

## **Independent Auditor's Report**

**To the Members**  
**VTL Investments Limited**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of VTL Investments Limited ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2021, the statement of profit and loss and the statement of cash flows for the year then ended, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 of the state of affairs of the Company as at 31<sup>st</sup> March 2021 its profit and its cash flows 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 Standards 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 (ICAI) 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 financial statements.

#### **Other Information**

The Company's Board of Directors is responsible for the 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 and Shareholder's Information, but does not include the financial statements and our auditor's 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 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.



## **Responsibilities of Management and Those Charged with Governance 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors 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 auditor's 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 financial controls 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 system 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.
- Conclude on the 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 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 auditor's 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



auditor's 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 (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, based on our audit, 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 and the statement of cash flows dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2021 taken on record by the Board of directors, none of the directors is disqualified as on 31<sup>st</sup> March 2021 from being appointed as a Director in terms of Section 164(2) of the Act; and

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B", Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting.

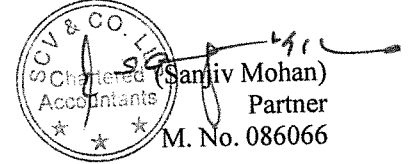
(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, we report that no remuneration has been paid by the Company to its directors during the year and accordingly provisions of section 197 of the Act are not applicable.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and according to the explanations given to us:



- i. The company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 15 to the financial statements.
- ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were to be transferred, to the Investor Education and Protection Fund by the Company.

For SCV & Co. LLP  
Chartered Accountants  
Reg. No.000235N/N500089



Date: 11.05.2021  
Place: Ludhiana

UDIN: 21086066AAAAJF4148

## Annexure - A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of VTL Investments Limited of even date)

(i) The Company does not have any fixed assets at the end of the financial year. Therefore the provisions of this clause 3(i) of the Order are not applicable to the company.

(ii) The Company has not held any inventory during the year. Therefore the provisions of clause 3(ii) of the Order are not applicable to the company.

(iii) According to the information and explanations given to us, we report that the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not granted any loan and has not made any investment in body corporate during the year and therefore provisions of section 186 of the Companies Act, 2013 are not applicable to the company. The company has not granted loans to directors or to the person in whom directors are interested. Therefore the provisions of the section 185 of the Companies Act, 2013 are not applicable to the company.

(v) According to the information and explanations given to us, the Company has not accepted deposits covered under the provisions of sections 73 to 76, other relevant provisions of the Companies Act, 2013 and the rules framed there under. According to the information and explanations given to us, no order under the aforesaid sections has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company.

(vi) According to the information and explanations given to us, the provisions of clause 3(vi) of the Order regarding maintenance of cost records are not applicable to the company.

(vii) (a) According to the information and explanations given to us and on the basis of the records of the Company examined by us, in our opinion, the Company has been regular in depositing undisputed statutory dues including income tax, cess, goods and service tax and other statutory dues with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts in respect of statutory dues payable were outstanding as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us there are no dues of income tax, service tax, duty of custom, duty of excise which have not been deposited with the appropriate authorities on account of any dispute except as given below.



Nature of Statute	Nature of Dues	Forum at which dispute is pending	Total Demand (In Lakhs)	Paid under Protest (In Lakhs)	Unpaid	Financial year to which it relates
Income Tax, 1961	Tax Demand	CIT(A)	0.35	-	0.35	2017-18

(viii) The Company has not taken any loan from banks or financial institutions and has not issued any debentures. Therefore the provisions of clause 3(viii) of the Order are not applicable to the Company.

(ix) The Company has not taken any loan from banks or financial institutions. Therefore the provisions of clause 3(ix) of the Order are not applicable to the Company.

(x) According to the information and explanations given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us no managerial remuneration has been paid during the year. Therefore the provisions of clause 3(xi) of the Order are not applicable to the company.

(xii) According to the information and explanation given to us, the company is not a Nidhi Company. Therefore the provisions of clause 3(xii) of the Order are not applicable to the Company.

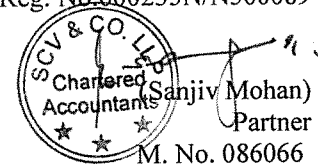
(xiii) According to the information and explanations given to us, and based on our examination of the records of the company, there are no transactions with the related parties during the year.

