Vardhman

Delivering Excellence. Since 1965.

Annual Report 2021-22

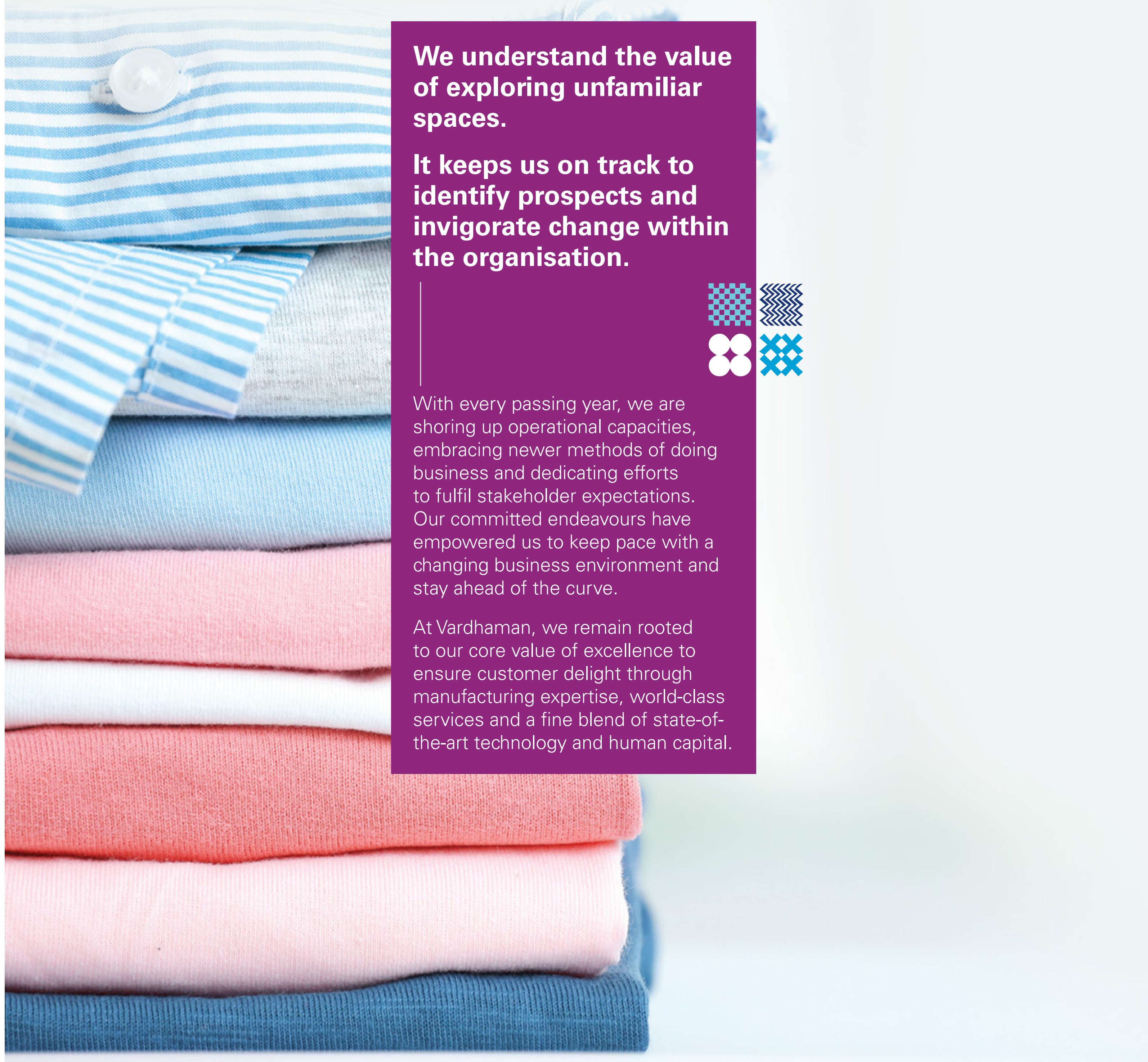
Vardhman Textiles Ltd.

In this year's report

Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

For more details visit
www.vardhman.com



We understand the value of exploring unfamiliar spaces.

It keeps us on track to identify prospects and invigorate change within the organisation.

With every passing year, we are shoring up operational capacities, embracing newer methods of doing business and dedicating efforts to fulfil stakeholder expectations. Our committed endeavours have empowered us to keep pace with a changing business environment and stay ahead of the curve.

At Vardhaman, we remain rooted to our core value of excellence to ensure customer delight through manufacturing expertise, world-class services and a fine blend of state-of-the-art technology and human capital.

On a never-ending pursuit of excellence

We are one of India's largest vertically integrated textile manufacturers with over five decades of experience in the industry and more than a billion dollars in turnover.

Excellence at Vardhman Textiles Limited is pervasive across product, process and people practices. Our drive to continuously raise the bar and benchmark ourselves to the global best has seen us exceed customer expectations and sharpen our competitive edge.

The Group commenced its operations in 1965 with 6,000 spindles and currently have the largest spindle count in the country which stands at 1.13 million. Our production lines are flexible enough to manufacture a wide range of products including yarn and fabric while being able to meet the expanding needs of our customers. We collaborate with our customers to create smart and innovative products that enhance their experience.

Our skilled employees help enhance innovation through idea generation and are integral to our sustainable growth. We are always striving to enhance our operational efficiency through technology integration.

Our Vision

Rooted in values
Creating world class textiles

Our Mission

Vardhman Group, as a world-class textile organisation, aims at producing diverse range of products for the global textiles market.

We seek to achieve customer delight through excellence in manufacturing and customer service, based on creative combination of state-of-the-art technology and human resources. We understand and bear our responsibility as a good corporate citizen.

Our Values

Customer focused
Understand, engage and deliver with total customer focus in all operational areas

Quality
Ensure the best quality through latest technology, well-structured and standardised work practices

Respect
Faith in individual potential and respect for human values

Innovation
Anticipate change and encourage innovation

Responsibility
Be a responsible corporate citizen and positively contribute to the society that we live in

Delivering excellence across multiple locations

Map not to scale. Only for representation purpose

Our Presence

Fabric Units
- Baddi, Himachal Pradesh
- Budhni, Madhya Pradesh

Yarn & Dyeing Units
- Ludhiana, Punjab
- Malerkotla, Punjab
- Baddi, Himachal Pradesh
- Mandideep, Madhya Pradesh
- Satlapur, Madhya Pradesh
- Budhni, Madhya Pradesh

Subsidiaries & Associates

Fibre Unit
- Jhagadia, Gujarat

Steel Unit
- Ludhiana, Punjab

Sewing Thread Units
- Hoshiarpur, Punjab
- Ludhiana, Punjab
- Perundurai, Tamil Nadu
- Vizag, Andhra Pradesh

At a glance

48+
Years of industry experience

15
State-of-the-art manufacturing facilities

57
Countries present

1.13 million
Largest spindle count in India

Largest
Manufacturer of hand knitting yarn in India

27,599
Employees

180 million metres per annum
Fabric processing capacity

670 metric tonnes per day
Yarn production capacity

30 million metres per annum
Printing line capacity

Our five-year performance in numbers

Revenue (₹ in crore)

FY 2021-22	**9,386**
FY 2020-21	5,926
FY 2019-20	6,325
FY 2018-19	6,415
FY 2017-18	5,851

Dividend per Share (₹)

FY 2021-22	**-**
FY 2020-21*	51.50
FY 2019-20	-
FY 2018-19	17.50
FY 2017-18	15

* Including Interim Dividend of Rs. 34/- per equity share.

EBITDA (₹ in crore)

FY 2021-22	**2,647**
FY 2020-21	955
FY 2019-20	1,055
FY 2018-19	1,350
FY 2017-18	1,044

EBITDA Margin (in %)

FY 2021-22	**27.09**
FY 2020-21	15.62
FY 2019-20	16.68
FY 2018-19	21.04
FY 2017-18	17.84

PAT (₹ in crore)

FY 2021-22	**1,677**
FY 2020-21	367
FY 2019-20	545
FY 2018-19	696
FY 2017-18	546

PAT Margin (in %)

FY 2021-22	**17.87**
FY 2020-21	6.19
FY 2019-20	8.62
FY 2018-19	10.85
FY 2017-18	9.33

Return on Net Worth (in %)

FY 2021-22	**22.25**
FY 2020-21	5.97
FY 2019-20	9.57
FY 2018-19	13.29
FY 2017-18	11.82

Net Worth (₹ in crore)

FY 2021-22	**7,539**
FY 2020-21	6,139
FY 2019-20	5,666
FY 2018-19	5,239
FY 2017-18	4,632

Designed to deliver enhanced value

Input

Financial Capital

Our financial prudence enables us to manage risks and run a successful business.

57.77
Equity share capital
(₹ in Crore)

1,980
Total debt
(₹ in Crore)

7,481
Reserves & Surplus
(₹ in Crore)

Intellectual Capital

Our ability to conduct research and develop new products provides us with a competitive advantage.

30+
Spent towards R&D in the past 5 years
(₹ in Crore)

Social & Relationship Capital

Our all-inclusive strategy for meeting our commitments and the needs of our stakeholders.

75+
Spent towards CSR in the past 5 years
(₹ in Crore)

Manufactured Capital

We use cutting-edge manufacturing facilities to create affordable and best quality products for consumers around the world.

