	40,177.84	5,767.48	66,585.86
Transfer to statutory Reserve u/s 45-IC of RBI Act,1934		-	-		1,667.13	(1,667.13)		-
Profit/Loss for the period						8,335.66		8,335.66
Other Comprehensive Income for the period						(0.09)	4,356.27	4,356.18
Dividend @ Rs.5/ Share for financial year 2020-21						(159.58)		(159.58)
<b>Balance as of 31st March,2022</b>	<b>0.11</b>	<b>70.00</b>	<b>781.28</b>	<b>9,659.72</b>	<b>11,796.56</b>	<b>46,686.70</b>	<b>10,123.75</b>	<b>79,118.12</b>

Particulars	OTHER EQUITY							Total
	Reserves & Surplus						Items of other comprehensive income	
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General reserve	Statutory Reserve (u/s 45-IC of RBI Act, 1934)	Retained Earnings	Equity instruments through other comprehensive income	
Balance as of 1 April 2020	0.11	70.00	781.28	9,659.72	9,828.43	38,973.76	707.30	60,020.60
Transfer to statutory Reserve u/s 45-IC of RBI Act,1934		-	-		301.00	(301.00)		-
Profit/Loss for the period						1,505.01	-	1,505.01
Other Comprehensive Income for the period						0.07	5,060.18	5,060.25
<b>Balance as of 31st March 2021</b>	<b>0.11</b>	<b>70.00</b>	<b>781.28</b>	<b>9,659.72</b>	<b>10,129.43</b>	<b>40,177.84</b>	<b>5,767.48</b>	<b>66,585.86</b>

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 16 Other equity (Contd.)

#### a. Capital reserve

Capital reserve represents reserve recognised on amalgamation being the difference between consideration amount and net assets of the transferee Company.

#### b. Capital redemption reserve

Capital Redemption reserve is a statutory, non-distributable reserve into which amounts are transferred following the redemption or purchase of a Company's own shares.

#### c. Securities premium

Securities premium represents amount of premium recognised on issue of shares to shareholders at a price more than its face value.

#### d. General reserve

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

#### e. Statutory Reserve (u/s 45-IC of RBI Act, 1934)

Statutory Reserve is mandatory reserve to be created by NBFC Companies u/s 45-IC of RBI Act, 1934 every year @ 20% of net profit after tax during the year.

#### f. Retained earnings

Retained earnings represents amount that can be distributed by the Company to its equity shareholders is determined based on the financial statements of the Company and also considering the requirements of the Companies Act 2013.

#### g. Equity instrument through other comprehensive income

Reserve for equity instruments through other comprehensive income represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amount reclassified to retained earnings when those assets have been disposed off.

### 17 Interest Income

Particulars	For the year ended March, 31 2022	For the year ended March, 31 2021
Interest Income from investments (On financial assets classified at fair value through profit or loss)	393.67	779.91
	<b>393.67</b>	<b>779.91</b>



## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 18 Dividend Income

Particulars	For the year ended March, 31 2022	For the year ended March, 31 2021
Dividend Income from investments:		
- Associates	8,188.75	-
- others	263.69	6.38
	<b>8,452.44</b>	<b>6.38</b>

### 19 Net gain on fair value changes

Particulars	For the year ended March, 31 2022	For the year ended March, 31 2021
<b>(A). Net gain/ (loss) on financial instruments at fair value through profit or loss</b>		
(i) On trading portfolio		
- Investments	-	-
- Derivatives	-	-
- Others	838.70	579.16
(ii) MTM Gain / (Loss) on Investments (Net of Reversal)	1,812.90	613.06
<b>Total Net gain/(loss) on fair value changes (B)</b>	<b>2,651.60</b>	<b>1,192.22</b>
Fair Value changes		
- Realised	838.70	579.16
- Unrealised	1,812.90	613.06
<b>Total Net gain/(loss) on fair value changes (C) to tally with (B)</b>	<b>2,651.60</b>	<b>1,192.22</b>

### 20 Other Income

Particulars	For the year ended March, 31 2022	For the year ended March, 31 2021
Receipt against License agreement	183.64	122.77
Rent received	1.80	1.80
Miscellaneous	0.02	0.12
	<b>185.46</b>	<b>124.69</b>

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 21 Employee Benefits Expense

Particulars	For the year ended March, 31 2022	For the year ended March, 31 2021
Salaries and wages	81.83	56.11
	<b>81.83</b>	<b>56.11</b>

### 22 Other Expenses

Particulars	For the year ended March, 31 2022	For the year ended March, 31 2021
Rates and taxes	0.02	0.01
Printing and stationery	0.78	0.04
Other Financial Charges	4.49	8.85
Director's fees, allowances and expenses	4.78	5.35
Auditor's fees and expenses	0.75	0.84
Legal and Professional charges	143.55	58.22
Insurance	3.55	3.81
Charity and Donation / CSR Expenses	60.34	85.92
Miscellaneous expenditure	7.35	7.88
	<b>225.61</b>	<b>170.92</b>

### 23 Tax balances

The following is the analysis of deferred tax assets / (liabilities) presented in the standalone balance sheet

#### 23.1 Deferred tax Assets (Net)

2021-22	Opening Balance	Mat Credit Adjustment	Recognised in profit or loss	Recognised in OCI	Closing Balance
<b>Deferred tax assets</b>					
Expenses deductible in future years	0.45	-	(0.13)	-	0.32
MAT credit recoverable	4,040.21	(700.11)	-	-	3,340.10
Property, plant and equipment	0.11	-	(0.00)	-	0.11
	<b>4,040.77</b>	<b>(700.11)</b>	<b>(0.13)</b>	-	<b>3,340.53</b>
<b>Deferred tax liabilities</b>					
Investment in bonds, mutual funds and equity instruments	127.11	-	313.82	484.53	925.45
	<b>127.11</b>	-	<b>313.82</b>	<b>484.53</b>	<b>925.45</b>
<b>Net deferred tax assets</b>	<b>3,913.66</b>	<b>(700.11)</b>	<b>(313.95)</b>	<b>(484.53)</b>	<b>2,415.08</b>

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 23 Tax balances (Contd.)

#### 23.1 Deferred tax assets (Net)

2020-21	Opening Balance	Mat Credit Adjustment	Recognised in profit or loss	Recognised in OCI	Closing Balance
Deferred tax assets					
Expenses deductible in future years	0.39	-	0.06	-	0.45
MAT credit recoverable	4,019.35	20.86	-	-	4,040.21
Property, plant and equipment	0.08	-	0.03	-	0.11
	<b>4,019.82</b>	<b>20.86</b>	<b>0.09</b>	-	<b>4,040.77</b>
<b>Deferred tax liabilities</b>					
Investment in bonds, mutual funds and equity instruments	101.30	-	25.81	-	127.11
	<b>101.30</b>	-	<b>25.81</b>	-	<b>127.11</b>
<b>Net deferred tax Assets</b>	<b>3,918.52</b>	<b>20.86</b>	<b>(25.72)</b>	-	<b>3,913.66</b>

Note: Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

#### 23.2 Income tax recognised in profit or loss

Particulars	As At March 31, 2022	As At March 31, 2021
<b>Current tax</b>		
In respect of the current year	2,725.35	365.42
<b>Deferred tax</b>		
In respect of the current year	313.95	4.86
<b>Total income tax expense recognised</b>	<b>3,039.30</b>	<b>370.28</b>

#### 23.3 The income tax expense for the year can be reconciled to the accounting profit as follows

Particulars	As At March 31, 2022	As At March 31, 2021
Profit before tax	11,374.95	1,875.29
Tax at the Indian Tax Rate of 29.12%	3,312.39	546.08
Exempt Long Term Capital Gain	(3.19)	-
Donation Disallowed	-	1.69
Effect of indexation benefit on value of investment	-	(3.42)
Tax Difference on MTM Gain on investment	(213.97)	(152.71)
Capital Gain tax rate difference	(53.54)	(45.47)
Others	(2.40)	24.11
	<b>3,039.29</b>	<b>370.28</b>

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

#### 24.1 Financial instruments by category

Particulars	As at March 31, 2022			
	FVTPL	Amortised Cost#	FVTOCI	Total
<b>Financial Assets</b>				
Investments	32,369.53	-	12,298.83	44,668.36
Other Receivables	-	609.68	-	609.68
Cash and cash equivalents	-	262.34	-	262.34
Bank balances other than above	-	11.43	-	11.43
Other Financial Assets	-	230.41	-	230.41
	<b>32,369.53</b>	<b>1,113.86</b>	<b>12,298.83</b>	<b>45,782.22</b>

Particulars	As at March 31, 2021			
	FVTPL	Amortised Cost#	FVTOCI	Total
<b>Financial Assets</b>				
Investments*	14,742.70	-	7,458.03	22,200.73
Other Receivables	-	577.05	-	577.05
Cash and cash equivalents	-	7,638.83	-	7,638.83
Bank balances other than above	-	9.79	-	9.79
Other Financial Assets	-	1,572.51	-	1,572.51
	<b>14,742.70</b>	<b>9,798.18</b>	<b>7,458.03</b>	<b>31,998.91</b>

Particulars	As at March 31, 2022		
	FVTPL	Amortised Cost#	Total
<b>Financial Liabilities</b>			
Other financial liabilities	-	18.35	18.35
	<b>-</b>	<b>18.35</b>	<b>18.35</b>

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd.)

#### 24.1 Financial instruments by category

Particulars	As at March 31, 2021		
	FVTPL	Amortised Cost#	Total
<b>Financial Liabilities</b>			
Trade Payables	-	-	-
Other financial liabilities	-	81.27	81.27
	-	<b>81.27</b>	<b>81.27</b>

# Carrying value of the financial assets and financial liabilities designated at amortised cost approximates its fair value.

\* Investment value excludes investment in subsidiaries/Associates/Joint ventures of Rs. 30,872 Lacs (March 31, 2021: Rs.30800 lacs) which are shown at cost in balance sheet as per Ind AS 27 "Separate Financial Statements".

#### 24.2 Fair value hierarchy

The following table provides an analysis of financial instruments that are measured at fair value and have been grouped into Level 1, Level 2 and Level 3 below:

##### As at March 31, 2022

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in mutual funds/bonds/preference shares	18,984.49	4,522.82	7,745.39	31,252.70
Investments in quoted equity instruments	13,264.15	-	-	13,264.15
Investments in unquoted equity instruments	-	-	151.51	151.51
	<b>32,248.64</b>	<b>4,522.82</b>	<b>7,896.90</b>	<b>44,668.36</b>

##### As at March 31, 2021

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in mutual funds/bonds/preference shares	2,050.37	3,410.52	8,395.36	13,856.25
Investments in quoted equity instruments	8,342.93	-	-	8,342.93
Investments in unquoted equity instruments	-	-	1.55	1.55
	<b>10,393.30</b>	<b>3,410.52</b>	<b>8,396.91</b>	<b>22,200.73</b>

# Notes to Standalone Financial Statement

for the year ended 31<sup>st</sup> March 2022  
(All amounts in Rs. lakhs, unless otherwise stated)

## 24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd.)

### 24.2 Fair value hierarchy

#### Level 1:

Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market.

#### Level 2:

Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly.

#### Level 3:

Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data.

The fair value of the financial instruments are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

Investments in mutual funds: Fair value is determined by reference to quotes from the financial institutions, i.e. net asset value (NAV) for investments in mutual funds declared by mutual fund house.

Investment in preference shares/debentures: Fair value is determined by reference to quotes from fund houses/ portfolio management services companies i.e value of investments.

Derivative contracts: The Company has entered into various foreign currency contracts to manage its exposure to fluctuations in foreign exchange rates. These financial exposures are managed in accordance with the Company's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data, i.e., mark to market values determined by the Authorised Dealers Banks.

Quoted equity investments: Fair value is derived from quoted market prices in active markets.

Unquoted equity investments: Fair value is derived on the basis of net asset value approach, in this approach the net asset value is used to capture the fair value of these investments.

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd.)

#### 24.2 Fair value hierarchy

##### Reconciliation of Level 3 fair value measurements

Particulars	Unlisted equity instruments	Unlisted Mutual Funds/ bonds/preference shares
<b>As at March 31, 2020</b>	1.55	9,235.82
Purchases	-	60.00
Sales	-	(519.81)
Gain / (loss) recognised in OCI/Profit/Loss	-	(380.65)
<b>As at March 31, 2021</b>	<b>1.55</b>	<b>8,395.36</b>
Purchases	149.96	-
Sales	-	(1,546.34)
Gain / (loss) recognised in OCI/Profit/Loss	-	896.37
<b>As at March 31, 2022</b>	<b>151.51</b>	<b>7,745.39</b>

#### A. Financial Risk Management

The Company's corporate treasury functions provides services to the business, coordinates access to the financial markets, monitors and manages the financial risks relating to operations of the Company through internal risk reports which analyse exposure by degree and magnitude of risk. These risks include market risk (including currency risk, interest rate risk and other price risks, credit risk and liquidity risk).

#### B. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: foreign currency risk, interest rate risk, investment risk.

#### C. Security Price Risk Management

##### Exposure in equity

The Company is exposed to equity price risks arising from equity investments held by the Company and classified in the balance sheet as fair value through OCI.

# Notes to Standalone Financial Statement

for the year ended 31<sup>st</sup> March 2022  
(All amounts in Rs. lakhs, unless otherwise stated)

## 24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd.)

### 24.2 Fair value hierarchy

#### Equity price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks at the end of the year.

If the equity prices had been 5% higher / lower:

Other comprehensive income for March 31, 2022 would increase / decrease by Rs.614.94 lacs ( March 31, 2021: 372.90 lacs) as a result of the change in fair value of equity investment measured at FVTOCI.

#### Exposure in mutual funds

The Company manages the surplus funds majorly through investments in debt based mutual fund schemes. The price of investment in these mutual fund schemes is reflected though Net Asset Value (NAV) declared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The Company is exposed to price risk on such Investments.