(xiv) According to the information and explanations given to us, the company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Thus the provisions of clause 3(xii) of the Order are not applicable.

(xv) According to information and explanations given to us, and based on our examination of the records of the company, the company has not entered into non-cash transactions with director or person connected with him. Therefore the provisions of clause 3 (xv) of the Order are not applicable.

(xvi) According to the information and explanations given to us, the company has obtained registration under section 45-IA of the Reserve Bank of India Act, 1934.

For SCV & Co. LLP  
Chartered Accountants  
Reg. No. 000235N/N500089



Place: Ludhiana  
Date: 11-05-2021

## **Annexure – “B” TO THE INDEPENDENT AUDITORS REPORT**

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members of VTL Investments Limited of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial control over financial reporting of VTL Investments Limited (“the Company”) as of 31<sup>st</sup> March 2021 in conjunction with our audit of financial statements of company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s Board of Directors is responsible for establishing and maintaining internal financial controls based on 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. 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 Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting with respect to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls 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 with reference to these financial statements were 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, 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 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 over financial reporting with reference to these financial statements.

#### **Meaning of Internal Financial Controls over Financial Reporting**

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



principles. A company's internal financial control over financial reporting with reference to these financial statements 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 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 financial statements.

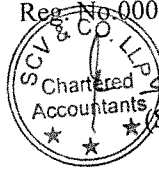
**Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these financial statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to the financial statement may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at 31<sup>st</sup> March 2021, based on the internal financial 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.

Place: Ludhiana  
Date: 11-05-2021

For SCV & Co. LLP  
Chartered Accountants  
Reg. No. 000235N/N500089  
  
(Sanjiv Mohan)  
Partner  
M.No.086066



VTL INVESTMENTS LIMITED  
BALANCE SHEET As at 31st March, 2021  
(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	400.00	400.00
(b) Reserves and surplus	4	5,565.33	5,234.24
		<u>5,965.33</u>	<u>5,634.24</u>
<b>(2) Non-current liabilities</b>			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (net)		-	-
(c) Other long term liabilities		-	-
(d) Long-term provisions		-	-
<b>3 Current liabilities</b>			
(a) Short-term borrowings		-	-
(b) Trade payables		-	-
i) total outstanding dues of micro enterprises and small enterprises; and		-	-
ii) total outstanding dues of creditors other than micro enterprise and small enterprise		-	-
(c) Other current liabilities	5	0.36	3.72
(d) Short-term provisions		-	-
		<u>0.36</u>	<u>3.72</u>
<b>TOTAL</b>		<u><b>5,965.69</b></u>	<u><b>5,637.97</b></u>
<b>II ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment		-	-
(i) Tangible assets		-	-
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(b) Non-current investments	6	478.92	478.92
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	7	68.91	103.82
(e) Other non-current assets	8	-	3,787.99
		<u>547.83</u>	<u>4,370.73</u>
<b>(2) Current assets</b>			
(a) Current investments	9	998.28	714.59
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and cash equivalents	10	3,801.28	141.09
(e) Short term loans and advances		-	-
(f) Other current assets	11	618.30	411.56
		<u>5,417.86</u>	<u>1,267.23</u>
<b>TOTAL</b>		<u><b>5,965.69</b></u>	<u><b>5,637.97</b></u>

See accompanying notes to the financial statements

As per our report of even date attached  
For SCV & CO LLP  
Chartered Accountants  
Firm Regn. No.: 000235N/N500089