15
Manufacturing facilities

2,444
CAPEX in the past 5 years
(₹ in Crore)

Human Capital

We are able to grow our business thanks to the wide group of people who work in our field of operation and possess a range of skill sets.

27,599
Employees

3,716
Contractual workers

Natural Capital

We ensure optimum utilisation and minimal wastage of natural resources across our operations.

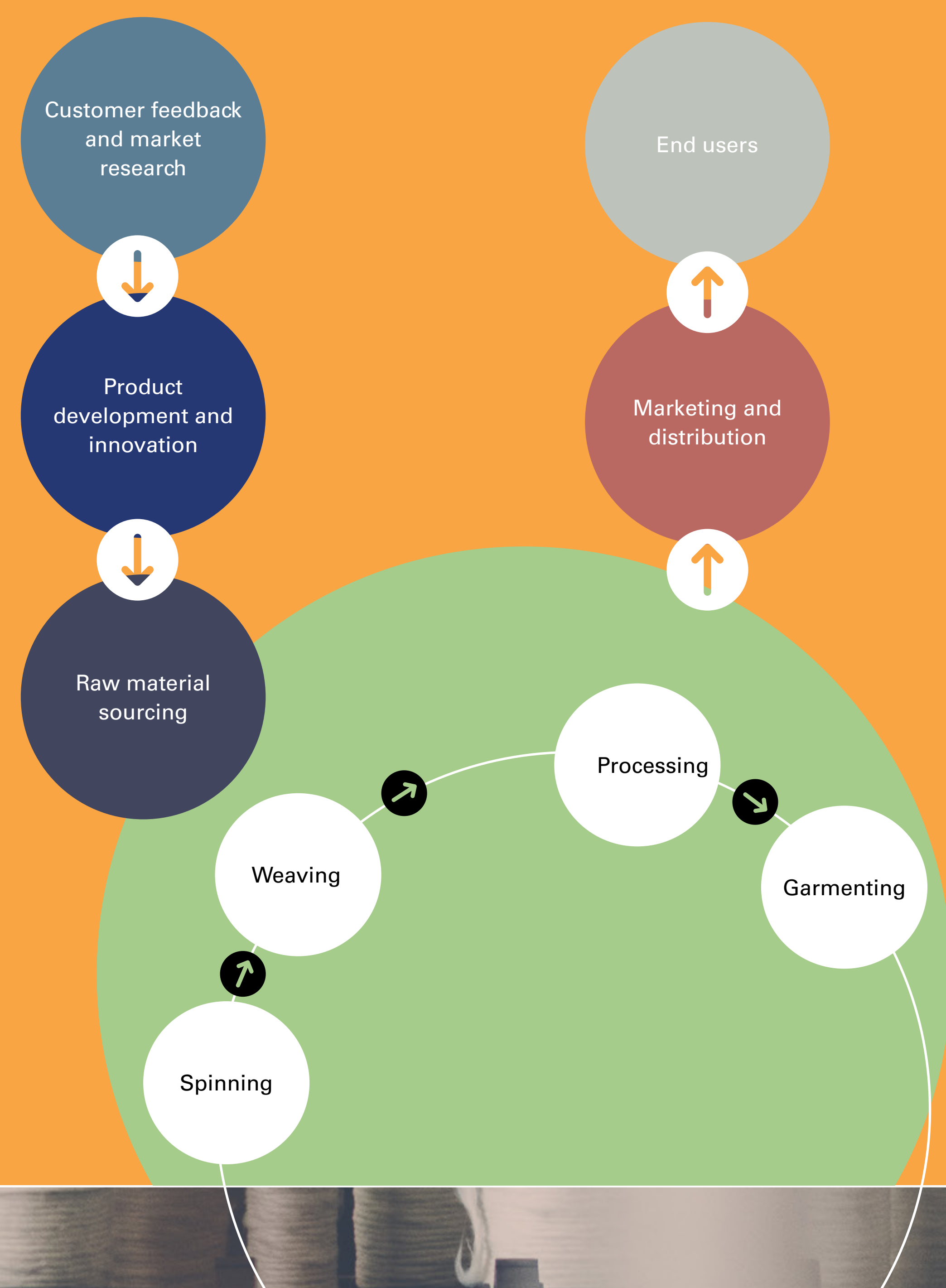
3
ETPs

9
STPs

2
Biogas Plants

13.1 MW
Renewable energy capacity

Value creation process



Output

Financial Capital

9,386
Revenue
(₹ in Crore)

1,677
PAT
(₹ in Crore)

58.16
EPS
(₹)

Social and relationship management

1,25,000+
Beneficiaries

Manufacturing capital

180
Fabric processing capacity
(million meter per annum)

670
Yarn production capacity
(metric tonnes per day)

30
Printing line capacity
(million meter per annum)

Natural capital

74.31 lac
Energy saved
(in kWH)

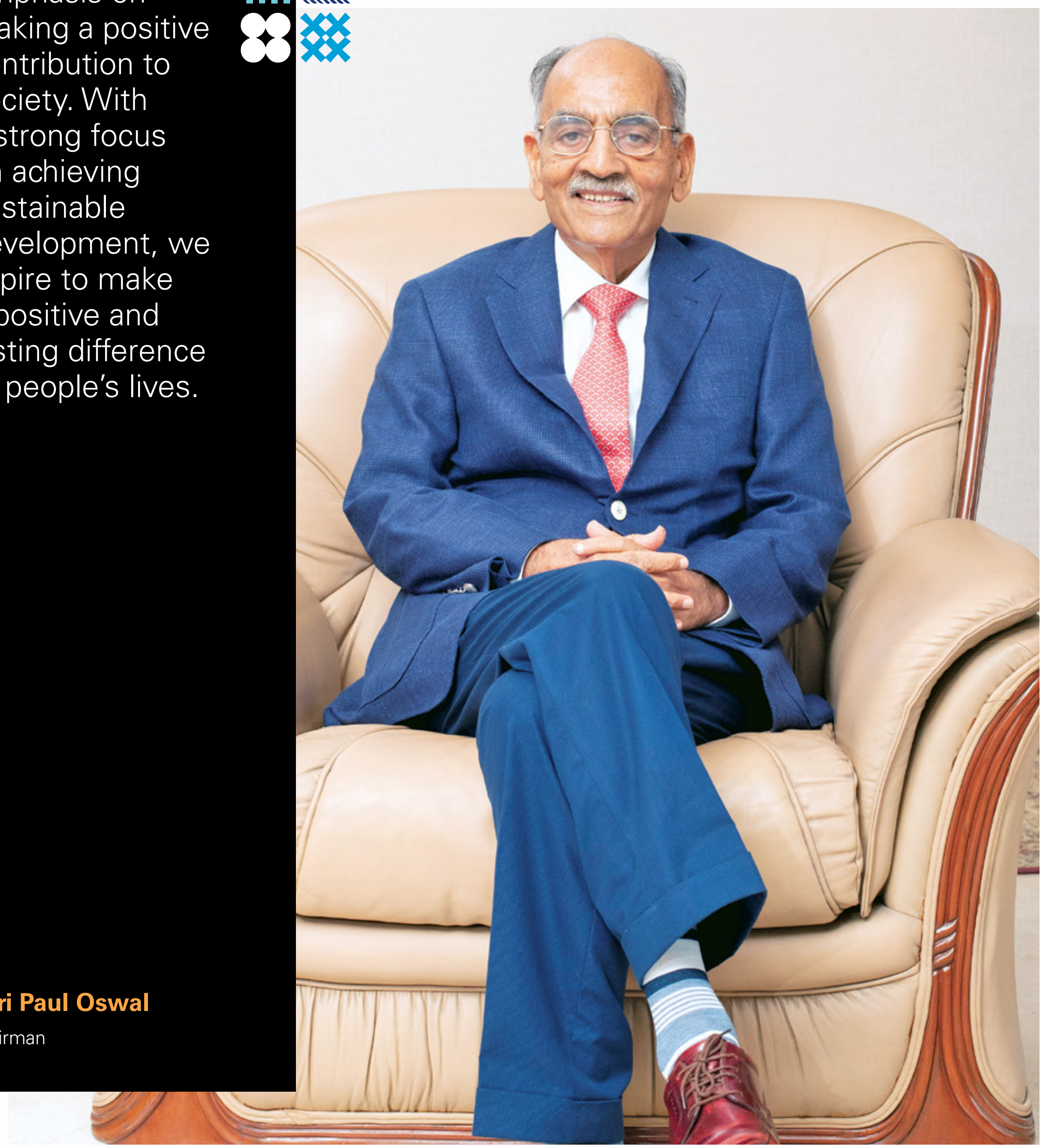
1.49 million KL
Water recycled

222.71 lac
Renewable energy produced
(in kWH)

Chairman's message

"At Vardhman, we place a strong emphasis on making a positive contribution to society. With a strong focus on achieving sustainable development, we aspire to make a positive and lasting difference to people's lives.

Shri Paul Oswal
Chairman



Dear Shareholders,

I am pleased to present to you the Annual report for the fiscal 2021-22.