#### Mutual fund/debentures/Equity shares/bonds price sensitivity analysis

The sensitivity analysis below have been determined based on Mutual Fund Investment at the end of the year. If NAV has been 1% higher / lower:

Profit for the year ended March 31, 2022 would increase / decrease by Rs.312.53 Lacs (March 31, 2021 by Rs. 138.56 Lacs) as a result of the changes in fair value of mutual fund investments."

#### Liquidity Risk Management

The financial liabilities of the Company, other than derivatives, include loans and borrowings, trade and other payables. The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool. The Company plans to maintain sufficient cash and marketable securities to meet the obligations as and when fall due. The below is the detail of contractual maturities of the financial liabilities of the Company at the end of each reporting period:

The table below analyses the Company's financial liabilities and financial assets into relevant maturity groupings based on their contractual maturities:

Financial Assets	Less than 1 year	More than 1 year and upto 3 years	More than 3 year and upto 5 years	More than 5 years	Total
<b>As at March 31, 2022</b>					
Investments*	18,984.48	7,805.11	-	48,750.33	75,539.92
Other Receivables	609.68	-	-	-	609.68
Cash and cash equivalents	262.34	-	-	-	262.34
Bank balances other than above	11.43	-	-	-	11.43
Other financial Assets	230.41	-	-	-	230.41
	<b>20,098.34</b>	<b>7,805.11</b>	<b>-</b>	<b>48,750.33</b>	<b>76,653.78</b>



## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd.)

#### 24.2 Fair value hierarchy

Financial Liabilities	Less than 1 year	More than 1 year and upto 3 years	More than 3 year and upto 5 years	More than 5 years	Total
<b>As at March 31, 2022</b>					
Other financial liabilities	18.35	-	-	-	18.35
	<b>18.35</b>	-	-	-	<b>18.35</b>

Financial Assets	Less than 1 year	More than 1 year and upto 3 years	More than 3 year and upto 5 years	More than 5 years	Total
<b>As at March 31, 2021</b>					
Investments	2,907.29	8,253.58	-	41,840.56	53,001.43
Other Receivables	577.05	-	-	-	577.05
Cash and cash equivalents	7,638.83	-	-	-	7,638.83
Bank balances other than above	9.79	-	-	-	9.79
Other financial Assets	1,572.51	-	-	-	1,572.51
	<b>12,705.47</b>	<b>8,253.58</b>	-	<b>41,840.56</b>	<b>62,799.61</b>

Financial Liabilities	Less than 1 year	More than 1 year and upto 3 years	More than 3 year and upto 5 years	More than 5 years	Total
<b>As at March 31, 2021</b>					
Other financial liabilities	81.27	-	-	-	81.27
	<b>81.27</b>	-	-	-	<b>81.27</b>

### 25 EMPLOYEE BENEFITS

#### Defined benefit plans

The Company sponsors funded defined benefit plan for qualifying employees. This defined benefit plan of gratuity is administered by a separate trust that is legally separate from the entity. The trustees are required by the law to act in the interest of the trust and all the relevant stakeholders i.e. active employees, inactive employees, retired employees and employers, etc.

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 25 EMPLOYEE BENEFITS (Contd.)

The trust is responsible for investment policy with regard to the assets of the trust. The Company has a gratuity plan wherein every eligible employee is entitled to the benefit equivalent to 15 days salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972 or as per the Company's plan, whichever is more beneficial.

These plans typically expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

#### Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

#### Salary Risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

#### Interest Risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in value of the liability.

#### Longevity Risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plans liability.

The principal assumption used for the purpose of the actuarial valuation were as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Discount Rate	7.18%	6.79%
Salary increase	6.00%	6.00%
Expected average remaining working life	25.66	26.66
Mortality Rates	100% of IALM (2012-14)	IALM (2012-14)
Method used	Project unit credit method	Project unit credit method

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 25 EMPLOYEE BENEFITS (Contd.)

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. An actuarial valuations involves making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

**Amounts recognised in statement of profit and loss in respect of these benefit plans are as follows:**

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Current Service cost	0.31	0.29
Net interest expenses	0.11	0.09

The current service cost, past service cost and the net interest expenses for the year are included in Note 21 “Employee Benefits Expenses” under the head “Salary and Wages”.

**Amounts recognised in Other Comprehensive Income:**

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Actuarial gain/(losses) arising from changes in financial assumptions	0.15	(0.00)
Actuarial gain/(losses) arising from changes in experience adjustments	(0.20)	0.14
Actuarial gain/(losses) arising from changes in Demographic Assumption	-	-
Actuarial gain/(losses) arising on Asset	(0.04)	(0.04)
	<b>(0.09)</b>	<b>0.10</b>

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Present value of funded defined benefit obligation	3.01	2.53
Fair Value of Plan Assets	2.50	0.94
<b>Net assets / (liability)</b>	<b>(0.51)</b>	<b>(1.59)</b>

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 25 EMPLOYEE BENEFITS (Contd.)

Movements in the present value of defined benefit obligation are as follows:

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Opening defined benefit obligation	2.53	2.28
Transferred during the year		
Current Service Cost	0.31	0.29
Interest Cost	0.17	0.15
Actuarial (gain)/losses arising from changes in experience adjustments	0.06	(0.13)
Benefits Paid	(0.06)	(0.06)
<b>Closing defined benefit obligation</b>	<b>3.01</b>	<b>2.53</b>

Movements in the fair value of plan assets are as follows:

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Opening fair value of plan assets	0.94	0.97
Interest Income	0.03	0.03
Employer contribution	1.59	-
Benefits paid	(0.06)	(0.06)
<b>Closing fair value of plan assets</b>	<b>2.50</b>	<b>0.94</b>

Plan assets comprises of mutual fund, Government of India securities and bank balances. The average duration of the defined benefit obligation is 13.86 years (2021: 14.13 years). The Company expects to make a contribution of Rs.0.37 lacs (March 31, 2021: Rs. 0.42 lacs) to the defined benefit plans during the next financial year.

### Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of reporting period, while holding all other assumptions constant.

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>Discount Rate</b>		
0.50% Increase	(0.18)	(0.15)
0.50% decrease	0.19	0.17
<b>Future Salary increase</b>		
0.50% Increase	0.19	0.17
0.50% decrease	(0.18)	(0.16)

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 25 EMPLOYEE BENEFITS (Contd.)

#### Maturity Profile of Defined Benefit Obligation

Year	Amount
a) 0 to 1 Year	0.18
b) 1 to 2 Year	(0.15)
c) 2 to 3 Year	0.14
d) 3 to 4 Year	0.13
e) 4 to 5 Year	0.12
f) 5 to 6 Year	0.12
g) 6 Year onwards	2.18

### 26 RELATED PARTY TRANSACTIONS

Description of related parties	Key management personnel (KMP)
<b>Associates;</b> Vardhman Textiles Limited Vardhman Spinning and General Mills Limited	Mr. S.P. Oswal, Chairman and Managing Director Mrs. Poorva Bhatia (Chief Financial Officer) Ms. Swati Mangla, Company Secretary Mrs. Shakun Oswal (Non-Executive Director) Mr. Sachit Jain (Non-Executive Director) Mrs. Suchita Jain (Non-Executive Director) Mr. Vikas Kumar (Non-Executive Director)
<b>Enterprises over which KMP have significant influence:</b> Vardhman Acrylics Limited	Mr. Chaman Lal Jain (Non-Executive Director) Mr. Jagdish Rai Singal (Independent Director) Mr. Rajeev Kumar Mittal (Independent Director) Mr. Sanjeev Jain (Independent Director) Mr. Sat Pal Kanwar (Independent Director) Mr. Om Parkash Sharma (Independent Director) Mrs. Apinder Sodhi (Independent Director)

#### Transactions with related parties

Particulars	For the year ended March, 31 2022	For the year ended March, 31 2021
<b>Receipt against licence agreement (excluding GST)</b>		
Associates	183.64	84.31
	<b>183.64</b>	<b>84.31</b>
<b>Rent Received (excluding GST)</b>		
Associates	1.80	1.80
	<b>1.80</b>	<b>1.80</b>

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 26 RELATED PARTY TRANSACTIONS (Contd.)

Particulars	For the year ended March, 31 2022	For the year ended March, 31 2021
<b>Managerial Remuneration</b>		
Key Managerial Personnel	81.83	53.70
	<b>81.83</b>	<b>53.70</b>
<b>Dividend Received</b>		
Associates	8,188.75	-
Enterprises over which KMP have significant influence	183.44	-
	<b>8,372.19</b>	-

### 27 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Claims against the Company not acknowledged as debts:</b>		
Income-tax	319.75	52.05
Uncalled Liability on Investment Commitment	-	-

### 28 SEGMENT INFORMATION

The Company is primarily in the Investment business. The Chairman and Managing Director of the Company, which has been identified as being the Chief Operating Decision Maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is only one reportable segment for the Company.

### 29 EARNINGS PER SHARE

Particulars	For the year ended March, 31 2022	For the year ended March, 31 2021
Basic earnings per share (INR)	261.18	47.16
Profit attributable to the equity holders of the Company used in calculating basic earning per share	8,335.66	1,505.01
Weighted average number of equity shares for the purpose of basic earning per share (numbers)	3,191,536	3,191,536
Dilutive Earning per share (INR)	261.18	47.16
Profit attributable to the equity holders of the Company used in calculating dilutive earning per share	8,335.66	1,505.01
Weighted average number of equity shares for the purpose of dilutive earning per share (numbers)	3,191,536	3,191,536

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 30 MSME NOTE

Sundry Creditors include the following dues to micro and small enterprises covered under “The Micro, Small and Medium Enterprises Development Act, 2006” (MSMED) to the extent such parties have been identified from the available information.

Particulars	For the year ended March, 31 2022	For the year ended March, 31 2021
Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year		
- Principal amount	-	-
- Interest due thereon	-	-
Amount of payments made to suppliers beyond the appointed day during the year		
- Principal amount	-	-
- Interest actually paid under section 16 of MSMED	-	-
Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding interest under MSMED	-	-
Interest accrued and remaining unpaid at the end of the year	-	-
- Interest accrued during the year	-	-
- Interest remaining unpaid as at the end of the year	-	-
Interest remaining disallowable as deductible expenditure under the Income-tax Act, 1961	-	-

### 31 CSR\*

Particulars	As at March 31, 2022	As at March 31, 2021
a. Amount required to be spent by the company during the year,	55.88	82.28
b. Amount of expenditure incurred:*	58.42	8.00
c. Shortfall at the end of the year**	-	74.28
d. Total of previous years shortfall	-	-
<b>e. Total Shortfall</b>	<b>-</b>	<b>74.28</b>
f. Related party transactions:	-	-
g. Movement of provision:		
- Opening	74.28	-
- Provision created during the year:	-	74.28
- Spent during the year	(74.28)	-
- <b>Closing</b>	<b>-</b>	<b>74.28</b>

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 31 CSR\* (Contd.)

#### \*Nature of CSR activities:

Promoting Education, Promoting Healthcare including Preventive Healthcare, Rural Development, Promotion of Art & Culture , Measures for the benefit of armed forces veterans, Promotion of Nationally Recognized Sports.

#### \*\*Reason for shortfall:

Amount remaining unspent pertains to "Ongoing /Multiyear Projects" approved by CSR committee which will be spent in coming years.

**32** On account of COVID-19 pandemic, the resultant impact on the fair value of the investments held by the Company is reflected in the Total Comprehensive Income and Total Equity of the Company for year ended March 31, 2022, in line with the Accounting Policy consistently followed by the Company. Given the uncertainties associated with nature, condition and duration of COVID-19, the Company will closely monitor any material changes arising of the future economic conditions and impact on its business.

### 33 Other Disclosures

#### (A) CRAR

S. No	Particulars	As at March 31, 2022	As at March 31, 2021
1	CRAR (%)	149.25	157.03
2	CRAR-Tier I Capital (%)	149.25	157.03
3	CRAR-Tier II Capital (%)	-	-
4	Amount of subordinated debt raised as Tier-II capital	-	-
5	Amount raised by issue of Perpetual Debt Instruments	-	-

(B) S. No	Particulars	As at March 31, 2022	As at March 31, 2021
1	Value of Investments		
	Gross Value of Investments		
	(a) In India	75,539.92	53,001.43
	(b) Outside India	-	-
	Provisions for Depreciation		
	(a) In India	-	-
	(b) Outside India	-	-
	Net Value of Investments		
	(a) In India	75,539.92	53,001.43
	(b) Outside India	-	-
2	Movement of provisions held towards depreciation on investments		
	(a) Opening balance	-	-
	(b) Add: Provisions made during the year	-	-
	(c) Less:- Write off/ write back of excess provisions during the year	-	-
	(d) Closing balance	-	-



## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 33 Other Disclosures (Contd.)

(C) S. No	Category	As at March 31, 2022	As at March 31, 2021
1	(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: (Individual housing loans up to H 15 lakh may be shown separately)	-	-
	(ii) Commercial real estate - Lending secured by mortgages on commercial real estate (office building, retail space, multipurpose commercial premises, multi-family residential buildings, multitenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure would also include non-fund based (NFB) limits	-	-
	(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -	-	-
	(b) Residential	-	-
	(c) Commercial real estate	-	-

### D Exposure to Capital Market

S. No	Category	As at March 31, 2022	As at March 31, 2021
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	73,431.70	52,981.72
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	-	-

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 33 Other Disclosures (Contd.)