For and on behalf of the board of VTL Investments Limited

(Sanjiv Mohan)  
Partner  
M. No. 86066  
PLACE : Ludhiana  
DATED : 11-05-2021



*Rajeev Thapar*  
Rajeev Thapar  
Director

*Suchita Jain*  
Suchita Jain  
Director

VTL INVESTMENTS LIMITED  
 STATEMENT OF PROFIT AND LOSS for the year ended 31st MARCH, 2021  
 (All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended 31st March 2021	For the year ended 31st March,2020
i Revenue from operations	12	406.68	427.78
ii Other income	13	1.80	12.46
<b>iii Total Revenue ( i + ii )</b>		<b>408.48</b>	<b>440.24</b>
iv Expenses :			
Other expenses	14	1.85	129.72
<b>Total Expenses</b>		<b>1.85</b>	<b>129.72</b>
v Profit before tax ( iii - iv )		406.64	310.52
vi Tax expense :			
- Current Tax		75.55	-
<b>vii Profit for the year ( v - vi )</b>		<b>331.09</b>	<b>310.52</b>
<b>Earnings per equity share ( of Rs. 10/- each )</b>			
Basic- (In Rs.)		8.28	7.76
Diluted-(In Rs.)		8.28	7.76

See accompanying notes to the financial statements

As per our report of even date attached  
 For SCV & CO LLP  
 Chartered Accountants  
 Firm Regn. No.: 000235N/1500089

For and on behalf of the board of VTL Investments Limited



(Sanjiv Mohan)  
 Partner  
 M. No. 86066  
 PLACE : Ludhiana  
 DATED : 11-05-2021

*Rajeev Thapar*  
 Rajeev Thapar  
 Director

*Suchita Jain*  
 Suchita Jain  
 Director

VTL INVESTMENTS LIMITED  
 CASH FLOWS STATEMENT for the year ended 31st March, 2021  
 (All amounts in Rs. Lakhs, unless otherwise stated)

		For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit before Tax		406.64	310.52
Adjustments for:			
Profit on sale of Current Investments	(136.90)		(109.68)
Loss on sale of Non Current Investments	-		120.80
Reversal of provision for fall in value of investments	(1.80)		-
		(158.70)	11.11
Operating profit before working capital changes		247.93	321.63
Adjustments for:			
( Increase)/Decrease in trade and other receivables	(225.81)		1,032.17
Increase/( Decrease) in trade payables and other liabilities	(3.36)		3.30
		(229.17)	1,035.47
Cash Generation from Operations		18.77	1,357.10
Income taxes paid		(21.57)	(32.31)
Net Cash generated from operating activities (A)		(2.80)	1,324.80
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payment for purchase of Investments	(971.90)		(190.00)
Proceeds from disposal of Investments	846.89		2,760.25
Bank balances not considered as cash and cash equivalents	-		(3,787.99)
Net Cash (used)/generated in investing activities (B)		(125.00)	(1,217.74)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Dividend Paid (including tax thereon)	-	-	-
Net Cash (used in)/generated from financing activities (C)		-	-
Net Increase in cash and cash equivalents (A+B+C)		(127.81)	107.06
Cash and cash equivalents as at the beginning		141.09	34.03
Cash and cash equivalents as at the end (Refer note 10)		13.29	141.09
<b>Reconciliation of cash and cash equivalents with the balance sheet:</b>			
Cash and bank balances as per balance sheet		3,801.28	141.09
Less: Bank balances not considered as cash and cash equivalents in Cash flow statement			
-In deposits account with remaining maturity of less than 3 months		3,787.99	-
Cash and Cash Equivalents at the end of year*		13.29	141.09
* Comprises balances with banks:			
- in current accounts		13.29	141.09
See accompanying notes to the financial statements			

As per our report of even date attached  
 For SCV & CO LLP  
 Chartered Accountants  
 Firm Regn. No.: 000235N/200049

For and on behalf of the VTL Investments Limited

Sanjiv Mohan  
 Partner  
 (M.No. 86066)  
 Place : Ludhiana  
 DATED : 11-05-2021



*Rajeev Thapar*  
 Rajeev Thapar  
 Director

*Suchita Jain*  
 Suchita Jain  
 Director

### 1. CORPORATE INFORMATION :

VTL Investments Limited ('the company') is registered as a Non-Banking Financial Company ('NBFC') as defined under section 45-IA of the Reserve Bank of India ('RBI') Act, 1934. The company is principally engaged in lending and investing activities.

### ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:

### 2. SIGNIFICANT ACCOUNTING POLICIES :

#### a) Basis of preparation of financial statements:

The financial statements of the company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standard (AS) specified under section 133 of the Companies Act, 2013. The financial statements have been prepared on accrual basis under historical cost convention.