During FY 2021-22, the macroeconomic landscape proved to be far more volatile than anticipated. While the global economy recovered more quickly than expected and consumer sentiments improved considerably, the impact of Covid-19 was evident on the economic environment as well as on businesses. Disruptions in the global supply chain and widespread inflation impacted businesses globally. While the economy has not been able to overcome the turbulence completely, new challenges in the form of the Russia-Ukraine war aggravated geopolitical stress. Further, supply chain disruptions resulted in surging commodity prices.

In India, swift fiscal and monetary policy action in the first half of the fiscal acted as a tailwind for a visible economic recovery in the second half of the year. However, despite staging a strong rebound, with a GDP growth that was the fastest among major economies, the geopolitical upheavals impacted India's growth prospects for the near term, with inflation continually treading over positive sentiments.

For the textile sector, the fiscal 2021-22 was a year of recovery due to pent up demand effect. However, the same could not be sustained for long due to rising cotton prices and reduction in cotton production in India. These factors spoiled the prospects of a full recovery in the first half of current financial year 2022-23. It is apprehended that the same may continue for the rest of the year also amidst uncertainty and high inflation all over the world. The poor demand from global retail chain in terms of lower orders and prices which do not absorb the rise in raw material prices confirm this apprehension. Accordingly, the textile manufacturers are forced to scale down the production capacities and Vardhman is no exception to this broad trend.

The global cotton production outlook especially in USA and Pakistan is not encouraging and may put strain on global cotton supply and cotton prices. To sail through this difficult period we would be optimising production capacities in sync with demand and improvement in operational efficiencies.

At Vardhman, we place a strong emphasis on making a positive contribution to society. With a strong focus on achieving sustainable development, we aspire to make a positive and lasting difference to people's lives. We are constantly trying to improve the infrastructure of schools, hospitals, and communities where we operate, to help marginalised sections gain access to safe and hygienic living conditions, good education and healthcare facilities.

In the end, I would like to extend my gratitude to all our stakeholders for their continued support and confidence in us which inspires us to continuously strive hard to achieve better performance.

Regards,

Shri Paul Oswal
Chairman

Message from the management

"At Vardhman, we believe a purpose led organisation – that thinks beyond profits – not only attracts customers but also empowers employees to be more engaged and innovative.

Suchita Jain
Vice-Chairperson and
Joint Managing Director

"We are hopeful about coping with the situation on the back of our rich experience, industry knowledge and our core values of customer-centricity, transparency, environment stewardship

Neeraj Jain
Joint Managing Director

Dear Shareholders,

Overcoming the hurdles posed by the COVID 19 pandemic, the economy witnessed some relief during FY2021-22. With revival of economic activities across the world, although less than the pre-COVID-19 level, the textile industry has also seen revival of growth in terms of capacity utilisation and earnings as well. These trends are visible in the performance of both segments of yarns and fabrics. We registered a steady financial performance, recording a consolidated revenue of Rs. 9,622.34 crore. Our EBITDA stood at Rs. 2,647 crore in FY 22 as compared to Rs. 955 crore in FY 21. Our PAT grew from Rs. 367 crore in FY 21 to Rs. 1,677 crore in FY 22.

The revival in manufacturing activities came with sharp increase in commodity prices, which was manageable to some extent as we were able to pass on the rise in raw material and other input cost to consumers. However, with the changed geopolitical situation due to the Russia-Ukraine war, strained relations between US and China and high inflation in developed countries, warranting anti-inflationary monetary policies by central banks, has somewhat watered down the strong business recovery, at least for the next couple of months, if not years. Due to these factors, we are not able to pass the increase in raw material prices to consumers in terms of higher prices of yarn and fabric and have to reduce capacity utilisation and have to work with lower margins/even losses. Further, the actual cotton crop falling short of estimates and imposition of import duty on cotton fibre in India has led to spiraling of cotton prices, thereby further aggravating the situation.

We are hopeful about coping with the situation on the back of our rich experience, industry knowledge and our core values of customer-centricity, transparency, environment stewardship and societal empowerment. We are also working towards enhancing the overall efficiency of our people and processes by embracing state-of-the-art technologies and platforms. Our products and quality continued to remain unmatched in our industry space, giving us an edge over our peers.

Our committed and dedicated 25000+ employees were one of the key reasons for our success in the most challenging year. We are thankful to the entire team at Vardhman for overcoming gripping uncertainties and enabling the Company to deliver strong performances. Being a responsible Company, we strived towards creating a diverse and open work environment wherein our employees can grow and thrive. We also ensured their mental and physical well-being through various initiatives and programs.

At Vardhman, we believe a purpose-led organisation – that thinks beyond profits – not only attracts customers but also empowers employees to be more engaged and innovative. We are making big strides in our sustainability journey and have set ambitious targets across key parameters of ESG through our sustainability framework 'PRO - Proactively Responsible Organisation'. We plan to leverage our 3Ps – Product, Process and People practices – to maintain our growth trajectory and create sustained and consistent value for all our stakeholders in the ensuing financial year FY 2022-23.

Warm Regards,

Suchita Jain
Vice-Chairperson and
Joint Managing Director

Neeraj Jain
Joint Managing Director

Expanding portfolio to meet diverse needs

YARN

At Vardhman, yarn constitutes the largest business with a capacity to manufacture 670 MT of yarn in a day.

We take advantage of our cutting-edge capabilities to manufacture a wide range of specialised greige and dyed yarns made of cotton, polyester, acrylic and other blends. In addition, we produce and provide fancy yarns for hand-knitting, melange, core-spun yarns, ultra yarns (contamination controlled), gassed mercerised, super fine yarns and slub.

In the quality-conscious markets of the European Union (EU), the United States (US), and the Middle East, our cotton yarn enjoys a significant market share. We have established ourselves as a global leader in the manufacturing of high-quality yarn, thanks to an unwavering dedication to excellence, ongoing customer-driven innovation, and innovative initiatives including technology partnerships.

Our yarn portfolio

Speciality yarns

- Core spun yarn
- Slubs
- Cellulosic
- Vortex yarn
- Special blended yarn
- Sustainable yarn

Acrylic, fancy and hand knitting yarns

- Grey acrylic
- Dyed acrylic
- Fancy spun yarn
- Fancy structured yarn
- Hand knitting yarn

Dyed yarns

- Packaged dyed yarn
- Mélange / Heather yarn (Brand Rangoli)
- Gasses mercerised

Grey yarns

- Polyester cotton
- Cotton yarn
- Compact yarn

Highlights for FY22

- We have set up a cotton recycling plant Vardhman ReNova with a production capacity of 6TPD for producing sustainable recycled yarn.
- We have expanded the yarn manufacturing capacity by adding two units in Madhya Pradesh. The total expansion comprises approximately 1,00,000 spindles using world-class technology. This will increase the yarn manufacturing capacity by 75TPD.
- We have introduced 26 new vortex machines for producing low pilling yarn in grey and Mélange yarn.
- All our yarn is produced through a contamination removal system that helps deliver contamination-free yarns.
- Invested in digitalisation, in line with Industry 4.0 for online monitoring of quality and production efficiency of machines.
- Undertook modernisation of around 70,000 spindles of ring frames and 5,000 spindles of speed frames.

1.13 million
Spindle count

₹ 6,473 Crore
Revenue from yarn (excluding internal transfers)

1,77,430 MT
Sale of yarn

FABRIC

The Fabrics division is equipped with ultra-modern weaving and processing technology sourced from Japan and Europe. With 1,550 looms, the facility has a weaving capacity of 220 million metres and fabric processing capacity of 180 million metres per annum.

Our state-of-the-art capabilities for Desizing, Scouring, Bleaching and Mercerisation have incorporated greener processes for fabric processing. We have added facilities of enzymatic desizing (in place of chemical desizing), bio-scouring, and have also switched over to 100% peroxide bleaching. We recover upto 90% of caustic through Caustic Recovery Plants during the process of mercerisation. We have installed eco-washers to reduce water and acid consumption.

Our focus on sustainable solutions in processing includes re-use of water, optimising steam consumption and heat recovery systems in the washers and stenters. Our processing unit is designed to enhance the quality of the fabric while being environmentally conscious.

Being one of the few vertically integrated fabric suppliers in India, we provide a selection of premium speciality textiles. Utilising the skills and knowledge of our workforce, we continuously improve our designs and products while making sure they are competitively priced and are of superior quality. Owing to this, we have become one of the most popular brands among major retailers in India and in other important export countries of Europe, Asia and Middle East.

193.4 MMPA
Fabric weaved in FY22

151.7 MMPA
Production of processed fabric in FY22

Our fabric portfolio

- Tops, bottoms and outer wear for men and women.
- Fabrics suitable for casual, formal and regular wear.
- Solids, yarn-dyed, print, dobbies and various performance finishes.