S. No	Category	As at March 31, 2022	As at March 31, 2021
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares/ bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows/issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	2,108.22	19.71

### (E) Break up of 'Provisions and Contingencies' shown under the head expenditure in Profit & Loss Account

S. No	Particulars	As at March 31, 2022	As at March 31, 2021
1	Provision for depreciation on investment	-	-
2	Provision towards NPA	-	-
3	Provision made towards income-tax	2,725.35	365.42
4	Other provision and contingencies	-	-
5	Provision for standard assets	-	-

### (F) Break-up of Investments (Net of Provisions):

	As at March 31, 2022	As at March 31, 2021
<b>Current Investments :</b>		
<b>1. Quoted :</b>		
(i) Shares : (a) Equity	941.76	856.92
(b) Preference		
(ii) Debentures and Bonds		
(iii) Units of Mutual Funds	20,886.96	3,877.77
(iv) Government Securities		
(v) Others		
<b>2. Unquoted :</b>		
(i) Shares : (a) Equity	151.51	1.55
(b) Preference	-	-

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 33 Other Disclosures (Contd.)

(F) Break-up of Investments (Net of Provisions):	As at March 31, 2022	As at March 31, 2021
(ii) Debentures and Bonds	266.88	345.40
(iii) Units of Mutual Funds	10,098.86	9,633.09
(iv) Government Securities	-	-
(v) Others	-	-
<b>TOTAL (A=1+2)</b>	<b>32,345.97</b>	<b>14,714.73</b>
<b>Long Term investments :</b>		
<b>1. Quoted :</b>		
(i) Shares : (a) Equity	43,191.45	38,284.20
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
<b>2. Unquoted :</b>		
(i) Shares : (a) Equity	2.50	2.50
(b) Preference		
(ii) Debentures and Bonds		
(iii) Units of Mutual Funds / Fixed Maturity Plans		
(iv) Government Securities		
(v) Others		
<b>TOTAL (B=1+2)</b>	<b>43,193.95</b>	<b>38,286.70</b>
<b>GRAND TOTAL (A+B)</b>	<b>75,539.92</b>	<b>53,001.43</b>

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 33 Other Disclosures (Contd.)

(G) S. No	Category	Current Year		Amount outstanding	Amount overdue
		Amount outstanding	Amount overdue		
	<b>Liabilities side :</b>				
1	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:				
	(a) Debentures : Secured	-	-	-	-
	: Unsecured	-	-	-	-
	(other than falling within the meaning of public deposits)				
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	-	-	-	-
	(d) Inter-corporate loans and borrowings	-	-	-	-
	(e) Commercial Paper	-	-	-	-
	(f) Public Deposits	-	-	-	-
	(g) Other Loans	-	-	-	-
	<b>TOTAL</b>	-	-	-	-
2	Break-up of 1 (f) above (outstanding public deposits inclusive of interest accrued thereon but not paid)				
	(a) In the form of Unsecured Debentures	-	-	-	-
	(b) In the form of Partly Secured Debentures i.e. debentures where there is a shortfall in value of security	-	-	-	-
	(c) Other public deposits	-	-	-	-
	<b>TOTAL</b>	-	-	-	-

#### Assets side :

(G) S. No	Category	Amount outstanding	
		Current Year	Previous Year
3	Breakup of Loans & advances including bills receivables	-	-
	(a) Secured	-	-
	(b) Unsecured	-	-
	<b>TOTAL</b>	-	-
4	Break up of leased assets and stock on hire and other assets counting towards Asset Finance Company (AFC) activities		

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 33 Other Disclosures (Contd.)

(G) S. No	Category	Amount outstanding	
		Current Year	Previous Year
	(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	-	-

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

Category	Amount net of provisions					
	Current Year			Previous Year		
	Secured	Unsecured	Total	Secured	Unsecured	Total
<b>1. Related Parties</b>						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
<b>2. Other than related parties</b>	-	-	-	-	-	-
<b>Total</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)
<b>1. Related Parties</b>				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	218,571.98	43,170.39	213,731.19	38,258.73
(c) Other related parties				
<b>2. Other than related parties</b>	32,369.53	32,369.53	14,742.70	14,742.70
<b>Total</b>	<b>250,941.51</b>	<b>75,539.92</b>	<b>228,473.89</b>	<b>53,001.43</b>

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 33 Other Disclosures (Contd.)

#### 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 :

- In case of unquoted shares, book value is taken as market value.

### 34 Ratios:

Particulars	Numerator	Denominator	31/03/2022	31/03/2021	%age change	Remarks
(a) Current Ratio	Current Assets	Current Liabilities	304.35	90.32	236.96%	Refer Note 1
(b) Debt-Equity Ratio	Total Debt	Shareholder's Equity	-	-	0.00%	
(c) Debt-service coverage ratio	Earnings available for debt service: = Net profit after taxes + Depreciation/ amortizations + finance cost	Debt Service: = Finance cost & lease payments + principal repayments	1,854.97	170.14	990.27%	Refer Note 1
(d) Return on equity ratio	Net profits after taxes	Average shareholder's equity	2611.07%	471.43%	453.86%	Refer Note 1
(e) Inventory turnover ratio	Revenue from operations	Average Inventory	0.00	0.00	0.00%	
(f) Trade receivables turnover ratio	Revenue from operations	Average Trade receivables	0.00	0.00	0.00%	
(g) Trade payables turnover ratio	Total purchases	Average Trade payables	0.00	0.00	0.00%	

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 34 Ratios: (Contd.)

Particulars	Numerator	Denominator	31/03/2022	31/03/2021	%age change	Remarks
(h) Net Capital turnover ratio	Revenue from operations	Working Capital = Current Assets - Current Liabilities	0.57	0.20	181.09%	Refer Note 2
(i) Net Profit ratio	Net profits after taxes	Revenue from operations	72.50%	76.07%	-4.69%	
(j) Return on capital employed	Earnings before interest and taxes	Capital Employed	14.32%	2.80%	410.88%	Refer Note 2
(k) Return on investment	Investment Income	Average Investments	2611.07%	471.43%	453.86%	Refer Note 1

#### Remarks for more than 25 % change in ratios of FY 2021-22 as compared to FY 2020-21:

##### Note 1

During the year the company received Rs. 8452.44 lacs as dividends in comparison to Rs. 6.38 Lacs in previous years. The part of the said amounts are invested in short term funds. Hence previous year ratios are not comparable.

##### Note 2

During the year Dividend income and net gain on fair value change has increased to Rs. 11,104.04 lacs from previous year's Rs. 1,198.60 lacs, increasing the revenue from operations and Earning before interest and tax. Hence previous year ratios are not comparable.

### 35 Other statutory information:

- No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988).
- The company has not been declared as wilful defaulter by any bank or financial Institution or other lender.
- The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- There are no transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- No funds that have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company; or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## Notes to Standalone Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 35 Other statutory information: (Contd.)

- f No funds have been received by the company from any person(s) or entity(ies), including foreign entities ("funding party") with the understanding, whether recorded in writing or otherwise, that the company shall directly or indirectly lend or invest in other persons or entities in any manner whatsoever by or on behalf of the funding party ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- g During the financial year, the Company has not traded or invested in Crypto currency or Virtual Currency.
- h The dividends declared or paid during the year by the company are in compliance with Section 123 of Companies Act,2013.

#### For and on behalf of the Board of Directors

**Swati Mangla**

Company Secretary  
Membership no.50475

**Poorva Bhatia**

Chief Financial Officer

**Suchita Jain**

Director  
DIN:00746471

**S.P. Oswal**

Chairman & Managing Director  
DIN: 00121737

Place: Ludhiana

Date: May 25, 2022





# **Consolidated Financial Statements**

# Independent Auditors' Report

To The Members of **Vardhman Holdings Limited**.

## Report on the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Vardhman Holdings Limited ("the Company") & its associates, which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the India Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company & its associates as at March 31, 2022, of consolidated profit & Loss and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the

Consolidated Financial Statements' section of our report. We are independent of the Company & its associates in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended 31 March 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matter described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibility described in the Auditor's responsibility for the audit of consolidated financial statement section of our report, including in relation to the matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><b>(a) Assessment of carrying value of investments</b> (as described in note 2.9.1.3 &amp; 2.9.1.4 of the consolidated financial statements)</p> <p>The accounting for investments is a Key Audit matter as there is a risk that fair valuation of investments is not done appropriately. Accordingly, the existence and valuation of investments is considered as a key audit matter. The impairment assessment and fair valuation for such investments have been done by the management in accordance with Ind AS 113.</p>	<p>We performed the following procedures in relation to existence and valuation of investments:</p> <ul style="list-style-type: none"> <li>• Assessed the design and implementation of controls over valuation and existence of investments.</li> <li>• On a sample basis, tested the key controls set up by the management on existence and valuation of investments.</li> <li>• Traced the quantity held from the confirmation provided by the Custodian with the books as at March 31st, 2022</li> <li>• Tested the valuation of the investments as per the investment valuation policy approved by the management.</li> </ul>
<p><b>(b) Deferred Tax asset</b> (uncertainty in estimation in the future profits and the accuracy of the provision)</p> <p>As per Ind AS 12- Income Taxes, The amounts of income taxes recoverable in future periods in respect of deductible temporary differences and the carry forward of unused tax losses and credits. The reversal of deferred tax assets depends upon the management estimates and future realizable profits which have a degree of uncertainty.</p>	<p>On review of the deferred Tax Asset the following factors were considered:</p> <ul style="list-style-type: none"> <li>• Existence of sufficient taxable temporary difference.</li> <li>• Convincing other evidence that sufficient taxable profits will be available in the future.</li> </ul> <p>Based on the future projections and representations provided to us, the Company's &amp; its associate's judgment on recoverability of Deferred Tax Asset as mentioned in Note 2.5.2 of the Consolidated Ind AS Financial Statements is fair and reasonable.</p>

## Other information

The company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance Report and Shareholder Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the

work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Company & its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended. The Board of Directors of the Company & its associates are responsible

for the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company & its associates and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors of the company & its associates are responsible for assessing the ability of the company & its associates to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company & its associates or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the company's & its associates financial reporting process.

### **Auditor's Responsibilities for the audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that include our opinion. Reasonable assurance is the high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the company & its associates to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company & its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the consolidated financial statements.

We are responsible for the direction, supervision and performance of the audit of the financial statement of the company included in the consolidated financial statements of which we are the independent auditors.

We did not audit the financial statements / financial information of two associates included in the consolidated financial statement, whose Financial Statements reflect total assets of Rs. 10979.27 Crores as at 31st March, 2022, total revenue from operation Rs.9622.34 Crores, total net profit after tax of Rs.1551.23 crores and total comprehensive income of Rs.1558.03 Crores for the year ended 31st March, 2022 as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these associates and our report in terms of sub sections (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid associates is based solely on the reports of the other auditors. Our opinion on the Consolidated Financial Statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the annual consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the annual consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the annual consolidated financial statements.

We communicate with those charged with governance of the company included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also

provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept by the Company so far as it appears from our examination of those books;
  - c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts maintained for the purpose of preparation of the consolidated financial statements;
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended;

- e) On the basis of written representations received from the directors of the company as on March 31, 2022, and taken on record by the Board of Directors of the company and the reports of the Statutory Auditors who are appointed under section 139 of the Act, of its associate companies, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the company and its associates companies, referred to our separate report in "Annexure- A" to this report, and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, and to the best of our information and according to the explanations given to us :
- I. The consolidated financial statements Company disclosed the impact of pending litigations on its consolidated financial position in its consolidated financial statements. Refer Note No. 27 to the consolidated financial statements;
  - II. The Company and its associate companies did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
  - III. There are no amounts required to be transferred to the Investors Education and Protection Fund by the Company.
- IV. a) The respective Managements of the Company and its associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such associates respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such associates to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b) The respective Managements of the Company and its associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such associates respectively that, to the best of their knowledge and belief no funds have been received by the Company or any of such associates from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such associates shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the associates which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- V. The final dividend proposed in the previous year, declared and paid by the Company and its Associate company during the year is in accordance with section 123 of the Act, as

applicable. Also, the interim dividend declared and paid by the Associate company during the year and until the date of this report is in compliance with section 123 of the Act.

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

**(Rakesh Marwaha)**  
Partner  
M.No. 504991

Place: Ludhiana  
Date: 25.05.2022  
UDIN: 22504991AJOIEC6770

## Annexure A to the Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the consolidated financial statements of Vardhman Holdings Limited as of and for the year ended 31st March, 2022, we have audited the internal financial controls over financial reporting of Vardhman Holdings Limited ("the company") and its associate companies which are companies incorporated in India, as of that date.

### 2. Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the company and its associates, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### 3. Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial

controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on internal financial controls system over financial reporting.