The accounting policies adopted in the preparation of the financial statement are consistent with those followed in previous year.

#### b) Use of Estimates:

The preparation of financial statements, in conformity with the generally accepted accounting principles, require the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known /materialize.

#### c) Revenue Recognition:

##### i) Income from Investments:

- a) Dividend income is recognized when the company's right to receive payment is established.
- b) The difference between the acquisition cost and face value of the debt instruments is recognized as interest income over the tenor of the instrument.

##### ii) Interest Income:

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

#### d) Investments:

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

#### e) Accounting for Taxes on Income

The accounting treatment followed for taxes on income is to provide for Current Tax and Deferred Tax. Current Tax is the aggregate amount of income tax determined to be payable in respect of taxable income for period in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is the tax effect of timing differences between taxable income and accounting income for the period that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and tax law enacted or subsequently enacted as at the reporting date.



## Notes to Financial Statements for the year ended 31st March, 2021

### f) Earning per Share :

Basic earnings per share are computed by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period.

For calculating diluted earnings per share the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period and weighted average number of equity shares which would be issued on the conversion of all dilutive potential equity shares into equity shares.

### g) Provisions and Contingent Liabilities :

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

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

ii) Contingent liability is disclosed in case there is :

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

### h) Cash and cash equivalents

Cash comprises of cash on hand and demand deposit with banks other than under lien and cash equivalents are short term, highly liquid investment that are readily convertible into known amount of cash and which are subject to insignificant risk of change in value.

### i) Cash flow statement

The cash flow statement has been prepared using the indirect method in accordance with the Accounting Standard (AS) –3 on "Cash flow Statements" prescribed in Companies (Accounts) Rules, 2014.



## NOTES TO FINANCIAL STATEMENTS FOR THE year ended 31st March, 2021

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

## 3. SHARE CAPITAL

Particulars	As at 31st March 2021		As at 31st March 2020	
	Number	Amount	Number	Amount
a. Authorised Equity Shares of Rs. 10/- each	1,00,00,000	1,000.00	1,00,00,000	1,000.00
	1,00,00,000	1,000.00	1,00,00,000	1,000.00
b. Issued, subscribed and fully Paid-up shares Equity Shares of Rs. 10/- each	40,00,000	400.00	40,00,000	400.00
Total	40,00,000	400.00	40,00,000	400.00
c. Par value per equity share is Rs. 10 each				
d. Reconciliation of the number of shares and the amount outstanding at the beginning and at the end of the reporting period				
Equity shares				
	As at 31st March 2021		As at 31st March 2020	
	Number	Amount	Number	Amount
At the beginning of the reporting period				
Add: Issued during the year	40,00,000	400.00	40,00,000	400.00
Outstanding at the end of the reporting period	40,00,000	400.00	40,00,000	400.00

## e. Terms/ rights attached to equity shares

The company presently 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 (if any) is subject to the approval of the shareholders in the ensuing Annual General Meeting and entitlement to dividend to an equity shareholder shall arise after such approval except in case of interim dividend.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## f. Detail of Shares held by holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company.

Equity shares issued by the company, shares held by holding company, ultimate holding company and their subsidiaries/associates are as below:

Particulars	As at 31st March 2021		As at 31st March 2020	
	Number	Amount	Number	Amount
Holding Company				
Vardhman Textiles Limited	40,00,000		40,00,000	

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

Particulars	As at 31st March 2021		As at 31st March 2020	
	Number	Amount	Number	Amount
Equity shares allotted as fully paid up pursuant to contract (s) without payment being received in cash	-	-	-	-
Equity shares allotted as fully paid up by way of bonus shares	-	-	-	-
Equity Shares bought back	-	-	-	-

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

Class of shares and Name of shareholder	As at 31st March 2021		As at 31st March 2020	
	Number	% of Shareholding	Number	% of Shareholding
Vardhman Textiles Limited	40,00,000	100.00	40,00,000	100.00