Our finished fabric portfolio

- Velegante
- Preprensa
- Worry Free
- Liquid Finish
- P4 Finish
- Stay White and Fresh
- Gr&De
- Easy Care
- Stain repellent
- Airwash
- UV protection
- Anti-microbial
- Stain release
- Biomagica
- Quick dry
- Water repellent
- Aroma
- Aloevera

GARMENTS

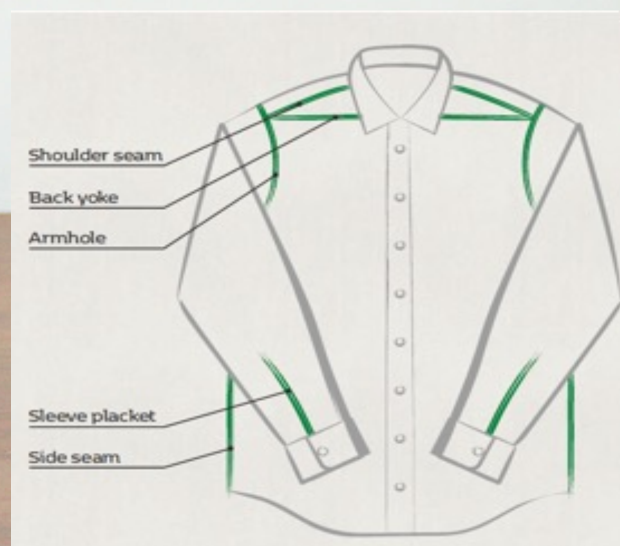
In 2009, Vardhman partnered with world-class textile organisation Nisshinbo Textile Inc., Japan and formed Vardhman Nisshinbo Garments Company Ltd. (VNGL)* to deliver high quality shirting.

Today, our operational excellence is a result of cutting-edge machine setup from Germany, Japan, China, USA, Taiwan and Denmark. We offer full taped and parcel taped post-cure and pre-cure shirts which are focussed on quality, functionality and comfort.

We are the only manufacturer of Post Cure shirts in India backed by liquid ammonia treatment facility and baking machine.

Full taped shirt

Puckered seams spoil the appearance after subsequent washing. Taping at seams provides a significant improvement in seam appearance where ironing is no longer necessary. The tape used for this purpose is transparent base with HDPE glue coating and acts like an interlining which can be fused on both sides.



Our garment portfolio

- 100% cotton
- Poly cotton
- Cotton stretch or cotton lycra
- Linen
- Cotton modal
- Cotton tencel
- Cotton viscose
- Melange

1.8 million
Shirt manufacturing capacity

* In 2019, Vardhman Textiles Limited purchased entire stake of Nisshinbo Textiles Inc. in VNGL. Now, VNGL stands merged with Vardhman Textiles Limited.

Strengths that set us apart

Consistent results

Consistency within a batch and across batches is guaranteed by extensive quality inspections performed by skilled specialists, well-defined quality management systems and thorough documentation of each batch. Throughout the manufacturing cycle, we standardise raw ingredients including cotton, dyes and chemicals. With the deployment of digital and programmatic controls, our cutting-edge equipment and technology deliver consistent outcomes with every batch.

Traceable operations

We are able to guarantee comprehensive and irrefutable traceability from spinning to processing as every operation is carried out in-house. Besides that, if a consumer buys BCI Cotton, we can ensure its traceability back to the farm. By making root cause analysis easier, traceability promotes operational efficiency and aids in quality control.

Reliable organisation

We are able to distribute the products to our global customer base owing to our cutting-edge infrastructure and meticulous planning. Machine availability and on-time output are guaranteed by coordinated production planning throughout the industrial chain. Vardhman's reliability quotient is increased by progressive people practices, ongoing training and strict safety standards. Our vast warehouses and captive power plants further strengthen our core operations while helping us to be more adaptable to external disruptions.

Production flexibility

Our wide range of products guarantees customers the flexibility of selection. Our production capacity is strategically designed to increase production speed and enhance flexibility. Thus, we have higher weaving capacity to feed fabric processing and we maintain a higher spinning capacity to feed weaving. This surplus capacity at the back end ensures manoeuvrability and machine availability.

Agile process

We can efficiently deliver technical and business solutions through integrated manufacturing and robust interlinking of systems. We maintain a single point contact for the entire process — from fibre to finish, ensuring quick decision-making and allowing consumers a thorough view of the results of the desired permutation. Additionally, it provides total transparency regarding the production process. A single chain of command is subject to fast course adjustments and midcourse alterations.

Sustainability

Integrated supply chain ensures accurate and reliable measurement of environmental and social impacts across all stages of production. It allows us to implement sustainability initiatives and interventions that are effective and efficient. We encourage a healthy workplace, environmental stewardship, social upliftment and responsible value creation through these initiatives.

Empowering customers through technology

We have institutionalised the processes for technology selection, adoption and absorption through a dedicated Corporate Technology Cell. We continuously track and assess new technology advancements taking place around the world. For projects involving growth and modernisation, we choose appropriate technologies. We are able to accomplish this technology integration owing to the strong team of knowledgeable and experienced technical professionals.

Technology absorption

The art of absorbing new technologies has been perfected over the years through a process of collaborative training with the manufacturers, inter-plant experience sharing, cross functional groups and a continuous feedback system.

Thus, there is a large pool of soft know-how, which helps to generate value-added textile solutions for the customers.

At Vardhman, innovation is a tool of deep reflection within and wide exploration outside to find new sources of value creation for the customers. By a constant search for newer, at times radical solutions, the group has created a strong culture of out-of-the-box thinking.

Technology integration in yarn production

- Approximately 95% of ring frame capacity is with auto doffing
- About 60% capacity is integrated with Linkconers
- USTER Vision Shield Magic Eye is installed in all the cotton lines for contamination control
- USTER Quantum-3 is installed in all the winding positions
- All the ring frame production positions are equipped with ring data system
- R&D lab equipped with advanced technology from USTER

Technology integration in fabric production

- Online fabric shrinkage control
- Specialised relaxed processing of stretch fabrics
- Fully automatic colour and chemical dispensing
- Online shade measurement with spectrophotometers
- World class European automation in Greige batch preparations
- High-speed low tension processing machines with salt less dyeing for sustainability
- High-energy and water-efficient processes utilising heat exchangers, recovery systems and caustic recycling plants
- Fully equipped dyeing and quality assurance laboratory accredited from all major global brands

Technology integration in garment production

- CAD system for making marker
- Automated spreading machine
- Specialised pinning and cutting machine
- Specialised machine for fusing
- Specialised machine for press collar and cuff
- Latest, high speed and automated stitching machines
- Specialised steam press
- Specialised pressing on body press
- Specialised machine for tape fusing for non-iron shirts
- Specialised baking machine for curing non-iron shirts

Embedding a culture of innovation

Our in-house design team, which consists of both young designers who are educated at prestigious design schools and seasoned designers trained on the job over time, ensures that our seasonal collections are both innovative and fresh in approach while remaining firmly rooted in market wisdom.

Design process

To generate ideas, future trend analysis is the first step in the design process. In-depth research of factors like the prevalent culture, the geographical location, economic, political and social latitudes, aspirations, iconography and new celebrities on the scene, helps interpret and predict emerging consumer's tastes and preferences.

Market surveys and feedback from the buyers and customers, coupled with our customer history serves as a strong input. Visits to the various textile fairs around the globe give us an insight on upcoming fashion trends, thereby keeping us at par with the global scenario.

New product development process

1. Initial research and inspirational sources
2. Ideation and mind-mapping
3. Visualisation of the product
4. Actual fabric development
5. Mill-weeks and presentations
6. Post-presentations

Our support system for maximising value

PVH
Raymond
H&M
Allen Solly
C&A
Calvin Klein
Target
Ann Taylor
GAP
carhartt
s.Oliver
UNIQLO
KOHL'S
Louis Philippe
M&S EST. 1884
Van Heusen
Walmart
target
GILDAN
Hanes
Fruit of the Loom
Victoria's Secret

Sustainability

Being a responsible corporate citizen

We place a strong emphasis on making positive contributions to society as a responsible corporate citizen. With a firm focus on the objective of sustainable development, we work to make a positive and long-lasting difference in people's lives.

We are always trying to improve the infrastructure of schools, hospitals, and communities surrounding our manufacturing sites to help facilitate disadvantaged segments of society access to safe and hygienic living conditions, quality education and healthcare facilities.

Our CSR focus areas are as follows

- Education
- Healthcare
- Rural Development
- Environment

Education

True empowerment is only possible through education as it improves living standards and generates a huge amount of employment opportunities. It raises the likelihood of a better future and improves the socio-economic position. One can rewrite their destiny and improve society by receiving a high-quality education.

Vardhman School Development Program (VSDP)

We established the Vardhman School Development Program (VSDP) in order to aid the education of students from weaker socioeconomic families. In line with this approach, we concentrate on building infrastructure in public schools and fostering a learning environment.

In addition to building classrooms, restrooms and computer labs, we have also given schools the required furniture, water coolers with purifiers and electronic equipment.