### 4. Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;



- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements

## 5. Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## 6. Opinion

In our opinion, the Company and its associates companies, which are companies incorporated in India, have,

maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to two associates, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For R. Dewan & Co;  
Chartered Accountants  
Firm Reg. No.017883N

**(Rakesh Marwaha)**

Partner  
M.No. 504991

Place: Ludhiana  
Date: 25.05.2022

# Consolidated Balance Sheet

as at 31<sup>st</sup> March 2022

(All amounts in Rs lakhs, unless otherwise stated)

Particulars	Note No.	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Cash and bank balances	3	262.34	7,638.83
(b) Bank Balances other than (a) above	4	11.43	9.79
(c) Receivables			
(I) Trade Receivables		-	-
(II) Other Receivables	5	609.68	577.05
(d) Investments	6	273,786.26	216,675.61
(e) Other Financial assets	7	230.41	1,572.52
		<b>274,900.12</b>	<b>226,473.80</b>
<b>2 Non Financial Assets</b>			
(a) Current Tax assets (Net)	12A	105.20	-
(b) Deferred Tax Asset (Net)	8	2,415.08	3,913.66
(c) Property, Plant and Equipment	9	320.90	321.67
(d) Other non-financial assets	10	9.95	24.73
		<b>2,851.13</b>	<b>4,260.06</b>
<b>TOTAL ASSETS</b>		<b>277,751.25</b>	<b>230,733.86</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>1 Financial Liabilities</b>			
(a) Payables			
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(b) Other financial liabilities	11	18.35	81.27
<b>2 Non Financial Liabilities</b>			
(a) Current tax liabilities (Net)	12	-	43.30
(b) Provisions	13	1.55	2.90
(c) Other non-financial liabilities	14	47.65	27.11
		<b>67.55</b>	<b>154.58</b>
<b>3 Equity</b>			
(a) Equity Share Capital	15	319.24	319.24
(b) Other Equity	16	277,364.46	230,260.04
		<b>277,683.70</b>	<b>230,579.28</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>277,751.25</b>	<b>230,733.86</b>
<b>Significant Accounting Policies</b>	<b>1 to 35</b>		

As per our report of even date

**R. Dewan & Co.**

Chartered Accountants

Firm Regn. No. 017883N

For and on behalf of the Board of Directors

**Rakesh Marwaha**Partner  
M. No. 504991**Swati Mangla**Company Secretary  
Membership no.50475**Poorva Bhatia**

Chief Financial Officer

**Suchita Jain**Director  
DIN:00746471**S.P. Oswal**Chairman & Managing Director  
DIN: 00121737

Place: Ludhiana

Date: May 25, 2022

# Consolidated Profit and Loss

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
<b>I Revenue from operations</b>			
(i) Interest Income	17	393.67	779.91
(ii) Dividend Income	18	263.68	6.38
(iii) Net gain on fair value changes	19	2,651.60	1,192.22
<b>Total Revenue from operations</b>		<b>3,308.95</b>	<b>1,978.51</b>
<b>II Other income</b>	20	185.46	124.69
<b>III Total Income (I + II)</b>		<b>3,494.41</b>	<b>2,103.20</b>
<b>IV Expenses</b>			
Employee benefits expense	21	81.83	56.11
Depreciation and amortization expenses	9	0.77	0.88
Other expenses	22	225.61	170.92
<b>Total Expenses</b>		<b>308.21</b>	<b>227.91</b>
V Income from associates		42,760.92	11,446.14
<b>VI Profit/(Loss) before exceptional Items and Tax (III-IV+V)</b>		<b>45,947.12</b>	<b>13,321.43</b>
<b>VII Exceptional Items</b>		-	-
<b>VIII Profit before tax (VI-VII)</b>		<b>45,947.12</b>	<b>13,321.43</b>
<b>IX Tax expense :</b>			
- Current Tax		2,725.35	365.42
- Deferred tax		313.95	4.86
<b>X Profit for the year (VIII-IX)</b>		<b>42,907.82</b>	<b>12,951.15</b>
<b>XI Other Comprehensive Income/(Loss)</b>			
<b>(A) (i) Items that will not be reclassified to profit or loss</b>			
- Remeasurements of the defined benefits plans		(0.09)	0.10
- Net Gain/loss on Fair Valuation of Equity instruments carried at FVOCI		4,840.80	5,060.18
(ii) Income tax relating to items that will not be reclassified to profit or loss		(484.53)	(0.03)
<b>(B) (i) Items that will be reclassified to profit or loss</b>		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total Other comprehensive Income/(loss) for the period</b>		<b>4,356.18</b>	<b>5,060.25</b>
<b>XII Total Comprehensive income/loss for the period (X+XI) (Comprising profit (Loss) and other Comprehensive Income for the period)</b>		<b>47,264.00</b>	<b>18,011.40</b>
<b>XIII Earnings per equity share</b>			
[Earning per equity share ₹10/- (Previous Year:₹10)]			
Basic		1,344.43	405.80
Diluted		1,344.43	405.80
Significant Accounting Policies	1 to 35		

As per our report of even date

**R. Dewan & Co.**

Chartered Accountants

Firm Regn. No. 017883N

For and on behalf of the Board of Directors

**Rakesh Marwaha**

Partner

M. No. 504991

**Swati Mangla**

Company Secretary

Membership no.50475

**Poorva Bhatia**

Chief Financial Officer

**Suchita Jain**

Director

DIN:00746471

**S.P. Oswal**

Chairman &amp; Managing Director

DIN: 00121737

Place: Ludhiana

Date: May 25, 2022

# Consolidated Cash Flows Statement

(All amounts in Rs lakhs, unless otherwise stated)

for the year ended 31<sup>st</sup> March 2022

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net Profit before tax and extraordinary items</b>		45,947.12		13,321.43
<b>Adjustments for :</b>				
Depreciation and amortization	0.77		0.88	
Income from associates	(42,760.92)		(11,446.14)	
Net (Profit)/Loss on sale of Current Investments	(838.70)		(579.16)	
Fair Valuation (Gain)/Loss on Current Investments	(1,812.89)		(613.06)	
		(45,411.74)		(12,637.48)
<b>Operating profit before working capital changes</b>		<b>535.38</b>		<b>683.95</b>
<b>Adjustments for :</b>				
(Increase)/Decrease in trade receivables & Other assets	1,322.62		8,146.86	
Increase/( Decrease) in trade payables and other liabilities	(43.82)		(259.43)	
		1,278.80		7,887.43
Cash Generation from Operations		1,814.18		8,571.38
Taxes Paid		(2,173.74)		(357.11)
<b>Net Cash flow from / (used in) Operating activities (A)</b>		<b>(359.56)</b>		<b>8,214.27</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Investments	(18,595.91)		(8,909.84)	
Sale of Investments	11,738.56		7,867.96	
<b>Net Cash flow from / (used in) investing activities (B)</b>		<b>(6,857.35)</b>		<b>(1,041.88)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Dividend Paid (including tax thereon)	(159.58)		(2.31)	
<b>Net Cash flow from / (used in) Financing Activities (C)</b>		<b>(159.58)</b>		<b>(2.31)</b>
<b>Net Increase in cash &amp; cash equivalents (A+B+C)</b>		<b>(7,376.49)</b>		<b>7,170.08</b>
<b>Cash &amp; cash equivalents as at the beginning</b>		<b>7,638.83</b>		<b>468.75</b>
<b>Cash &amp; cash equivalents as at the end</b>		<b>262.34</b>		<b>7,638.83</b>
Significant Accounting Policies	1 to 35			

As per our report of even date

**R. Dewan & .Co.**

Chartered Accountants

Firm Regn. No. 017883N

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

**Rakesh Marwaha**

Partner  
M. No. 504991

**Swati Mangla**

Company Secretary  
Membership no.50475

**Poorva Bhatia**

Chief Financial Officer

**Suchita Jain**

Director  
DIN: 00746471

**S.P. Oswal**

Chairman & Managing Director  
DIN: 00121737

Place: Ludhiana

Date: May 25, 2022

# Consolidated Statement of Changes in Equity

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs lakhs, unless otherwise stated)

## A. Equity share capital

Particulars	Amount
Balance as at 1st April 2020	319.24
Changes in Equity Share Capital during the year	-
<b>Balance as at 31st March 2021</b>	<b>319.24</b>
Changes in Equity Share Capital during the year	-
<b>Balance as at 31st March 2022</b>	<b>319.24</b>

## B. Other Equity

Particulars	OTHER EQUITY						Total	
	Reserves & Surplus			Items of other comprehensive income				
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General reserve	Statutory Reserve (u/s 45-IC of RBI Act, 1934)	Retained Earnings		Equity instruments through other comprehensive income
<b>Balance as of 1 April 2021</b>	<b>0.11</b>	<b>70.00</b>	<b>781.28</b>	<b>9,659.72</b>	<b>10,129.43</b>	<b>203,852.02</b>	<b>5,767.48</b>	<b>230,260.04</b>
Transfer to statutory Reserve u/s 45-IC of RBI Act,1934	-	-	-	-	1,667.13	(1,667.13)	-	-
Profit/Loss for the period	-	-	-	-	-	42,907.82	4,356.27	42,907.82
Other Comprehensive Income for the period	-	-	-	-	-	(0.09)	-	4,356.18
Dividend @ Rs.5/Share for financial year 2020-21	-	-	-	-	-	(159.58)	-	(159.58)
<b>Balance as of 31 March 2022</b>	<b>0.11</b>	<b>70.00</b>	<b>781.28</b>	<b>9,659.72</b>	<b>11,796.56</b>	<b>244,933.04</b>	<b>10,123.75</b>	<b>277,364.46</b>

# Consolidated Statement of Changes in Equity

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs lakhs, unless otherwise stated)

## B Other Equity (Contd.)

Particulars	OTHER EQUITY						Total	
	Reserves & Surplus					Items of other comprehensive income		
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General reserve	Statutory Reserve (u/s 45-IC of RBI Act, 1934)			Retained Earnings
<b>Balance as of 1 April 2020</b>	<b>0.11</b>	<b>70.00</b>	<b>781.28</b>	<b>9,659.72</b>	<b>9,828.43</b>	<b>191,201.81</b>	<b>707.30</b>	<b>212,248.65</b>
Transfer to statutory Reserve u/s 45-IC of RBI Act, 1934	-	-	-	-	301.00	(301.00)	-	-
Profit/Loss for the period	-	-	-	-	-	12,951.15	-	12,951.15
Other Comprehensive Income for the period	-	-	-	-	-	0.07	5,060.18	5,060.25
<b>Balance as of 31 March 2021</b>	<b>0.11</b>	<b>70.00</b>	<b>781.28</b>	<b>9,659.72</b>	<b>10,129.43</b>	<b>203,852.02</b>	<b>5,767.48</b>	<b>230,260.04</b>

As per our report of even date

**R. Dewan & .Co.**

Chartered Accountants

Firm Regn. No. 017883N

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

**Rakesh Marwaha**

Partner

M. No. 504991

**Swati Mangla**

Company Secretary

Membership no.50475

**Poorva Bhatia**

Chief Financial Officer

DIN:00746471

**Suchita Jain**

Director

DIN:00121737

**S.P. Oswal**

Chairman & Managing Director

Place: Ludhiana

Date: May 25, 2022

# Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

## 1 GENERAL 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. The Company is listed on two stock exchanges i.e. at National Stock Exchange and at Bombay Stock Exchange.

The financial statements were approved for issue in accordance with a resolution of the directors on May 25, 2022.

## 2 SIGNIFICANT ACCOUNTING POLICIES, SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS AND APPLICABILITY OF NEW AND REVISED IND AS

### 2.1 Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), and the provisions of the Companies Act ,2013 ('the Act') (to the extent notified) The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

### 2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of

the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

### 2.3 Revenue recognition

Effective April 1, 2018, the Company adopted Ind AS 115 'Revenue from Contracts with Customers'. First time adoption has been conducted retrospectively with cumulative effect of initially applying this standard as on the transition date. The effect on the transition to Ind AS 115 is insignificant.

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue recognised from major business activities:

#### 2.3.1 Income from Investments

Profit/loss earned on sale of investments is recognised on settlement date basis. Profit or loss on sale of investments is determined on the basis of weighted average cost method. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

#### 2.3.2 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a

# Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### 2.3.3 Rental income

As a lessor: Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease"

### 2.3.4 Receipt against License Agreement:

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

## 2.4 Employee benefits

### 2.4.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes

to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- b. net interest expense or income; and
- c. re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

### 2.4.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.



# Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

## 2.5 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

### 2.5.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current income tax assets/liabilities for current year is recognized at the amount expected to be paid to and/or recoverable from the tax authorities."

### 2.5.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business

combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income-tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income-tax. Accordingly, MAT Credit is recognised as asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

### 2.5.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

## 2.6 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

The Cost of an item of Property, plant and equipment comprises:

- a. its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates
- b. any attributable expenditure directly attributable for bringing an asset to the location and the working condition for its intended use and
- c. the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Depreciation is provided on Straight Line Method on the basis of useful lives of such assets specified in Schedule II to the Companies Act, 2013 except the assets costing Rs. 5000/- or below on which depreciation is charged @ 100%. Depreciation is calculated on pro-rata basis.

The estimated useful life of the assets have been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support etc and are as under:

Buildings	60 years
Furniture and Fixtures & Office Equipment	3-10 years
Vehicles	8 years

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized

in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

### 2.7 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### 2.8 Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursements will be received and amount of the receivable can be measured reliably.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

### 2.9 Financial instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are

added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### 2.9.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

##### 2.9.1.1 Classification of financial assets

Financial instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- a. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- b. the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- a. the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

# Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

- b. the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for instruments measured at Fair value through other comprehensive income (FVTOCI). All other financial assets are subsequently measured at fair value.

## 2.9.1.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

## 2.9.1.3 Investments in equity instruments measured at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other

comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

## 2.9.1.4 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL/FVTOCI.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

### 2.9.1.5 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on

that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables,

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

the Company has used a practical expedient as permitted under Ind AS 109. The Company follows simplified approach for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

### 2.9.1.6 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an

option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

### 2.9.2 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

#### 2.9.2.1 Financial liabilities at fair value through profit and loss (FVTPL)

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- a. it has been incurred principally for the purpose of repurchasing it in the near term; or
- b. on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or



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- c. it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- a. such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- b. the financial liability forms part of group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- c. it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the statement of profit and loss.

### 2.9.2.2 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### 2.9.2.3 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

### 2.10 Earnings per share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

# Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

## 2.11 Significant accounting judgements, estimates and assumptions

In the application of the Company's accounting policies, which are described as stated above, the Directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods."

### 2.11.1 Key sources of uncertainty

In the application of the Company accounting policies, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has

made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

### 2.11.1.1 Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future, salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### 2.11.1.2 Useful lives of depreciable tangible assets

Management reviews the useful lives of depreciable/ amortisable assets at each reporting date.

As at March 31, 2022 management assessed that the useful lives represent the expected utility of the assets to the Company.

### 2.11.1.3 Fair Value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors of the Company approves the fair values determined by the Chief Financial Officer of the Company including determining the appropriate valuation techniques and inputs for fair value measurements.

## 2.12 Contingent Liability

In ordinary course of business, the Company faces claims by various parties. The Company annually assesses such claims and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss probable and capable



## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosures in the financial statements but does not record a liability in its financial statements unless the loss becomes probable.