## i. Terms of securities convertible into equity/preference shares N.A.



## NOTES TO FINANCIAL STATEMENTS FOR THE year ended 31st March, 2021

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

## 4 RESERVES AND SURPLUS

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Other Reserves :</b>		
<b>General Reserve</b>		
Balance as per the last financial statements	1,855.23	1,855.23
<b>Statutory Reserve (Required u/s 45-IC of RBI Act, 1934)</b>		
Balance as per the last financial statements	919.58	857.58
Add: Transferred from surplus balance in the statement of profit and loss	66.22	62.00
	985.80	919.58
<b>Surplus i.e. Balance in the Statement of Profit and Loss</b>		
Balance as per the last financial statements	2,459.42	2,210.90
Add: Profit for the year transferred from Statement of Profit and Loss	331.09	310.52
Less: Appropriations		
Transferred to Statutory Reserve	66.22	62.00
<b>Closing Balance</b>	<b>2,724.30</b>	<b>2,459.42</b>
<b>Total Reserves and Surplus</b>	<b>5,565.33</b>	<b>5,234.24</b>

## 5 OTHER CURRENT LIABILITIES

PARTICULARS	As at 31st March 2021	As at 31st March 2020
Statutory Remittances	0.05	0.90
Expenses payable	0.31	2.83
	<b>0.36</b>	<b>3.72</b>

## 6 NON-CURRENT INVESTMENTS

PARTICULARS	As at 31st March 2021	As at 31st March 2020
<b>1 Non Current investment (at cost)</b>		
<b>1 TRADE INVESTMENTS</b>		
Investment in equity instruments (Quoted)		
- Investment in Holding company		
10,03,473 (Previous year 10,03,473) Equity shares of Rs. 10/- each fully paid-up of Vardhman Textiles Ltd	302.55	302.55
- Investment in Others		
3,78,000 (Previous year 3,78,000) Equity shares of Rs. 10/- each fully paid-up of Vardhman Special Steels Ltd	161.08	161.08
70,330 (Previous Year 70,330) equity shares of Rs. 10/- each fully paid-up of Vardhman Acrylics Limited	15.29	15.29
<b>2 Non Trade Investments</b>		
Investment in Preference shares (Quoted)		
820 (Previous Year 820) 16.46% Non Convertible Redeemable cumulative Preference Shares of 7500/- each fully paid of IL & FS Financial Services Ltd.	123.00	123.00
Less: Diminution in value of investment	123.00	123.00
	<b>478.92</b>	<b>478.92</b>
1. Aggregate amount of Quoted Investments	601.92	601.92
2. Market Value of Quoted Investments	13,570.43	6,447.32
3. Aggregate Provision for diminution in value of Investments	123.00	123.00

## 7 Long-term loans and advances

PARTICULARS	As at 31st March 2021	As at 31st March 2020
Advance income-tax ( net of provision for taxation Rs. 1305.93 Lakhs. (Previous year Rs. 1378.33 Lakhs )	68.91	103.82
	<b>68.91</b>	<b>103.82</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE year ended 31st March, 2021

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

## 8 Other non-current assets

PARTICULARS	As at 31st March 2021	As at 31st March 2020
( unsecured considered good )		
- Fixed Deposits with banks more than twelve months maturity		3,787.99
		<u>3,787.99</u>

## 9 CURRENT INVESTMENTS

PARTICULARS	As at 31st March 2021	As at 31st March 2020
At cost price or market price whichever is less		
Investment in Equity Fund/Liquid Funds/Debt Funds/Monthly Income Plans (Quoted)		
Nil (Previous Year 50,00,000) Units of Rs. 10/- each of DSP Blackrock ACE Direct Growth fund		500.00
Less: Diminution in value of investment		(1.80)
		498.20
11000.30 (Previous Year 878.61) Units of Rs. 10/- each of Sbi Liquid Fund Direct growth	345.29	26.39
Nil (Previous Year 5843.85) Units of Rs. 1000/- each of SBI Overnight Fund Direct Growth		190.00
2,23,66,201 (Previous Year Nil) Units of Rs. 10/- each of DSP Liquidity Fund Direct Growth D798	652.99	
<b>TOTAL</b>	<u>998.28</u>	<u>714.59</u>
1. Aggregate amount of Quoted Investments	998.28	714.59
2. Aggregate Market Value of Quoted Investments	1,012.21	715.66
3. Aggregate Provision for diminution in value of Investments		1.80