Providing quality educational infrastructure

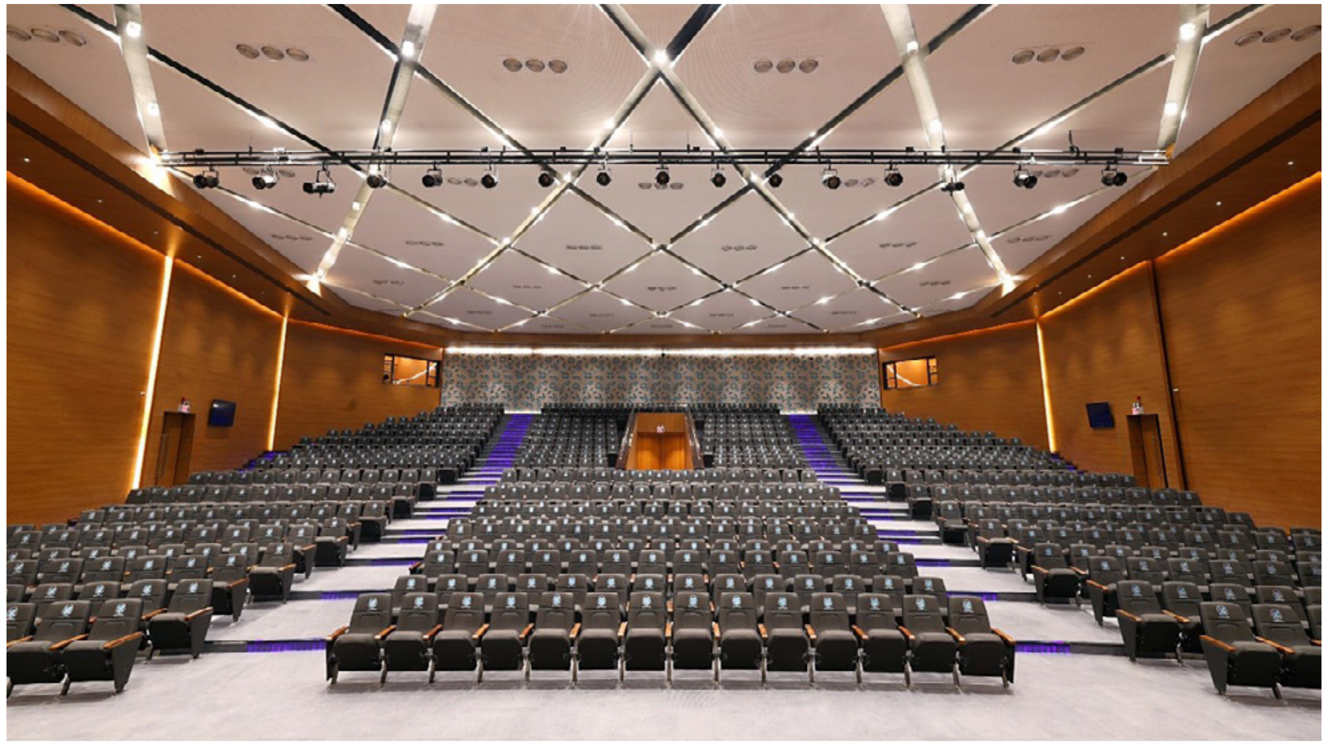
To promote higher education, we upgraded the infrastructure of Sri Aurobindo College of Commerce and Management, Ludhiana, Punjab through various initiatives. Construction of the Mother Auditorium with a seating capacity of 885 people has been completed. This is one of the most advanced and well-equipped auditoriums in Ludhiana.

Besides, an indoor badminton court of international standards within the college campus has been renovated. The fencing and construction of boundary walls was also carried out. Rooftop solar panels for green energy are also being installed.

To promote the digital education initiative, we are going to equip Sri Aurobindo College of Commerce & Management, Ludhiana, and Sri Aurobindo Public School, Baddi, HP with LAN infrastructure and smart classroom equipment. This will help the students access better learning opportunities and allow the teachers to create a conducive and interactive learning environment for students to realise their maximum potential.

Construction of auditorium with seating capacity of

885 people



The Interior View of "Mother Auditorium" at SACCM, Ludhiana

Being a responsible corporate citizen (contd.)

Financial assistance to promote education

We also provided the District Administration with financial assistance for the construction of child-friendly toilets in 37 Anganwadi centres of Ludhiana. At Government High School, Lehra Rahi, Zira, Firozpur, toilets are being constructed besides setting up science labs and providing necessary teaching aids. A toilet with basic amenities and a pathway is under construction at Deaf & Dumb School, Malerkotla.

We also provided financial support to set up a nanotechnology research laboratory at Shoolini University of Biotechnology & Management Science, Solan, HP. A cycle stand shed, furniture and drinking water facility were provided to Govt. High School Bayan, Budhni. Textiles lab equipment were given to Govt. Polytechnic College Nasrullaganj, Sehore, MP. Construction of well-equipped science lab and toilet is being carried out at Govt. Higher Secondary School, Bineka, Mandideep while a science block is being constructed at Govt Sr. Sec. School Karora, Pragarpur, Dist. Kangra, HP.

Foundation Stone laid by Industry Minister of HP, Shri Bikram Singh for Science Block at Govt. Sr. Secondary School, Karora, Dist. Kangra

Key Highlights (Cumulative)

64,654
Students benefitted

3,980
Student desks provided

258
Classrooms constructed

165
Schools covered

78
Anganwadis Supported

73
Toilet blocks constructed

107
Computer systems provided

5
States covered (Himachal Pradesh, Punjab, Madhya Pradesh, Maharashtra & Odisha)

Vardhman Signed MoU with Shoolini University for Setting up Nano Technology Lab- 'Shri R.C. Oswal Himalyan Institute of Nanotechnology'.

Being a responsible corporate citizen (contd.)

Received CSR Award for initiatives in Education Sector

Greentech Foundation is India's leading organisation dedicated to the cause of creating, recognising and honouring best practices in the areas of Environment Management, Occupational Safety, HR, CSR and Corporate Governance in India's ever-vibrant corporate world. Its recognitions are cherished, coveted and have been won by leading corporate names in national events witnessed by business leaders in the presence of business, political, social luminaries and senior government functionaries. The Foundation's knowledge sessions are mentored by eminent and meritorious personalities.

We were bestowed with the award for Outstanding Achievements in the category 'Promoting Education' at the 8th CSR India Awards for our project - **Vardhman School Development Program** during an event in Mahabalipuram on the 26th of November 2021. We previously won the **India CSR award** for the same project which covered 65 government schools and 41 Anganwadis. Under the initiative, several government schools have been provided with well-equipped classrooms, toilet blocks and computer and science labs besides providing amenities like water coolers with purifiers, student desks, computer systems and more. The Government Schools in Ludhiana where Vardhman Blocks have been constructed are Lohara, Kasabad, Sekhewal, Ladhowal and Giaspura. The program has also been extended to Himachal Pradesh and Madhya Pradesh.

Vardhman won CSR Award for Education Project- 'Varddhman School Development Program'.

Project NANDINI

We started Project Nandini in five government schools of Ludhiana (Punjab) in 2019 to raise awareness about menstrual hygiene management (MHM) and to overcome the taboo around menstruation. Ten government schools joined the initiative and the project was highly appreciated by the schools. Owing to the project's success, it has been further expanded to include five slums in addition to four government schools in the Baddi region of Himachal Pradesh. To dispel the myths surrounding menstruation and help young girls understand the natural/biological process, awareness seminars are arranged as part of the project. Sanitary napkin vending machines have been installed in schools, to make hygienic sanitary napkins accessible and affordable, besides incinerators for their safe disposal.

Key Highlights (Cumulative)

14,950
Adolescents benefitted

8
Slums covered

12
Government Schools covered

10
Gyan Vigyan Mela (education fair) organised for villagers

2
States covered (Punjab & Himachal Pradesh)

Awareness Session on MHM for for students and women from slums, under Project NANDINI

Organised 'GYAN VIGYAN Mela' under Project NANDINI for spreading awareness about MHM amongst villagers.

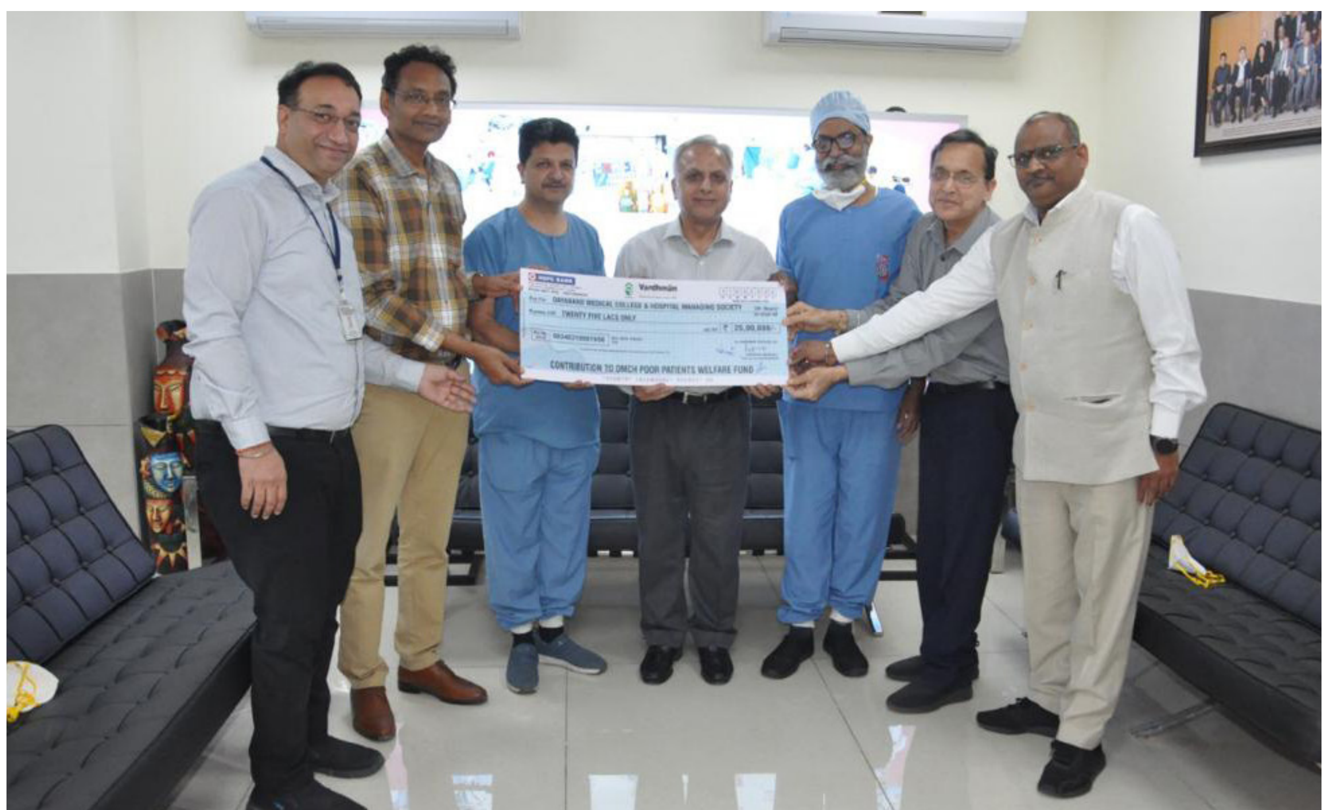
Being a responsible corporate citizen (contd.)