### 2.13 Applicability of new and revised IND AS

On 23 March 2022, the Ministry of Corporate Affairs ("MCA") through notifications, amended to existing Ind AS. The same shall come into force from annual reporting period beginning on or after 1st April 2022. Key Amendments relating to the same whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- Ind AS 16 Property, Plant and Equipment – For items produced during testing/trail phase, clarification added that revenue generated out of the same shall not be recognised in Statement of Profit and Loss and considered as part of cost of PPE.
- Ind AS 37 Provisions, Contingent Liabilities & Contingent Assets – Guidance on what constitutes cost of fulfilling contracts (to determine whether the contract is onerous or not) is included.
- Ind AS 41 Agriculture– This aligns the fair value measurement in Ind AS 41 with the requirements of Ind AS 113 Fair Value Measurement to use internally

consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

- Ind AS 101 – First time Adoption of Ind AS – Measurement of Foreign Currency Translation Difference in case of subsidiary/associate/ JV's date of transition to Ind AS is subsequent to that of Parent – FCTR in the books of subsidiary/associate/ JV can be measured based Consolidated Financial Statements.
- Ind AS 103 – Business Combination – Reference to revised Conceptual Framework. For contingent liabilities / levies, clarification is added on how to apply the principles for recognition of contingent liabilities from Ind AS 37. Recognition of contingent assets is not allowed.

Ind AS 109 Financial Instruments – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law."

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 3 CASH AND BANK BALANCES

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Cash and cash equivalents</b>		
a) Cash on hand	0.03	0.03
b) Balances with banks		
- On current accounts	120.96	23.03
- Fixed Deposits with less than 3 months maturity	141.35	7,615.77
	<b>262.34</b>	<b>7,638.83</b>

### 4 Bank Balances other than (a) above

Particulars	As at 31.03.2022	As at 31.03.2021
Other Bank Balances		
- Earmarked balances with banks	11.43	9.79
	<b>11.43</b>	<b>9.79</b>

\* Earmarked balances with banks includes Rs. 9.78 lacs (March 31, 2021: Rs. 9.79 lacs ) pertaining to dividend accounts with banks and Rs.1.65 lacs (March 31, 2021:Rs Nil) pertaining to balances in unspent CSR accounts.

### 5 Receivables

Particulars	As at 31.03.2022	As at 31.03.2021
Interest Receivable	609.68	577.05
	<b>609.68</b>	<b>577.05</b>

### 6 INVESTMENTS

Particulars	As at 31.03.2022	As at 31.03.2021
<b>A Long Term investments</b>		
<b>TRADE INVESTMENTS</b>		
<b>Financial assets carried at cost</b>		
<b>Investment in Associates</b>		
<b>a. (Quoted)</b>		
79,502,475 (31 March 2021: 15,895,095 of Rs. 10 per share )	30,869.06	30,798.20
Equity Shares of Rs. 2/- each fully paid up of Vardhman Textiles Limited		
Add: Share of Profit from associate company during the year	427,600.90	11,446.05
Add: Accumulated income in associate company	163,668.76	152,222.71
Less: Dividend received during the year from associate company	(8,188.75)	-
	<b>229,109.97</b>	<b>194,466.96</b>

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 6 INVESTMENTS (Contd.)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>b. (Unquoted)</b>		
25,000 (31 March 2021: 25,000) Equity Shares of Rs.10/- each fully paid up of Vardhman Spinning & General Mills Limited	2.50	2.50
Add: Share of Profit from associate company during the year	0.02	0.09
Add: Accumulated income in associate company	5.41	5.33
Less: Dividend received during the year from associate company	-	-
	7.93	7.92
<b>Financial assets measured at fair value through other comprehensive income</b>		
<b>a. Investment in equity instruments (Quoted)</b>		
733,762 (31 March 2021: 733,762) Equity Shares of Rs.10/- each fully paid up of Vardhman Acrylics Limited	394.40	268.92
5,218,954 (31 March 2021: 5,218,954) Equity Shares of Rs.10/- each fully paid up of Vardhman Special Steels Limited	11,904.43	7,189.11
<b>Other Investments:-</b>		
<b>a. Investment in equity/preference instruments of other entities (quoted)</b>		
112 (31 March 2021: 112) Equity shares of Rs.10/- each fully paid-up of Garware Nylon Ltd.	-	-
1,150 (31 March 2021: 1,150) Equity shares of Rs.1/- each fully paid-up of Hindustan Unilever Ltd.	23.56	27.96
50 (31 March 2021: 50) Equity shares of Rs.10/- each fully paid-up of Vinod Paper Mills Limited	-	-
8,000(31 March 2021: 8,000) Preference shares of Rs.10000/- each fully paid-up of Infrastructure Leasing & Financial Services Limited*	-	-
	<b>241,440.29</b>	<b>201,960.87</b>
<b>B CURRENT INVESTMENTS</b>		
<b>Investment in Equity instruments of other entities (quoted)</b>		
1,059,890 (31 March 2021: 1,059,890) Equity Shares of Rs.1/- each of Welspun India Limited	941.76	856.92
<b>Total</b>	<b>941.76</b>	<b>856.92</b>
<b>Investment in Debentures (Unquoted)</b>		
* 72,261 (31 March 2021: 72,261 ) 10% Convertible Debentures of Rs. 100 each of Ambojini Property Developers Private Limited	142.16	142.16
* NIL (31 March 2021: 129) Units of Rs.100,000/- each of Shambhavi Reality Pvt. Ltd.	-	35.58
* 80 (31 March 2021: 80) Units of Rs.100,000/- each of Sutlej Housing Pvt. Ltd.	60.00	80.00
* 68 (31 March 2021: 68) Units of Rs.100,000/- each of ASP Infraprojects Pvt. Ltd.	9.70	22.52
* 35 (31 March 2021: 35) Units of Rs.100,000/- each of Midcity Infrastructure Pvt. Ltd.	26.25	35.00

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 6 INVESTMENTS (Contd.)

Particulars	As at 31.03.2022	As at 31.03.2021
* 62 (31 March 2021: 62) Units of Rs.100,000/- each of Gulam Mustafa Enterprises Pvt. Ltd.	28.77	30.14
	<b>266.88</b>	<b>345.40</b>
<b>Investment in /Liquid Funds/Debt Funds (quoted)</b>		
5,216.58 (31 March 2021: 63,644.04) Units of Rs.1000/- each of SBI Liquid Fund Direct Plan Growth	173.87	2,050.37
15,000,000 (31 March 2021: 15,000,000) Units of Rs.10/- each of SBI Debt Fund Series C-38(1224 Days)Direct Growth	1,902.47	1,827.41
31,571,195.768 units (31 march 21: Nil) of Kotak Equity arbitrage fund of Rs.10 each	9,998.28	-
849,942.274 units (31 March 2021: Nil) Units of Rs.10/- each of SBI Arbitrage Opportunities Direct Plan-Growth	242.49	-
5,27,40,762.432 (31 March 2021 : Nil ) units of Rs. 10/- each of L&T Arbitrage Opportunities Fund Direct Growth	8,569.85	-
	<b>20,886.96</b>	<b>3,877.77</b>
<b>Investment in Equity Fund/Liquid Funds/Debt Funds/Monthly Income Plans/Alternate Investment Funds (Unquoted)</b>		
11,07,431.21 (31 March 2021: 5,827,545) Units of Rs.10 each of Zodiac Technology Fund	378.96	686.26
2,70,531.60(31 March 2021: 299,950.89) Units of Rs.100/- each of IVY Cap Venture Fund-II	523.39	362.69
127.57 (31 March 2021: 133.57) Units of Rs.100,000/- each of India Venture Trust fund -I	33.95	25.02
3,905,499.21 (31 March 2021: 3,905,499.21) Units of Rs.10/- each of IIFL Seed Venture Fund 1	1,339.88	896.76
4,59,391 (31 March 2021: 695,050) Units of Rs.100/- each of ICICI Prudential Real Estate fund AIF-I	514.70	783.81
18,547,493 (31 March 2021: 18,547,493) Units of Rs.10/- each of IIFL Real Estate Fund Domestic Series-2	677.00	873.18
2,667.21 (31 March 2021: 3,183.66 ) Units of Rs.100,000/- each of ASK Real Estate Fund	4,010.63	4,422.24
432.5 units (31 March 2021: Nil) INVESTEC Emerging India Credit Opportunities fund of Rs 1,00,000/- each (previous year: nil)	432.50	
988.67 (31 March 2021: 1000) Units of Rs.100000/- each of Baring Private Equity India AIF	2,187.85	1,583.13
	<b>10,098.86</b>	<b>9,633.09</b>

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(All amounts in Rs. lakhs, unless otherwise stated)

### 6 INVESTMENTS (Contd.)

#### Notes:

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Investment in Equity Shares (Unquoted)</b>		
19,280 (31 March 2021 : Nil) Equity shares FV of Rs. 2 per share of One Mobikwik Systems Limited	149.96	-
* 7,870 (31 March 2021: 7,870) Equity Shares of Rs.10/- each fully paid up of Ambojini Property Developers Private Limited	1.55	1.55
	<b>151.51</b>	<b>1.55</b>
<b>Total (B)</b>	<b>32,345.97</b>	<b>14,714.73</b>
<b>Total (A) + (B)</b>	<b>273,786.276</b>	<b>216,675.61</b>
1. Aggregate amount of quoted investments (Gross)	263,261.08	206,687.66
2. Aggregate amount of unquoted investments (Gross)	10,525.18	9,987.95
3. Market value of quoted investments	380,781.90	218,491.34

\* Investments are purchased through Portfolio Management Services

### 6C. Investments

(Amount in lakhs)

Particulars	Carrying Cost	As at 31.03.2022		Total
		At Fair Value		
		Through Other Comprehensive Income	Through profit or loss	
Mutual Funds			30,985.82	30,985.82
Government securities				-
Other approved securities				-
Debt securities			266.88	266.88
Equity instruments		12,298.83	1,116.83	13,415.66
Preference instruments			-	-
Subsidiaries				-
Associates	229,117.90			229,117.90
Joint Ventures				-
Others (specify)				-
<b>Total-Gross (A)</b>	<b>229,117.90</b>	<b>12,298.83</b>	<b>32,369.53</b>	<b>273,786.26</b>
(i) Investments outside india	-	-	-	-
(ii) Investments in India	229,117.90	12,298.83	32,369.53	273,786.26
<b>Total (B)</b>	<b>229,117.90</b>	<b>12,298.83</b>	<b>32,369.53</b>	<b>273,786.26</b>
Less-Allowance for Impairment (c)				
<b>Total- Net D = (A) - (C)</b>	<b>229,117.90</b>	<b>12,298.83</b>	<b>32,369.53</b>	<b>273,786.26</b>

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 6C. Investments (Contd.)

(Amount in lakhs)

Particulars	Carrying Cost	As at 31.03.2021		
		At Fair Value		Total
		Through Other Comprehensive Income	Through profit or loss	
Mutual Funds			13,510.86	13,510.86
Government securities				-
Other approved securities				-
Debt securities			345.40	345.40
Equity instruments		7,458.03	886.43	8,344.46
Preference instruments			-	-
Subsidiaries				-
Associates	194,474.88			194,474.88
Joint Ventures				-
Others (specify)				-
<b>Total-Gross (A)</b>	<b>194,474.88</b>	<b>7,458.03</b>	<b>14,742.70</b>	<b>216,675.61</b>
(i) Investments outside india	-	-	-	-
(ii) Investments in India	194,474.88	7,458.03	14,742.70	216,675.61
<b>Total (B)</b>	<b>194,474.88</b>	<b>7,458.03</b>	<b>14,742.70</b>	<b>216,675.61</b>
Less-Allowance for Impairment				
<b>Total- Net D = (A) - (C)</b>	<b>194,474.88</b>	<b>7,458.03</b>	<b>14,742.70</b>	<b>216,675.61</b>

### 6 (D). Maturity pattern of certain items of assets and liabilities

As at March 31, 2022

Particulars	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	-	-	-	-	-	-	-	-	-
<b>Investments</b>	<b>173.87</b>	-	-	<b>18,810.61</b>	-	<b>7,805.11</b>	-	<b>246,996.67</b>	<b>273,786.26</b>

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 6 (D). Maturity pattern of certain items of assets and liabilities (Contd.)