## 10 CASH AND CASH EQUIVALENTS

PARTICULARS	As at 31st March 2021	As at 31st March 2020
Cash and cash equivalents		
a) Balances with banks		
- in current accounts	13.29	141.09
- in deposit account		
- with maturity more than 12 months		3,787.99
- with maturity Less than 3 months	3,787.99	
	<u>3,801.28</u>	<u>3,929.08</u>
Less: amounts disclosed as other non current assets (refer note 8)		3,787.99
	<u>3,801.28</u>	<u>141.09</u>

## 11 OTHER CURRENT ASSETS

PARTICULARS	As at 31st March 2021	As at 31st March 2020
MAT Credit Receivable	386.51	405.57
Other Recoverable * (unsecured, considered good)	0.30	0.73
Interest Receivables	231.49	5.25
	<u>618.30</u>	<u>411.56</u>

## 12 REVENUE FROM OPERATIONS

PARTICULARS	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest Income (TDS: Rs. - 18,34,425 /- Previous year :- Rs. 58,338/-)	249.78	5.83
Income from Investments :		
Dividend Income from long term investments		
-Holding company		175.61
-Others		1.76
Dividend income from current Investments		134.90
Net Gain on sale of Investments		
- Current Investments	156.90	
- Noncurrent Investments		109.68
Revenue from operations	<u>406.68</u>	<u>427.78</u>





NOTES TO FINANCIAL STATEMENTS FOR THE year ended 31st March, 2021  
 (All amounts in Rs. Lakhs, unless otherwise stated)

## 13 OTHER INCOME

PARTICULARS	For the year ended 31st March 2021	For the year ended 31st March 2020
Prior Period Income		0.70
Reversal of Provision for Fall in Value of Current Investment (Net)	1.80	11.76
	<u>1.80</u>	<u>12.46</u>

## 14 OTHER EXPENSES

PARTICULARS	For the year ended 31st March 2021	For the year ended 31st March 2020
Professional charges		8.06
Rates and Taxes	1.23	0.01
Auditors Remuneration: Audit Fee	-	-
Other Financial Charges	0.20	0.20
Loss on sale of current investments	0.42	-
Miscellaneous	0.00	120.80
	<u>1.85</u>	<u>129.72</u>



Notes to Financial Statements for the year ended 31st March, 2021

15. Contingent Liabilities

The company has contested the additional demand of Rs.75.26 lacs (Previous year Rs. 75.75 lacs) and filed an appeal with the appropriate authorities. The entire demand either has been deposited or adjusted against the amount recoverable from the department.

No provision for the said demand has been made as the company is advised that demand is not in accordance with law.

16. Employee Benefits :

The Company has not employed any employee during the year and therefore, no disclosure is required in accordance with Accounting Standard – 15 (Revised) on Employee Benefits.

17. Segment Reporting :

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

18. Earning Per Share :

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

i) A statement on calculation of basic EPS is as under:

Particulars	(Amount in Rs. Lacs)	
	Current Year	Previous Year
Net Profit after tax attributable to equity shareholders	331.09	310.52
Total (A)	331.09	310.52
Weighted average number of equity shares	40.00	40.00
Total (B)	40.00	40.00
Basic earning per Share (Rs) (A)/(B)	8.28	7.76
Diluted earning per Share (Rs)* (A)/(B)	8.28	7.76
Face value per equity share (Rs)	10.00	10.00

19. There are no assets with the company for which impairment test is required. Therefore the provision of accounting standard (AS) 28 on "Impairment of Assets" are not applicable to the company.

20. Related Party Disclosure:

(a) Disclosure of Related Parties with whom Business transactions took place during the year.

- |                                     |   |
|-------------------------------------|---|
| 1. Holding Company                  | Vardhman Textiles Limited                 |
| 2. Fellow Subsidiary                | Vardhman Acrylics Limited                 |
|                                     | *VMT Spinning Company Limited             |
|                                     | * Vardhman Nisshinbo Garments Company Ltd |
| 3. JV/Associates of Holding Company | *Vardhman Yarns & Threads Ltd             |



Notes to Financial Statements for the year ended 31st March, 2021

- \* Vardhman Spinning & Gen Mills Ltd.
- \* Vardhman Special Steels Ltd

Note: \*No transaction has taken place during the year.