Healthcare

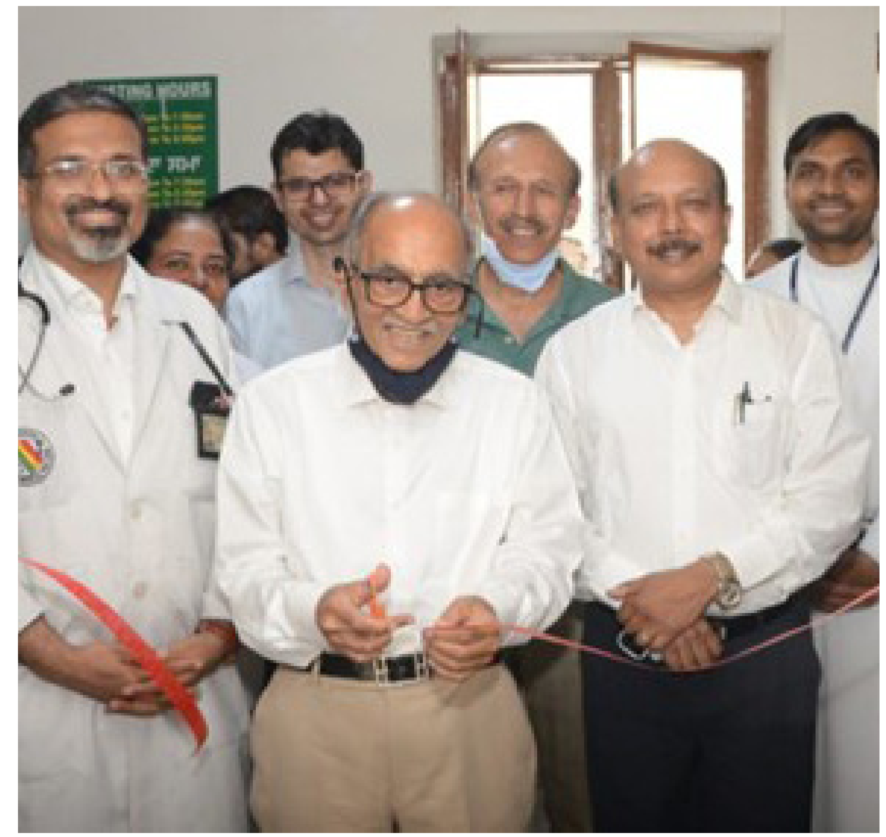
Availability and accessibility to healthcare facilities are vital to human life. Patients in small cities often rush to bigger cities for treatment owing to unavailability or inadequate medical facilities. To strengthen the healthcare infrastructure of hospitals situated in the vicinity of our manufacturing units, we provide them with advanced medical equipment from time to time besides financial contribution for the treatment of poor patients. The health institutions we support are primarily government or charitable/funded hospitals.

Financial aid to enhance healthcare access

Financial grant was provided to Dayanand Medical College and Hospital (DMCH), Ludhiana for the treatment of economically weaker patients. Christian Medical College & Hospital (CMCH), Ludhiana was provided with a sum for the diagnosis and treatment of economically weaker Cancer Patients.



Contribution made for DMCH Poor Patients Fund



Sh. S.P. Oswal, CMD Vardhman Group inaugurated newly renovated Ward 26 for BMT Patients at CMCH, Ludhiana.

Key Highlights (Cumulative)

5
States (Madhya Pradesh, Himachal Pradesh, Punjab, Maharashtra & Bihar)

1
Union territory (Chandigarh)

68
Health institutions covered

7,00,000+
Beneficiaries

Rs 17.63 crore
Worth of medical equipment

Rs 5.05 crore
Grant to poor patient's fund

Rs. 9.88 crore
Contribution towards COVID-19

Improving medical infrastructure

A Physical Medicine & Rehabilitation (PMR) Centre is being set up at CMCH, Ludhiana . Besides, upgradation and renovation of Bone Marrow Transplant (BMT) and private ward is underway. We provided several medical equipment to different hospitals in Punjab, Himachal Pradesh and Madhya Pradesh. Mother and Child Care Hospital (MCH, Vardhman), Ludhiana was provided with ECG machine and other essential equipment. Color Doppler Ultrasound Machine provided to Vijayanand Diagnostic Centre, Ludhiana; and Digital X-Ray Machine to Primary Health Center, Kanwan, Dhar and Civil Hospital, Gaj Basoda, Vidisha, MP. Besides, a 30 KVA diesel generator (DG) set was given to Civil Hospital Dadasiba in Paragpur Kangra, HP.

Health camps

This year we organised 16 Health Check-Up Camps in the rural areas of Punjab, Himachal Pradesh and Madhya Pradesh. We also provided artificial limbs to specially-abled residents of Ludhiana. Alongside, a patient waiting shed and portable washrooms were provided at Govt. Multi-Speciality Hospital, Sector-16 Chandigarh.

Key Highlights - Health Camp (Cumulative)

68
Health camps organised

105
Villages covered

12,550
Villagers examined

Being a responsible corporate citizen (contd.)

Rural Development

We continuously work to narrow the access gap and reduce the struggle rural populations endure to obtain basic necessities like clean drinking water, sanitary conditions for living, access to healthcare, and many other things.

To ensure the availability of safe drinking water, borewells and hand pumps were installed in the neighbouring villages of Budhni, Madhya Pradesh.

100 Solar Street Lights were installed in 15 villages around Vardhman Fabrics, Budhni. In the Hoshangabad region of the State, steel benches were provided for the bus stand.

We extended our support for the construction of a community hall in village Kalujanda, Baddi, HP. We also installed 90 solar lights in 37 villages of Paragpur constituency, dist. Kangra & Mandi, HP.

To empower farmers, we run Project Pragati under Better Cotton Initiative wherein activities like farmer training, health awareness, women and child development etc. are carried out. Alongside, financial contribution is provided to Cotton Development & Research Association (CITI-CDRA) for conducting research in developing better quality cotton.

SDM Nalagarh laid the foundation stone of Community Hall at Village Kallu Jhanda, Baddi, Himachal Pradesh

Village Pond has been rejuvenated for ground water recharge and other activities at Budhni, Madhya Pradesh.

Key Highlights (Cumulative)

1,18,000+
Villagers benefitted

590
Solar lights installed

03
Ponds renovated

28
Hand pumps

19
Bore wells

Being a responsible corporate citizen (contd.)

Environment

As part of our efforts to create green belts, we have been conducting plantation drives.

Organised Plantation Drive in Budhni, Madhya Pradesh.

Key Highlights (Cumulative)

5.5 KM
Green Belt Developed

4.55 lac
Saplings planted

Sports, Arts and Culture

To promote health and fitness, we provided gym equipment to Police DAV Public School, Police Line, Ludhiana. Other than that, a Paralympic player, Mr. Akash Mehra was provided financial assistance to upgrade his artificial legs.

To preserve the local heritage, we provided financial assistance to Guru Nanak Dev Bhavan in Ludhiana, for completing the remaining work of the Seminar Hall. A contribution was made to SAPTAK Annual Music Festival under project Sangeet Sankalp Saptah to scout talent, train, discover and promote traditional arts and culture in the field of Indian Classical Music. Bhopal Literature & Art Festival was also supported by Vardhman.

Constructed Indoor Badminton Hall and Gymnasium at Police DAV School, Civil Lines Ludhiana

Occupational health and safety

A safe workforce is a happy workforce. We, at Vardhman are dedicated towards developing an active occupational health and safety culture across the full range of our activities. Our efforts are channelled towards achieving the goal of having a zero-accident workplace.

Our rising concern for the employees' health and safety has led to the organisation of various health check-up camps at all our units, at regular intervals in the past year. We have also set up occupational health centres attended by qualified healthcare professionals. We provide hygienic, good quality food to our workmen which is monitored by an audit team frequently.