As at March 31, 2021

Particulars	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	-	-	-	-	-	-	-	-	-
<b>Investments</b>	<b>2,050.37</b>	-	-	-	<b>856.92</b>	<b>8,253.58</b>	-	<b>205,514.74</b>	<b>216,675.61</b>

### 7 Other Financial assets

Particulars	As at 31.03.2022	As at 31.03.2021
<b>(Unsecured and considered good), unless otherwise stated</b>		
- Other Recoverable	230.41	664.88
Fixed deposits more than 3 month maturty	-	907.64
	<b>230.41</b>	<b>1,572.52</b>

### 8 Deferred tax assets (net)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Deferred tax liabilities</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting period	925.45	127.11
Gross deferred tax liability	925.45	127.11
<b>Deferred tax assets</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowable for tax purposes on payment basis	0.43	0.56
Mat Credit Recoverable	3,340.10	4,040.21
Gross deferred tax asset	3,340.53	4,040.77
<b>Deferred tax Assets (Net)</b>	<b>2,415.08</b>	<b>3,913.66</b>

# Notes to Consolidated Financial Statement

for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

## NOTE - 9 - PROPERTY, PLANT & EQUIPMENT

Particulars	Deemed Cost			DEPRECIATION				NET BLOCK	
	Balance as at 01.04.2021	Additions/ Adjustments	Disposal	Balance as at 31.03.2022	Balance as at 01.04.2021	Depreciation during the year	Eliminated on disposal of assets	Balance as at 31.03.2022	Balance as at 31.03.2021
<b>TANGIBLE ASSETS</b>									
1. Freehold land	284.33	-	-	284.33	-	-	-	284.33	284.33
2. Buildings	40.14	-	-	40.14	2.89	0.72	-	36.53	37.26
3. Office Equipment	0.73	-	-	0.73	0.64	0.05	-	0.04	0.08
<b>Total</b>	<b>325.20</b>	<b>-</b>	<b>-</b>	<b>325.20</b>	<b>3.53</b>	<b>0.77</b>	<b>-</b>	<b>320.90</b>	<b>321.67</b>

Particulars	Deemed Cost			DEPRECIATION				NET BLOCK	
	Balance as at 01.04.2020	Additions/ Adjustments	Disposal	Balance as at 31.03.2021	Balance as at 01.04.2020	Depreciation during the year	Eliminated on disposal of assets	Balance as at 31.03.2021	Balance as at 01.04.2020
<b>TANGIBLE ASSETS</b>									
1. Freehold land	284.33	-	-	284.33	-	-	-	284.33	284.33
2. Buildings	40.14	-	-	40.14	2.17	0.72	-	37.26	37.98
3. Office Equipment	0.73	-	-	0.73	0.48	0.16	-	0.08	0.24
<b>Total</b>	<b>325.20</b>	<b>-</b>	<b>-</b>	<b>325.20</b>	<b>2.65</b>	<b>0.88</b>	<b>-</b>	<b>321.67</b>	<b>322.55</b>



## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 10 Other Non Financial Assets

Particulars	As at 31.03.2022	As at 31.03.2021
<b>( unsecured, considered good )</b>		
Prepaid Expenses	5.69	4.05
Other recoverable	0.07	16.42
Security Deposit	4.19	4.26
	<b>9.95</b>	<b>24.73</b>

### 11 Other financial liabilities

Particulars	As at 31.03.2022	As at 31.03.2021
Other Payables:-		
- Expenses Payables	6.71	3.83
- Dues to Employees	11.64	3.16
- Other Liabilities	-	74.28
	<b>18.35</b>	<b>81.27</b>

### 12 Current Tax Liabilities (Net)

Particulars	As at 31.03.2022	As at 31.03.2021
Provision for Tax*(net of advance tax)	-	43.30
	<b>-</b>	<b>43.30</b>

\* Provision for tax of previous year is net of Advance tax of Rs. 5801.43 lacs

### 12A Current Tax Assets (Net)

Particulars	As at 31.03.2022	As at 31.03.2021
Advance tax (net of provision for tax)	105.20	-
	<b>105.20</b>	<b>-</b>

\*Advance Tax is net of provision for tax of Rs. 8672.66 Lacs

### 13 PROVISIONS

Particulars	As at 31.03.2022	As at 31.03.2021
Provision for employee benefits :		
- Gratuity	0.51	1.59
- Leave encashment	1.04	1.31
	<b>1.55</b>	<b>2.90</b>

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 14 OTHER CURRENT LIABILITIES

Particulars	As at 31.03.2022	As at 31.03.2021
Statutory Remittances	37.87	17.32
Unpaid dividends#	9.78	9.79
	<b>47.65</b>	<b>27.11</b>

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

### 15 Equity share capital

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Authorised share capital:</b>		
3,00,00,000 equity shares of Rs. 10 each (March 31, 2021: 3,00,00,000 equity shares of Rs. 10 each)	3,000.00	3,000.00
1,00,00,000 redeemable cumulative preference shares of Rs. 10 each (March 31, 2021: 1,00,00,000 redeemable cumulative preference shares of Rs. 10 each)	1,000.00	1,000.00
	<b>4,000.00</b>	<b>4,000.00</b>
<b>Issued up share capital comprises:</b>		
31,91,536 equity shares of Rs. 10 each (March 31, 2021: 31,91,536 equity shares of Rs. 10 each)	319.15	319.15
	<b>319.15</b>	<b>319.15</b>
<b>Subscribed and fully paid up share capital comprises:</b>		
31,91,536 equity shares of Rs. 10 each (March 31, 2021: 31,91,536 equity shares of Rs. 10 each)	319.15	319.15
Add: Forfeited Shares (Amount originally paid-up)	0.09	0.09
	<b>319.24</b>	<b>319.24</b>

#### 15.1 Rights, preference and restriction attached to equity shares

The Company has one class of equity shares having a par value of Rs.10/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting. 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 shareholders

#### 15.2 Rights, preference and restriction attached to preference shares

The rate of dividend on preference shares will be decided by the Board of Directors as and when issued. Preferential shares as and when issued shall have the cumulative right to receive dividend as and when declared and shall have preferential right of repayment on amount of capital.

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 15 Equity share capital (Contd.)

#### 15.3 Reconciliation of number of shares

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	3,191,536	319.24	3,191,536	319.24
Add:- Shares Issued during year	-	-	-	-
<b>Balance as at the end of the year</b>	<b>3,191,536</b>	<b>319.24</b>	<b>3,191,536</b>	<b>319.24</b>

#### 15.4 Details of shares held by the holding Company

There is no Holding / Ultimate Holding Company of the Company.

#### 15.5 Details of shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	% holding	Number of shares	% holding
Adishwar Enterprises LLP	1,048,770	32.86%	1,048,770	32.86%
Devakar Investment & Trading Company (P) Limited	1,094,330	34.29%	1,094,330	34.29%

#### Details of Shares held by promoters at the end of the year

Particulars	As at March 31, 2022			As at March 31, 2021		
	Number of shares	% holding	% change during the year	Number of shares	% holding	% change during the year
Adishwar Enterprises LLP	1,048,770	32.86%	-	1,048,770	32.86%	-
Devakar Investment & Trading Company (P) Limited	1,094,330	34.29%	-	1,094,330	34.29%	-
Shri Paul Oswal	56,880	1.78%	-	56,880	1.78%	-
Flamingo Finance & Investment Company Limited	50,671	1.59%	-	50,671	1.59%	-
Ramaniya Finance & Investment Company Limited	29,343	0.92%	-	29,343	0.92%	-
Suchita Jain	28,416	0.89%	-	28,416	0.89%	-
Shakun Oswal	19,084	0.60%	-	19,084	0.60%	-
Northern Trading Company	13,760	0.43%	-	13,760	0.43%	-
Santon Finance & Investment Company Limited	12,266	0.38%	-	12,266	0.38%	-

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 15 Equity share capital (Contd.)

Details of Shares held by promoters at the end of the year

Particulars	As at March 31, 2022			As at March 31, 2021		
	Number of shares	% holding	% change during the year	Number of shares	% holding	% change during the year
Mahavir Spinning Mills Private Limited	10,332	0.32%	-	10,332	0.32%	-
Eastern Trading Company	9,840	0.31%	-	9,840	0.31%	-
Paras Syndicate	7,610	0.24%	-	7,610	0.24%	-
Amber Syndicate	6,689	0.21%	-	6,689	0.21%	-
Sachit Jain	2,330	0.07%	-	2,330	0.07%	-
Soumya Jain	80	0.00%	-	80	0.00%	-
Sagrika Jain	40	0.00%	-	40	0.00%	-

### 16 Other equity

Particulars	As on 31 March, 2022	As on March 31, 2021
Capital Reserve	0.11	0.11
Capital Redemption Reserve	70.00	70.00
Securities Premium	781.28	781.28
General reserve	9,659.72	9,659.72
Statutory Reserve (u/s 45-IC of RBI Act, 1934)	1,1796.56	10,129.43
Retained Earnings	244,933.04	203,852.02
Equity instrument through other comprehensive income	10,123.75	5,767.48
	<b>277,364.46</b>	<b>230,260.04</b>

# Notes to Consolidated Financial Statement

(All amounts in Rs. lakhs, unless otherwise stated)

## 16 Other equity (Contd.)

Particulars	OTHER EQUITY						Total
	Reserves & Surplus			Items of other comprehensive income			
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General reserve	Statutory Reserve (u/s 45-IC of RBI Act, 1934)	Retained Earnings	
Balance as of 1 April 2021	0.11	70.00	781.28	9,659.72	10,129.43	203,852.03	230,260.04
Transfer to statutory Reserve u/s 45-IC of RBI Act, 1934	-	-	-	-	(1,667.13)	(1,667.13)	-
Profit/Loss for the period	-	-	-	-	-	42,907.82	-
Other Comprehensive Income for the period	-	-	-	-	-	(0.09)	4,356.27
Dividend @ Rs.5/Share for financial year 2020-21	-	-	-	-	-	(159.58)	(159.58)
<b>Balance as of 31st March 2022</b>	<b>0.11</b>	<b>70.00</b>	<b>781.28</b>	<b>9,659.72</b>	<b>11,796.56</b>	<b>244,933.04</b>	<b>10,123.75</b>

Particulars	OTHER EQUITY						Total
	Reserves & Surplus			Items of other comprehensive income			
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General reserve	Statutory Reserve (u/s 45-IC of RBI Act, 1934)	Retained Earnings	
Balance as of 1 April 2020	0.11	70.00	781.28	9,659.72	9,828.43	191,201.81	212,248.65
Transfer to statutory Reserve u/s 45-IC of RBI Act, 1934	-	-	-	-	301.00	(301.00)	-
Profit/Loss for the period	-	-	-	-	-	12,951.15	-
Other Comprehensive Income for the period	-	-	-	-	-	0.07	5,060.18
<b>Balance as of 31st March 2021</b>	<b>0.11</b>	<b>70.00</b>	<b>781.28</b>	<b>9,659.72</b>	<b>10,129.43</b>	<b>203,852.02</b>	<b>5,767.48</b>

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 16 Other equity (Contd.)

#### a. Capital reserve

Capital reserve represents reserve recognised on amalgamation being the difference between consideration amount and net assets of the transferee Company.

#### b. Capital redemption reserve

Capital Redemption reserve is a statutory, non-distributable reserve into which amounts are transferred following the redemption or purchase of a Company's own shares.

#### c. Securities premium

Securities premium represents amount of premium recognised on issue of shares to shareholders at a price more than its face value.

#### d. General reserve

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

#### e. Statutory Reserve (u/s 45-IC of RBI Act, 1934)

Statutory Reserve is mandatory reserve to be created by NBFC Companies u/s 45-IC of RBI Act, 1934 every year @ 20% of net profit after tax during the year.

#### f. Retained earnings

Retained earnings represents amount that can be distributed by the Company to its equity shareholders is determined based on the financial statements of the Company and also considering the requirements of the Companies Act 2013.

#### g. Equity instrument through other comprehensive income

Reserve for equity instruments through other comprehensive income represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amount reclassified to retained earnings when those assets have been disposed off.

### 17 Interest Income

Particulars	For the year ended March, 31 2022	For the year ended March, 31 2021
Interest Income from investments (on financial assets classified at fair value through profit or loss)	393.67	779.91
	<b>393.67</b>	<b>779.91</b>

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 18 Dividend Income

Particulars	For the year ended March, 31 2022	For the year ended March, 31 2021
Dividend Income from investments:		
- others	263.68	6.38
	<b>263.68</b>	<b>6.38</b>

### 19 Net gain on fair value changes

Particulars	For the year ended March, 31 2022	For the year ended March, 31 2021
<b>(A). Net gain/ (loss) on financial instruments at fair value through profit or loss</b>		
(i) On trading portfolio		
- Investments	-	-
- Derivatives	-	-
- Others	838.70	579.16
(ii) MTM Gain / (Loss) on Investments (Net of Reversal)	1,812.90	613.06
<b>Total Net gain/(loss) on fair value changes (B)</b>	<b>2,651.60</b>	<b>1,192.22</b>
Fair Value changes		
- Realised	838.70	579.16
- Unrealised	1,812.90	613.06
<b>Total Net gain/(loss) on fair value changes (C) to tally with (B)</b>	<b>2,651.60</b>	<b>1,192.22</b>

### 20 Other Income

Particulars	For the year ended March, 31 2022	For the year ended March, 31 2021
Receipt against License agreement	183.64	122.77
Rent received	1.80	1.80
Miscellaneous	0.02	0.12
	<b>185.46</b>	<b>124.69</b>

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 21 Employee Benefits Expense

Particulars	For the year ended March, 31 2022	For the year ended March, 31 2021
Salaries and wages	81.83	56.11
	<b>81.83</b>	<b>56.11</b>

### 22 Other Expenses

Particulars	For the year ended March, 31 2022	For the year ended March, 31 2021
Rates and taxes	0.02	0.01
Printing and stationery	0.78	0.04
Other Financial Charges	4.49	8.85
Director's fees, allowances and expenses	4.78	5.35
Auditor's fees and expenses	0.75	0.84
Legal and Professional charges	143.55	58.22
Insurance	3.55	3.81
Charity and Donation / CSR Expenses	60.34	85.92
Other expenditure	7.35	7.88
	<b>225.61</b>	<b>170.92</b>

### 23 Tax balances

The following is the analysis of deferred tax assets / (liabilities) presented in the Consolidated balance sheet

#### 23.1 Deferred tax assets/ liabilities (Net)

2021-22	Opening Balance	Mat Credit Adjustment	Recognised in profit or loss	Recognised in OCI	Closing Balance
<b>Deferred tax assets</b>					
Expenses deductible in future years	0.45	-	(0.13)	-	0.32
MAT credit recoverable	4,040.21	(700.11)	-	-	3,340.10
Property, plant and equipment	0.11	-	(0.00)	-	0.11
	<b>4,040.77</b>	<b>(700.11)</b>	<b>(0.13)</b>	-	<b>3,340.53</b>
<b>Deferred tax liabilities</b>					
Investment in bonds, mutual funds and equity instruments	127.11	-	313.82	484.53	925.45
	<b>127.11</b>	-	<b>313.82</b>	<b>484.53</b>	<b>925.45</b>
<b>Net deferred tax assets</b>	<b>3,913.66</b>	<b>(700.11)</b>	<b>(313.95)</b>	<b>(484.53)</b>	<b>2,415.08</b>



## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 23 Tax balances (Contd.)