(b) Details of transactions entered into with related parties during the year as required by Accounting Standard (AS) -18 on "Related Party Disclosures" notified by the Companies (Accounting Standards) Rules, 2006 are as under :

Particulars	Holding Company		Fellow Subsidiary Companies		TOTAL	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Dividend received	-	175.61	-	1.76	-	177.37

21. Expenditure incurred on Corporate Social Responsibility

As per section 135 of the Companies Act, 2013, a company meeting the applicable threshold, need to spend at least 2% of the average net profit for the immediate preceding three financial years on CSR activities as defined in Schedule VII of the Companies Act, 2013.

Details of expenditure towards Corporate Social Responsibility (CSR) activities:

- a) Gross amount required to be spent by the Company during the year is Rs. 12.27lakhs (March 31, 2020 Rs. 16.73 lakhs)
- b) Amount spent during the year is Rs. Nil (March 31, 2020 is Rs. Nil)
- c) Amount unspent during the year is Rs. 12.27 lakhs (March 31, 2020 Rs. 16.73 lakhs)

22. No provision for deferred tax has been made in absence of items having the effect of timing difference.

24. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

	Particulars	Amount in Rs.	Amount in Rs.
		(Lacs)	(Lacs)
		As at 31st March 2021	As at 31st March 2020
1.	Principal amount remaining unpaid to any supplier as at the end of the accounting period.	Nil	Nil
2.	Interest due on remaining unpaid to any supplier as at the end of the accounting period.	Nil	Nil
3.	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day.	Nil	Nil
4.	The amount of interest due and payable for the year.	Nil	Nil
5.	The amount of interest accrued and remaining up paid at the end of	Nil	Nil





Long Term investments :

1. Quoted :

(i) Shares : (a) Equity	478.92	478.92
(b) Preference		
(ii) Debentures and Bonds		
(iii) Units of Mutual Funds		
(iv) Government Securities		
(v) Others		

2. Unquoted :

(i) Shares : (a) Equity		
(b) Preference		
(ii) Debentures and Bonds		
(iii) Units of Mutual Funds / Fixed Maturity Plans		
(iv) Government Securities		
(v) Others		

TOTAL (B=1+2)

478.92 478.92

GRAND TOTAL (A+B)

1,477.20 1,193.51

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

Category	Amount net of provisions			Previous Year		Total
	Secured	Current Year Unsecured	Total	Secured	Unsecured	
1. Related Parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	-	-	-	-	-	-
Total	-	-	-	-	-	-

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

Category	Current Year		Previous Year	
	Market Value / Break up or Fair Value or Net Asset Value	Book Value (Net of Provisions)	Market Value / Break up or Fair Value or Net Asset Value	Book Value (Net of Provisions)
1. Related Parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	13,570.43	478.92	6,447.32	478.92
(c) Other related parties	-	-	-	-
2. Other than related parties	1,012.21	998.28	715.66	714.59
Total	14,582.64	1,477.20	7,162.98	1,193.51

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 :

- As defined in Paragraph 3(xv) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions 2016.
- Provisioning norms shall be applicable as prescribed in the RBI Master Directions, 2016.



## Notes to Financial Statements for the year ended 31st March, 2021

	accounting year.		
6.	The amount of further interest due and payable even in the succeeding year, until such date when interests due as above are actually paid.	Nil	Nil

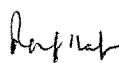
Dues to Micro, Small and Medium Enterprise have been determined to the extent such parties have been identified on the basis of the information collected by the management. This has been relied upon by the auditors.

25. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
26. There were no amounts which were to be transferred, to the Investor Education and Protection Fund by the Company.
27. The additional information required by paragraph 5 of general instructions for preparation of the statement of profit and loss as per Schedule-III of the Companies Act, 2013 is not applicable to the Company.
28. Previous year's figures have been recast/regrouped wherever necessary, to make these comparable with current year's figures.



Place: Ludhiana  
Dated:-May-11-2021

For and on behalf of the VTL Investments Limited.

  
Rajeev Thapar  
Director

  
Suchita Jain  
Director