Health and safety trainings

We conduct various health and safety training programmes by internal and external professionals at group level on the following topics

Health

Bad effects of tobacco/ smoking, healthy eating, nutritious diet, benefits of morning walk, industrial hygiene, stress management, first aid training, AIDS awareness programme, prevention from seasonal diseases, benefits of yoga and so on.

Safety

Fire safety, electrical safety, work at height safety, road safety, benefits of good housekeeping, mobile safety, machine guarding, how to handle chemicals and cutting & welding safety.

EHS committees

Dedicated EHS/Safety committees at every plant have been constituted to provide a forum for management and workers together to identify and resolve health and safety problems, as also to develop and monitor safe systems and procedures. The EHS Committee responsible for ensuring safe and healthy environment meets at regular intervals.

Risk Audits

We have a well-established risk control audit system covering all locations. Apart from industrial property risk insurance for fire and natural hazards, occupational safety, environmental risks are also analysed and recommendations are implemented accordingly. Our corporate EHS team holds regular audits together with an external partner and monitors the implementation of recommendations. Additionally, in-house training courses have been conducted to prevent/remove the workplace risk/ hazards.

Emergency Preparedness

Emergencies and disasters are unpredictable and strike without warning. Our emergency preparedness and response program help to provide safety to our employees, the surrounding communities and the environment. To prepare for such emergencies, Vardhman has implemented an emergency preparedness plan, to assist the planning and execution of appropriate actions in response to local emergencies for which the employees are educated and trained on regular intervals. We at Vardhman are regularly testing our plans for effectiveness, through management reviews, third party audits, and mock drills.

Fire Protection

Fire protection in production areas, warehouses and storage facilities is extremely important. We ensure that our structure, equipment, and assets are protected in the event of a fire emergency. More importantly, we make sure that our employees, visitors and the surroundings are safe. In this regard, Vardhman has installed well-established fire-fighting systems across the Group. All units are equipped with fire tenders, fire alarms, sprinklers, emergency water tanks and qualified firefighting teams at all locations.

Certifications

We hold the following certifications for Environment protection, safety and employee well-being programs

ISO – 14001:2015 Environment Management System

ISO – 45001:2018 Occupational Health and Safety (OH&S) Management System

Fulfilling our responsibility towards climate action

Excellence at Vardhman fuels actions that go beyond business solutions. With the impact of fashion on the environment and community at the forefront of global discussions, we address sustainability challenges with the same proficiency and priority as other key business challenges.

Our environment strategy is focused on optimal utilisation and conservation of natural resources. The environmental initiatives undertaken by us are broadly classified into the following:

- Water management
- Energy and emission management
- Green chemistry
- Waste management

Water conservation

At our production facilities, both process-related and non-process-related activities require water. Our advancements in technology, conservation efforts, rainfall collection and scientific management have made sure that this priceless resource is always available for business purposes and has made drinkable water easily accessible for the nearby population. These initiatives have enhanced the social, economic and environmental well-being of the communities surrounding our manufacturing operations.

ETP - 15,000 KLD
STP - 3,500 KLD

Total water treatment capacity

Effluent treatment plants

3
ETPs

15,000 KLD
ETP capacity

5.47 million KL
Water treated at ETP

Zero liquid discharge (ZLD) units

2
ZLDs

10,400 KLD
ZLD capacity

1.65 million KL
Water treated at ZLD

Sewage treatment plant (STP)

9
STPs

3,500 KLD
STP capacity

1 million+ KL
Water treated at STP

Common effluent treatment plant (CETP)

1
CETP

12,000 KLD
CETP capacity

~3.5 million KL
Effluent treated

0.119 million KL
Sewage treated

Fulfilling our responsibility towards climate action

Energy and emission management

Our energy management is focused on reducing GHG emissions, cost saving and improving our energy security. We conduct regular energy audits to identify the energy saving opportunities across facilities. We are increasing the proportion of green energy in our energy mix in addition to our consistent focus on energy reduction. We have also registered in Perform, Achieve & Trade (PAT) scheme and are working on reducing our specific energy consumption.

74.31 lac kWH
Energy saving achieved

8
Units registered under PAT

13.1 MW
Solar energy capacity

Green chemistry

Chemical use in the textile industry now extends beyond simple washing and spot cleaning. Chemicals are employed in numerous processes, including yarn creation, fabric pre-treatment, finishing, laminating and coating. The obligation to minimise the impact on the environment has increased due to the increased use of chemicals. We now have a robust chemical management system owing to this awareness. We have a comprehensive Restricted Substances List (RSL) that largely satisfies the RSL requirements of our customers. Every vendor and every batch of dyes and chemicals purchased must adhere to our RSL.

Through the use of CHEM-IQSM, we were able to identify and remove potentially dangerous and illegal substances from our production process. We are also registered on the ZDHC InCheck and Gateway. Additionally, CleanChain, which provides customers with precise and comprehensive access into our chemical stocks, has registered us.

100%
Plants certified with ISO 14001

Partnerships to foster green chemical practices

ZDHC Gateway™ ZDHC InCheck™ CLEANCHAIN

Waste management

Our top priority when it comes to waste management is to reduce and reuse whenever feasible before properly disposing of what little is left over. The environment is secured for future generations due to this efficient waste management, which also assures compliance with regulations, strengthens community ties, and increases cost competitiveness. We have specialised facilities across the group for managing hazardous waste, e-waste, and scrap, and we adhere to all applicable regulatory requirements.

We have also reduced the use of plastic through new packing methodology and increased reuse of HDPE sheets.

Focusing on sustainable products

As a responsible organisation, we use materials that have minimal impact on the environment. We use green fibres in the manufacturing of our products. To ensure high product performance without reducing product sustainability, we have incorporated a number of green alternatives. By obtaining several certifications for our products and processes, we remain aware of the most recent global sustainable practices in terms of regulatory and voluntarily compliances.

Certifications

Natural fibre

Recycled and BCI Cotton

Wool

Hemp

Linen

Silk

Man-made fibre

Regenerated Fibre

Eco Vero

Modal

Tencel

Refibra

Liva Eco

Bamboo

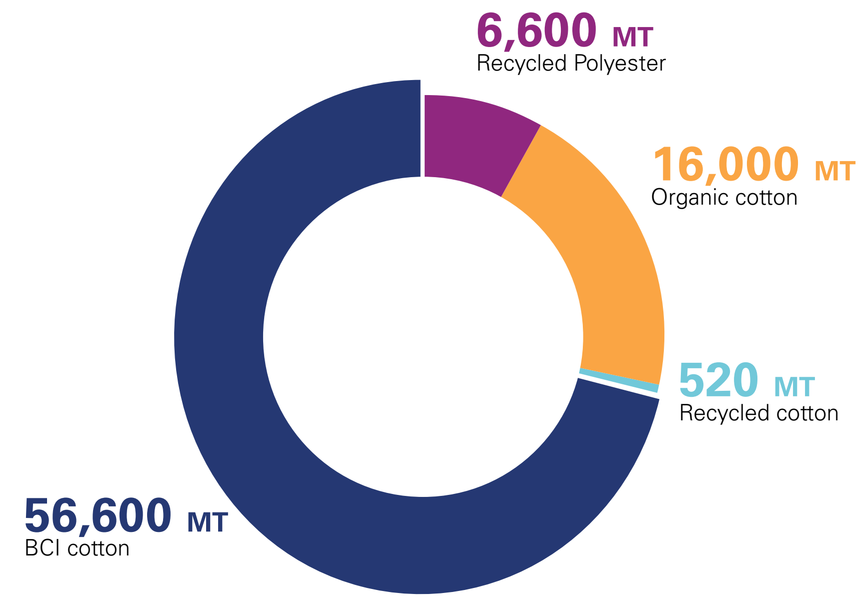
FSC-Viscose

Synthetic

Recycled Polyester
Recycled Nylon

Sustainable cotton

We source three main types of cotton which includes organic, BCI, and recycled cotton. We only buy organic cotton from accredited farm organisations that have a valid scope certificate. To preserve traceability, we also receive transaction certificates for the organic cotton we purchase from vendors and distribute these as appropriate. In addition, we provide our clients the organic yarn certificates that have been properly authorised by our external certification bodies.



Green fabric finishes

Fluorine-free, water repellent finish

Up to three times more durable than current fluorinated repellents and employs 60% renewable raw ingredients.

Anti-mosquito finish

It reduces and avoids problems brought on by mosquitoes due to a specially developed HealthGuard® Premium Protection product. The first combined anti-fungal, anti-bacterial, and anti-mosquito treatment in the world, this finish is safe for both people and the environment and offers up to 85% efficacy even after many cleanings.

miDor®i bioDry 1.0

A plant-seed-based softener with a significantly smaller carbon footprint that doesn't require palm oil or crude oil.

SILVADUR™ antimicrobial

A textile odour control technology that is long-lasting, efficient, recyclable, and reusable. Instead of using silver particles, it uses silver ions (Ag+), which are non-toxic, non-sensitising, and non-irritating to human skin.

Board of Directors

Mr. Shri Paul Oswal, aged 80 years, is the Chairman and Managing Director of our Company. He holds a Masters degree in Commerce (Gold Medalist) from Panjab University, Chandigarh. He has an experience of more than 55 years in Textiles Industry. Under his leadership Vardhman Group has achieved manifold growth in its textile business. Keeping in view his contribution to the Trade and Industry, he has been conferred with Padma Bhushan award by the Govt. of India.