#### 23.1 Deferred tax assets/ liabilities (Net)

2020-21	Opening Balance	Mat Credit Adjustment	Recognised in profit or loss	Recognised in OCI	Closing Balance
<b>Deferred tax assets</b>					
Expenses deductible in future years	0.39	-	0.06	-	0.45
Provision for doubtful debts / advances					
MAT credit recoverable	4,019.35	20.86	-	-	4,040.21
Property, plant and equipment	0.08	-	0.03	-	0.11
	<b>4,019.82</b>	<b>20.86</b>	<b>0.09</b>	<b>-</b>	<b>4,040.77</b>
<b>Deferred tax liabilities</b>					
Investment in bonds, mutual funds and equity instruments	101.30	-	25.81	-	127.11
	<b>101.30</b>	<b>-</b>	<b>25.81</b>	<b>-</b>	<b>127.11</b>
<b>Net deferred tax assets</b>	<b>3,918.52</b>	<b>20.86</b>	<b>(25.72)</b>	<b>-</b>	<b>3,913.66</b>

Note: Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

#### 23.2 Income tax recognised in profit or loss

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Current tax</b>		
In respect of the current year	2,725.35	365.42
<b>Deferred tax</b>		
In respect of the current year	313.95	4.86
<b>Total income tax expense recognised</b>	<b>3,039.30</b>	<b>370.28</b>

#### 23.3 The income tax expense for the year can be reconciled to the accounting profit as follows

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax	45,947.12	13,321.43
Less:- Income from Associates	42,760.92	11,446.14
Profit before tax and share of profit of Associates	3,186.20	1,875.29
Tax at the Indian Tax Rate of 29.12%	927.82	546.08
Exempt Long Term Capital Gain	(3.19)	-
Effect of dividend income from associates	2,384.57	-
Donation Disallowed	-	1.69
Effect of indexation benefit on value of investment	-	(3.42)
Tax Difference on MTM Gain on investment	(213.97)	(152.71)
Capital Gain tax rate difference	(53.54)	(45.47)
Others	(2.40)	24.11
	<b>3,039.29</b>	<b>370.28</b>

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

#### 24.1 Financial instruments by category

Particulars	As at March 31, 2022			
	FVTPL	Amortised Cost#	FVTOCI	Total
<b>Financial Assets</b>				
Investments*	32,369.53	-	12,298.83	44,668.36
Other Receivables	-	609.68	-	609.68
Cash and cash equivalents	-	262.34	-	262.34
Bank balances other than above	-	11.43	-	11.43
Other Financial Assets	-	230.41	-	230.41
	<b>32,369.53</b>	<b>1,113.86</b>	<b>12,298.83</b>	<b>45,782.22</b>

Particulars	As at March 31, 2021			
	FVTPL	Amortised Cost#	FVTOCI	Total
<b>Financial Assets</b>				
Investments*	14,742.70	-	7,458.03	22,200.73
Other Receivables	-	577.05	-	577.05
Cash and cash equivalents	-	7,638.83	-	7,638.83
Bank balances other than above	-	9.79	-	9.79
Other Financial Assets	-	1,572.52	-	1,572.51
	<b>14,742.70</b>	<b>9,798.18</b>	<b>7,458.03</b>	<b>31,998.91</b>

Particulars	As at March 31, 2022		
	FVTPL	Amortised Cost#	Total
<b>Financial Liabilities</b>			
Borrowings (including current maturity of term loan)	-	-	-
Trade Payables	-	-	-
Other financial liabilities	-	18.35	18.35
	-	<b>18.35</b>	<b>18.35</b>

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd.)

#### 24.1 Financial instruments by category

Particulars	As at March 31, 2021		
	FVTPL	Amortised Cost#	Total
<b>Financial Liabilities</b>			
Trade Payables	-	-	-
Other financial liabilities	-	81.27	81.27
	-	<b>81.27</b>	<b>81.27</b>

# Carrying value of the financial assets and financial liabilities designated at amortised cost approximates its fair value.

\* Investment value excludes investment in subsidiaries/Associates/Joint ventures of Rs. 2,29,117.90 Lacs (March 31, 2021: Rs.194,474.89 lacs) which are shown at cost in balance sheet as per Ind AS 27 "Separate Financial Statements".

#### 24.2 Fair value hierarchy

The following table provides an analysis of financial instruments that are measured at fair value and have been grouped into Level 1, Level 2 and Level 3 below:

##### As at March 31, 2022

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in mutual funds/bonds/preference shares	18,984.49	4,522.82	7,745.39	31,252.70
Investments in quoted equity instruments	13,264.15			13,264.15
Investments in unquoted equity instruments			151.51	151.51
	<b>32,248.64</b>	<b>4,522.82</b>	<b>7,896.90</b>	<b>44,668.36</b>

##### As at March 31, 2021

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in mutual funds/bonds/preference shares	2,050.37	3,410.52	8,395.36	13,856.25
Investments in quoted equity instruments	8,342.93	-	-	8,342.93
Investments in unquoted equity instruments	-	-	1.55	1.55
	<b>10,393.30</b>	<b>3,410.52</b>	<b>8,396.91</b>	<b>22,200.73</b>

# Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

## 24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd.)

### 24.2 Fair value hierarchy

#### Level 1:

Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market.

#### Level 2:

Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly.

#### Level 3:

Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data.

The fair value of the financial instruments are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

Investments in mutual funds: Fair value is determined by reference to quotes from the financial institutions, i.e. net asset value (NAV) for investments in mutual funds declared by mutual fund house.

Investment in preference shares/debentures: Fair value is determined by reference to quotes from fund houses/ portfolio management services companies i.e value of investments.

Derivative contracts: The Company has entered into various foreign currency contracts to manage its exposure to fluctuations in foreign exchange rates. These financial exposures are managed in accordance with the Company's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data, i.e., mark to market values determined by the Authorised Dealers Banks.

Quoted equity investments: Fair value is derived from quoted market prices in active markets.

Unquoted equity investments: Fair value is derived on the basis of net asset value approach, in this approach the net asset value is used to capture the fair value of these investments.

#### Reconciliation of Level 3 fair value measurements

Particulars	Unlisted equity instruments	Unlisted Mutual Funds/ bonds/preference shares
<b>As at April 01, 2020</b>	1.55	9,235.82
Purchases	-	60.00
Sales	-	(519.81)

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd.)

#### 24.2 Fair value hierarchy

Particulars	Unlisted equity instruments	Unlisted Mutual Funds/ bonds/preference shares
Gain / (loss) recognised in OCI/Profit/Loss	-	(380.65)
<b>As at March 31, 2021</b>	<b>1.55</b>	<b>8,395.36</b>
Purchases	149.96	-
Sales	-	(1,546.34)
Gain / (loss) recognised in OCI/Profit/Loss	-	896.37
<b>As at March 31, 2022</b>	<b>151.51</b>	<b>7,745.39</b>

#### A. Financial Risk Management

“The Company’s corporate treasury functions provides services to the business, coordinates access to the financial markets, monitors and manages the financial risks relating to operations of the Company through internal risk reports which analyse exposure by degree and magnitude of risk. These risks include market risk (including currency risk, interest rate risk and other price risks, credit risk and liquidity risk).

#### B. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: foreign currency risk, interest rate risk, investment risk.

#### C. Security Price Risk Management

##### Exposure in equity

The Company is exposed to equity price risks arising from equity investments held by the Company and classified in the balance sheet as fair value through OCI.

##### Equity price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks at the end of the year.

If the equity prices had been 5% higher / lower:

Other comprehensive income for March 31, 2022 would increase / decrease by Rs.614.94 lacs ( March 31, 2021: 372.90 lacs) as a result of the change in fair value of equity investment measured at FVTOCI.

##### Exposure in mutual funds

The Company manages the surplus funds majorly through investments in debt based mutual fund schemes. The price of investment in these mutual fund schemes is reflected though Net Asset Value (NAV) declared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The Company is exposed to price risk on such Investments.

##### Mutual fund/debentures/Equity shares/bonds price sensitivity analysis

The sensitivity analysis below have been determined based on Mutual Fund Investment at the end of the year. If NAV has been 1% higher / lower:

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd.)

#### 24.2 Fair value hierarchy

Profit for the year ended March 31, 2022 would increase / decrease by Rs.312.53 Lacs (March 31, 2021 by Rs. 138.56 Lacs) as a result of the changes in fair value of mutual fund investments.

#### Liquidity Risk Management

The financial liabilities of the Company, other than derivatives, include loans and borrowings, trade and other payables. The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool. The Company plans to maintain sufficient cash and marketable securities to meet the obligations as and when fall due. The below is the detail of contractual maturities of the financial liabilities of the Company at the end of each reporting period:

The table below analyses the Company's financial liabilities and financial assets into relevant maturity groupings based on their contractual maturities:

Financial Assets	Less than 1 year	More than 1 year and upto 3 years	More than 3 year and upto 5 years	More than 5 years	Total
<b>As at March 31, 2022</b>					
Investments*	18,984.48	7,805.11	-	246,996.67	273,786.26
Other Receivables	609.68	-	-	-	609.68
Cash and cash equivalents	262.34	-	-	-	262.34
Bank balances other than above	11.43	-	-	-	11.43
Other financial Assets	230.41	-	-	-	230.41
	<b>20,098.34</b>	<b>7,805.11</b>	<b>-</b>	<b>246,996.67</b>	<b>274,900.12</b>

Financial Liabilities	Less than 1 year	More than 1 year and upto 3 years	More than 3 year and upto 5 years	More than 5 years	Total
<b>As at March 31, 2022</b>					
Trade payables	-	-	-	-	-
Other financial liabilities**	18.35	-	-	-	18.35
	<b>18.35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18.35</b>

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd.)

#### 24.2 Fair value hierarchy

Financial Assets	Less than 1 year	More than 1 year and upto 3 years	More than 3 year and upto 5 years	More than 5 years	Total
<b>As at March 31, 2021</b>					
Investments*	2,907.29	8,253.58	-	205,514.75	216,675.61
Other Receivables	577.05	-	-	-	577.05
Cash and cash equivalents	7,638.83	-	-	-	7,638.83
Bank balances other than above	9.79	-	-	-	9.79
Loans	-	-	-	-	-
Other financial Assets	1,572.51	-	-	-	1,572.52
	<b>12,705.47</b>	<b>8,253.58</b>	-	<b>205,514.75</b>	<b>226,473.80</b>

Financial Liabilities	Less than 1 year	More than 1 year and upto 3 years	More than 3 year and upto 5 years	More than 5 years	Total
<b>As at March 31, 2021</b>					
Trade payables	-	-	-	-	-
Other financial liabilities**	81.27	-	-	-	81.27
	<b>81.27</b>	-	-	-	<b>81.27</b>

### 25 EMPLOYEE BENEFITS

#### Defined benefit plans

The Company sponsors funded defined benefit plan for qualifying employees. This defined benefit plan of gratuity is administered by a separate trust that is legally separate from the entity. The trustees are required by the law to act in the interest of the trust and all the relevant stakeholders i.e. active employees, inactive employees, retired employees and employers, etc. The trust is responsible for investment policy with regard to the assets of the trust. The Company has a gratuity plan wherein every eligible employee is entitled to the benefit equivalent to 15 days salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972 or as per the Company's plan, whichever is more beneficial.

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 25 EMPLOYEE BENEFITS (Contd.)

These plans typically expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

#### Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

#### Salary Risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

#### Interest Risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in value of the liability.

#### Longevity Risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plans liability.

The principal assumption used for the purpose of the actuarial valuation were as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Discount Rate	7.18%	6.79%
Salary increase	6.00%	6.00%
Expected average remaining working life	25.66	26.66
Mortality Rates	100% of IALM (2012-14)	IALM (2012-14)
Method used	Project unit credit method	Project unit credit method

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. An actuarial valuations involves making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.



## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 25 EMPLOYEE BENEFITS (Contd.)

Amounts recognised in statement of profit and loss in respect of these benefit plans are as follows:

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Current Service cost	0.31	0.29
Net interest expenses	0.11	0.09

The current service cost, past service cost and the net interest expenses for the year are included in Note 21 “Employee Benefits Expenses” under the head “Salary and Wages”

Amounts recognised in Other Comprehensive Income:

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Actuarial gain/(losses) arising from changes in financial assumptions	0.15	(0.00)
Actuarial gain/(losses) arising from changes in experience adjustments	(0.20)	0.14
Actuarial gain/(losses) arising from changes in Demographic Assumption	-	-
Actuarial gain/(losses) arising on Asset	(0.04)	(0.04)
	<b>(0.09)</b>	<b>0.10</b>

The amount included in balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Present value of funded defined benefit obligation	3.01	2.53
Fair Value of Plan Assets	2.50	0.94
<b>Net assets / (liability)</b>	<b>(0.51)</b>	<b>(1.59)</b>

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 25 EMPLOYEE BENEFITS (Contd.)

**Movements in the present value of defined benefit obligation are as follows:**

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Opening defined benefit obligation	2.53	2.28
Current Service Cost	0.31	0.29
Interest Cost	0.17	0.15
Actuarial (gain)/losses arising from changes in experience adjustments	0.06	(0.13)
Benefits Paid	(0.06)	(0.06)
<b>Closing defined benefit obligation</b>	<b>3.01</b>	<b>2.53</b>

**Movements in the fair value of plan assets are as follows:**

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Opening fair value of plan assets	0.94	0.97
Interest Income	0.03	0.03
Employer contribution	1.59	-
Benefits paid	(0.06)	(0.06)
<b>Closing fair value of plan assets</b>	<b>2.50</b>	<b>0.94</b>

Plan assets comprises of mutual fund, Government of India securities and bank balances. The average duration of the defined benefit obligation is 13.86 years (2021: 14.13 years). The Company expects to make a contribution of Rs.0.37 lakhs (March 31, 2021: Rs. 0.42 lakhs) to the defined benefit plans during the next financial year

### Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of reporting period, while holding all other assumptions constant.

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Discount Rate</b>		
0.50% Increase	(0.18)	(0.15)
0.50% decrease	0.19	0.17
<b>Future Salary increase</b>		
0.50% Increase	0.19	0.17
0.50% decrease	(0.18)	(0.16)

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 25 EMPLOYEE BENEFITS (Contd.)

#### Maturity Profile of Defined Benefit Obligation

Year	Amount
a) 0 to 1 Year	0.18
b) 1 to 2 Year	0.15
c) 2 to 3 Year	0.14
d) 3 to 4 Year	0.13
e) 4 to 5 Year	0.12
f) 5 to 6 Year	0.12
g) 6 Year onwards	2.18

### 26 RELATED PARTY TRANSACTIONS

Description of related parties	Key management personnel (KMP)
<p><b>Associates</b></p> <p>Vardhman Textiles Limited</p> <p>Vardhman Spinning and General Mills Limited</p> <p><b>Enterprises over which KMP have significant influence:</b></p> <p>Vardhman Acrylics Limited</p>	<p>Mr. S.P. Oswal, Chairman and Managing Director</p> <p>Mrs. Poorva Bhatia (Chief Financial Officer)</p> <p>Ms. Swati Mangla, Company Secretary</p> <p>Mrs. Shakun Oswal (Non-Executive Director)</p> <p>Mr. Sachit Jain (Non-Executive Director)</p> <p>Mrs. Suchita Jain (Non-Executive Director)</p> <p>Mr. Vikas Kumar (Non-Executive Director)</p> <p>Mr. Chaman Lal Jain (Non-Executive Director)</p> <p>Mr. Jagdish Rai Singal (Independent Director)</p> <p>Mr. Rajeev Kumar Mittal (Independent Director)</p> <p>Mr. Sanjeev Jain (Independent Director)</p> <p>Mr. Sat Pal Kanwar (Independent Director)</p> <p>Mr. Om Parkash Sharma (Independent Director)</p> <p>Mrs. Apinder Sodhi (Independent Director)</p>

#### Transactions with related parties

Particulars	For the year ended March, 31 2022	For the year ended March, 31 2021
<b>Receipt against licence agreement (excluding GST)</b>		
Associates	183.64	84.31
	<b>183.64</b>	<b>84.31</b>
<b>Rent Received (excluding GST)</b>		
Associates	1.80	1.80
	<b>1.80</b>	<b>1.80</b>

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 26 RELATED PARTY TRANSACTIONS (Contd.)

Particulars	For the year ended March, 31 2022	For the year ended March, 31 2021
<b>Managerial Remuneration</b>		
Key Managerial Personnel	81.83	53.70
	<b>81.83</b>	<b>53.70</b>
<b>Dividend Received</b>		
Associates	8,188.75	-
Enterprises over which KMP have significant influence	183.44	-
	<b>8,372.19</b>	-

### 27 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Claims against the Company not acknowledged as debts:</b>		
Income-tax	319.75	52.05
Uncalled Liability on Investment Commitment	-	-

### 28 SEGMENT INFORMATION

The Company is primarily in the Investment business. The Chairman and Managing Director of the Company, which has been identified as being the Chief Operating Decision Maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is only one reportable segment for the Company.

### 29 EARNINGS PER SHARE

Particulars	For the year ended March, 31 2022	For the year ended March, 31 2021
Basic earnings per share (INR)	1,344.43	405.80
Profit attributable to the equity holders of the Company used in calculating basic earning per share	42,907.82	12,951.15
Weighted average number of equity shares for the purpose of basic earning per share (numbers)	3,191,536	3,191,536
Dilutive Earning per share (INR)	1,344.43	405.80
Profit attributable to the equity holders of the Company used in calculating dilutive earning per share	42,907.82	12,951.15
Weighted average number of equity shares for the purpose of dilutive earning per share (numbers)	3,191,536	3,191,536

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 30 MSME NOTE

Sundry Creditors include the following dues to micro and small enterprises covered under “The Micro, Small and Medium Enterprises Development Act, 2006” (MSMED) to the extent such parties have been identified from the available information.

Particulars	For the year ended March, 31 2022	For the year ended March, 31 2021
Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year		
- Principal amount	-	-
- Interest due thereon	-	-
Amount of payments made to suppliers beyond the appointed day during the year		
- Principal amount	-	-
- Interest actually paid under section 16 of MSMED	-	-
Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding interest under MSMED	-	-
Interest accrued and remaining unpaid at the end of the year	-	-
- Interest accrued during the year	-	-
- Interest remaining unpaid as at the end of the year	-	-
Interest remaining disallowable as deductible expenditure under the Income-tax Act, 1961	-	-

### 31 CSR\*

Particulars	As at March 31, 2022	As at March 31, 2021
a. Amount required to be spent by the company during the year,	55.88	82.28
b. Amount of expenditure incurred:*	58.42	8.00
c. Shortfall at the end of the year**	-	74.28
d. Total of previous years shortfall	-	-
<b>e. Total Shortfall</b>		
f. Related party transactions:		74.28
<b>g. Movement of provision:</b>		
- Opening	74.28	-
- Provision created during the year:	-	74.28
- Spent during the year	(74.28)	-
- <b>Closing</b>	-	<b>74.28</b>

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 31 CSR\* (Contd.)

#### \*Nature of CSR activities:

Promoting Education, Promoting Healthcare including Preventive Healthcare, Rural Development, Promotion of Art & Culture, Measures for the benefit of armed forces veterans, Promotion of Nationally Recognized Sports.

#### \*\*Reason for shortfall:

Amount remaining unspent pertains to "Ongoing /Multiyear Projects" approved by CSR committee which will be spent in coming years.

**32** On account of COVID-19 pandemic, the resultant impact on the fair value of the investments held by the Company is reflected in the Total Comprehensive Income and Total Equity of the Company for year ended March 31, 2022, in line with the Accounting Policy consistently followed by the Company. Given the uncertainties associated with nature, condition and duration of COVID-19, the Company will closely monitor any material changes arising of the future economic conditions and impact on its business.

### 33 Interest in Other Entities

(a) The Consolidated Financial Statements present the Consolidated Accounts of Vardhman Holdings Limited with its following Associates.

Name of Company	Country of Incorporation	Activities	Proportion of Ownership of Interest	
			As at March 31, 2022	As at March 31, 2021
A. Associates				
(i) Vardhman Textiles Limited	India	Textiles	27.52%	27.61%
(ii) Vardhman Spinning & General Mills Limited	India	Trading of Cotton & Manmade Fibre	50.00%	50.00%

(b) Summarized Financial Information

Particulars	Vardhman Textiles Limited		Vardhman Spinning and General Mills Limited	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>I. Assets</b>				
(A) Non Current Assets	512,384.26	441,473.03	-	-
(B) Current Assets				
i) Cash & Cash Equivalent	6,663.00	9,264.00	16.72	2.08
ii) Others	578,862.81	510,956.54	-	17.56
<b>Total Current Assets</b>	<b>585,525.81</b>	<b>520,220.54</b>	<b>16.72</b>	<b>19.64</b>
<b>Total Assets (A+B)</b>	<b>1,097,910.07</b>	<b>961,693.57</b>	<b>16.72</b>	<b>19.64</b>

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 33 Interest in Other Entities (Contd.)

Particulars	Vardhman Textiles Limited		Vardhman Spinning and General Mills Limited	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>II. Liabilities</b>				
(A) Non Current Liabilities				
i) Financial Liabilities	92,664.00	129,957.00		
ii) Non Financial Liabilities	28,145.78	29,214.01		
<b>Total Non Current Liabilities</b>	<b>120,809.78</b>	<b>159,171.01</b>	-	-
(B) Current Liabilities				
i) Financial Liabilities	176,971.51	130,462.54		
ii) Non Financial Liabilities	15,997.74	11,914.46	2.18	5.14
<b>Total Current Liabilities</b>	<b>192,969.25</b>	<b>142,377.00</b>	<b>2.18</b>	<b>5.14</b>
<b>Total Liabilities (A+B)</b>	<b>313,779.03</b>	<b>301,548.01</b>	<b>2.18</b>	<b>5.14</b>
<b>Net Assets (I-II)</b>	<b>784,131.05</b>	<b>660,707.21</b>	<b>14.54</b>	<b>14.50</b>

#### (c) Summarized Financial Information

Particulars	Vardhman Textiles Limited		Vardhman Spinning and General Mills Limited	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Revenue from Opreations	962,234.47	613,986.70		-
Profit & Loss Before Tax	207,088.47	55,889.51	0.05	0.23
Tax Expense	51,965.57	13,199.03	0.01	0.06
Profit & Loss after Tax	155,122.90	42,690.51	0.04	0.17
Other Comprehensive Income	679.81	474.53		
Total Comprehensive Income	155,802.71	43,165.04	0.04	0.17
Depreciation & Amortisation	36,751.12	36,380.77		
Interest Expense	9,972.18	11,332.00	0.01	0.01

## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 33 Interest in Other Entities (Contd.)

#### (d) Movement of Investment in Joint venture and Associates using equity method

Particulars	Vardhman Textiles Limited		Vardhman Spinning and General Mills Limited	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Investment as at the beginning of the Period	194,466.96	177,605.86	7.91	7.83
Add: Share of Total Comprehensive Income for the period	42,760.90	11,446.05	0.02	0.09
Add:-Investment purchase for the period	70.86	5,415.05	-	-
Less: Dividend distributed during the year	(8,188.75)	-	-	-
Less: Disposed off Investment	-	-	-	-
Investment as at the end of the Period	229,109.97	194,466.96	7.93	7.92

#### 34 For Disclosure mandated by Schedule III of Companies Act 2013, by way of additional information, refer below:

Name of Enterprise	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
	Net Assets i.e total assets minus total liabilities	Net Assets i.e total assets minus total liabilities	Share in Total comprehensive income	Share in Total comprehensive income
	Amount	Amount	Amount	Amount
<b>Parent</b>				
Vardhman Holding Limited	79,437.36	66,905.10	12,691.84	6,565.26
<b>Subsidiaries</b>				
<b>Indian</b>				
<b>Non Controlling Interest in subsidiaries</b>	-	-	-	-
<b>Associates (Investment as per the equity method)</b>				
<b>Indian</b>				
(i) Vardhman Textiles Limited	229,109.97	194,466.97	42,760.90	11,446.05
(ii) Vardhman Spinning & General Mills Limited	7.93	7.92	0.02	0.09
Less:- Investments in Associates	(30,871.56)	(30,800.70)		
Less:- Adjustmenst due to Consolidation			(8,188.75)	-
<b>Total</b>	<b>277,683.70</b>	<b>230,579.29</b>	<b>47,264.01</b>	<b>18,011.40</b>



## Notes to Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

### 35 Other statutory information:

- a No proceeding have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988).
- b The company has not been declared as wilful defaulter by any bank or financial Institution or other lender.
- c The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- d There are no transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- e No funds that have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company; or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- f No funds have been received by the company from any person(s) or entity(ies), including foreign entities ("funding party") with the understanding, whether recorded in writing or otherwise, that the company shall directly or indirectly lend or invest in other persons or entities in any manner whatsoever by or on behalf of the funding party ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- g During the financial year, the Company has not traded or invested in Crypto currency or Virtual Currency.
- h The dividends declared or paid during the year by the company are in compliance with Section 123 of Companies Act, 2013.

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

**Swati Mangla**

Company Secretary  
Membership no.50475

**Poorva Bhatia**

Chief Financial Officer

**Suchita Jain**

Director  
DIN:00746471

**S.P. Oswal**

Chairman & Managing Director  
DIN: 00121737

Place: Ludhiana

Date: May 25, 2022

## Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

### Part B

Name of Associates	
<b>1. Latest audited Balance Sheet Date</b>	Vardhman Textiles Limited 31.03.2022
<b>2. Shares of Associate held by the company on the year end</b>	
No.	7,95,02,475
Amount of Investment in Associate	Rs. 30,869.06 Lakhs
Extend of Holding %	27.52%
<b>3. Description of how there is significant influence</b>	More than 20% shares of Vardhman Textiles Limited are held by the Company.
<b>4. Reason why the associate is not consolidated</b>	...
<b>5. Net worth attributable to Shareholding as per latest audited Balance Sheet</b>	Rs. 2,15,811.87 lakhs
<b>6. Profit / Loss for the year</b>	
i. Considered in Consolidation	Rs. 42,760.90 lakhs
ii. Not Considered in Consolidation	N.A.

## Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

### Part B

<b>Name of Associates</b>	Vardhman Spinning & General Mills Limited
<b>1. Latest audited Balance Sheet Date</b>	31.03.2022
<b>2. Shares of Associate/Joint Ventures held by the company on the year end</b>	
No.	25,000
Amount of Investment in Associates/Joint Venture	Rs. 2.50 lakhs
Extend of Holding %	50%
<b>3. Description of how there is significant influence</b>	
<b>4. Reason why the associate/joint venture is not consolidated</b>	-
<b>5. Net worth attributable to Shareholding as per latest audited Balance Sheet</b>	Rs. 7.27 lakhs
<b>6. Profit / Loss for the year</b>	Rs. 0.04 lakhs
i. Considered in Consolidation	Rs 0.02 Lakhs
ii. Not Considered in Consolidation	N.A.

#### For and on behalf of the Board of Directors

**Swati Mangla**

Company Secretary  
Membership no.50475

**Poorva Bhatia**

Chief Financial Officer

**Suchita Jain**

Director  
DIN:00746471

**S.P. Oswal**

Chairman & Managing Director  
DIN: 00121737

Place: Ludhiana

Date: May 25, 2022







**Vardhman**

## **VARDHMAN HOLDINGS LIMITED**

CHANDIGARH ROAD, LUDHIANA - 141 010

CIN: L17111PB1962PLC002463