Mrs. Suchita Jain, aged 54 years is the Vice-Chairperson and Joint Managing Director of our Company. She holds a degree in Masters in Commerce from Panjab University, Chandigarh. She has experience of more than 29 years in the Textile Industry. She was instrumental in starting Fabric manufacturing (both grey and processed).

Mr. Neeraj Jain, aged 55 years, is the Joint Managing Director of our Company. He holds a Bachelor's Degree in Commerce and is a qualified Chartered Accountant as well. He has an experience of more than 30 years with the Group in finance and yarn business.

Ms. Sagrika Jain, aged 27 years is an Executive Director of our Company. She holds a Bachelor's degree in Science (Eco. & Finance Hons.) from University of Bristol, UK. After completing B.Sc., she had worked for a period of two years with Arpwood Capital, Mumbai, a renowned Investment Bank in India. Thereafter, she joined Vardhman Textiles Limited and worked at different levels over a period of time. She has recently completed her Master of Business Administration (MBA) from London Business School, London. During her Masters, she got opportunity to work with renowned companies like Amazon, Munich (Germany), the world's largest online retailer.

Mr. Prafull Anubhai, aged 84 years is an Independent Director of our Company. He holds a Bachelor's Degree in Commerce and is B.Sc (Economics Honours) from London University. He is a Business Consultant having experience of more than 49 years. He is associated with educational and research institutions like Indian Institute of Management (IIM, Ahmedabad).

Mr. Sachit Jain, aged 56 years, is the Non-Executive Non-Independent Director of our Company. He holds a Degree in B.Tech (Electrical) from IIT, New Delhi and MBA (Gold Medalist) from IIM (Ahmedabad). He has also studied Financial Management from Stanford, USA. He had started his professional career with Hindustan Lever in 1989 before he joined Vardhman Group. He has a rich Experience of over 32 years in Textile and Steel Industry.

Dr. Subash Khanchand Bijlani, aged 79 years, is an Independent Director of our Company. He holds a Degree in Bachelor's of Science in Technology (Mechanical Engineering) from University of Manchester Institute of Science and Technology, U.K., Post Graduate Diploma in Computer Management, Mumbai University, Post Graduate Diploma in Finance, Panjab University and Doctorate in Management (D.M.) from Maryland, USA. He has industrial and business experience of more than 57 years.

Mr. Ashok Kumar Kundra, aged 79 years, is an Independent Director of our Company. He holds a Master's Degree in Economics from Panjab University, Chandigarh and PhD from School of International studies, Jawahar Lal Nehru University. He joined Indian Administrative Services (IAS) in 1966 and retired in 2003. He has over 48 years of experience in Central Govt. Ministries and various departments in the State of Punjab.

Dr. Parampal Singh aged 49 years, is one of the Independent Directors of our Company. He holds Master's Degree in Science (Hons. – Microbiology), Master's Degree in Business Administration (Marketing) and Ph.D. in Marketing.

Mrs. Harpreet Kang, aged 48 years, is one of the Independent Directors of our Company. She holds Master's Degree in Journalism from College of Humanities, Punjab Agricultural University, Ludhiana. She has also done an Advance Business Program in International Business and International Marketing from Harvard University, USA.

Mr. Udeypaul Singh Gill, aged 68 years is one of the Independent Directors of our Company. He holds a Bachelor's Degree in B.Sc. (Honours) Economics and also holds Master's Degree in Business Administration from Punjab Agricultural University, Ludhiana. He has rich experience and insight of the Global Textile Industry. His key strengths in functional areas includes sustainability, digitalisation, environment, health & safety, mergers and acquisitions, business model enhancement, restructuring & turnaround, banking and international counter trade, etc.

Management Discussion and Analysis

Global economic Outllook

Global economic outlook, which was recovering with the ebbing of the third wave of corona virus and had grown by 6.1 percent in 2021 is likely to slow down to 3.6 percent in 2022 due to headwinds caused by geopolitical developments such as Ukraine crisis and by rising commodity prices fueling inflation expectations across the countries. To combat the rising inflationary risk, central banks across the world are adopting tight monetary policies resulting in overall increase in interest rate and consequentially dramatic swing in global financial markets. In this context, the future outlook of the world economy look uncertain till the world is able to tide over geopolitical tensions; softening of commodities prices; and buoyancy in consumer expectations for next couple of years.

Indian economy outlook

Indian economy is no exception to the global developments and is facing severe commodity price hike, crude oil prices above USD 100/barrel, energy demand supply mismatch causing supply disruptions and higher cost of manufacturing. The policy makers are confronted with difficult task of containing inflationary prices through interest rate hike and protecting economic recovery simultaneously. Indian economy which recorded 8.9 percent GDP growth in real term in FY 2021-22 on the strength of pent-up demand in domestic and export market, may not be able to repeat the performance and may grow by 7.2 percent in FY 2022-23 as estimated in IMF World Economic Outlook, April 2022 update.

Indian textile industry

After a long time, the Indian textile Industry has achieved the export target of USD 40 bn in FY 2021-22 as set by Government of India. The domestic demand has also supported the textile industry after COVID-19 leading to improved performance of all segments of the textile industry in FY 2021-22. However, the exceptionally high cotton prices, which are not translating into higher yarn prices have forced the spinning sector to cut production and shift away from cotton based products to blended or manmade fiber products as a temporary measure. By the time, industry realized that crop is not good, they started looking at import of cotton. Unfortunately, the same could not happen because of 10% Custom Duty on Raw Cotton which was imposed in Union Budget 2021-22. As a result, mills were starving of cotton and about 30-40% mills decided to stop production rather than incurring losses.

In April' 22, Govt. gave relaxation on import of cotton by waving off Custom Duty till 30th September, 2022. It's a non-season time for most cotton growing countries and hardly any cotton is available. Because of this news, New York future actually started rising more and India could not import much cotton. Indian cotton is one of the most expensive cotton in the world today, thus leaving Indian Spinning Industry in more difficult situation. The price of Indian cotton was around Rs. 42,000 to Rs. 45,000 per candy during last year and in current year it rose to more than one lac per rupee per candy and New York Cotton Future was between 70-80 USC/LB, which has touched 145 US cents /LB and presently hovering in the range of 117 to 120 US cents per pound. This unprecedented increase in prices of cotton faced strong resistance from Brands, leading to losses for the entire supply chain.

World Cotton Outlook

World cotton production is expected to rise by 2 percent in the cotton year 2022-23 (26.4 million tons) from the last year 2021-22 (25.8 million tons), with harvested area rising in most cotton-producing countries as higher prices prevailing in the year 2021-22. Global cotton consumption is expected to decline by approx. 1% in the year 2022-23 from last year, as cotton prices are globally higher than other fibers and are expected to remain at the same level until new arrival of cotton comes into the market. Global cotton consumption is projected at 26.6 million tons in the year 2022-23 against 26.8 million tons in the year 2021-22. Closing stocks will come down from 18.2 million tons in 2021-22 to 18.0 million tons in 2022-23 as lower opening stock in 2021-22 i.e.18.2 million tons in comparison to 2020-21 i.e. 19.2 million tons. (Soruce: USDA Wasde Report)

Indian Cotton Outlook

India's textile industry is mainly cotton based; therefore, it plays a major role in the Indian Economy. The area under cotton cultivation in the year 2021-22 in India was about 12.3 million hectares which is likely to increase by approx. 3% to 12.7 million hectares in the year 2022-23.

India's 2021-22 cotton production as estimated by Cotton Association of India is 323.6 lac bales (Indian Size 170 kg), down 8 percent from the preceding year because of untimely rain at the time of harvesting. Harvested area is estimated at 12.3 million hectares, which is the lowest of the last 5 years i.e. from 2017-18 and down 7% from 2020-21's record of 13.3 million hectares. India's 2021-22 yield is estimated at 445 kg/hectare, down 1 percent from the previous season.

Import of cotton is estimated to be 15 lac bales of 170 kgs each in 2021-22 against 10 lac bales of 170 kgs each in 2020-21. Export of cotton is estimated to be 40 lacs bales in 2021-22.

Financial Review

Particulars	FY 2021-22 (Rs. in crore)	FY 2020-21 (Rs. in crore)	Change (%)
Revenue from Operation	9,386	5,926	58.39%
Operating Profit (EBITDA)	2,647	955	177.17%
Finance Cost	100	113	-11.50%
Depreciation Cost	362	358	1.12%
Profit Before Tax	2,186	484	351.65%
Profit After Tax	1,677	367	356.95%

Financial Ratios

Particulars	2021-22 (Rs. in crore)	2020-21 (Rs. in crore)	% change	Reason
Debtors Turnover Ratio (Days)	45.39	55.79	-18.65%	
Inventory Turnover (days)	107.76	163.04	-33.91%	Increase in revenue from operations.
Interest Coverage Ratio (Times)	21.36	7.55	182.88%	Increase in operational profits and investment income.
Current Ratio (Times)	3.04	3.55	-14.37%	
Debt Equity Ratio (Times)	0.26	0.35	-24.36%	
EBIDTA Margin (%)	28.21%	16.12%	74.98%	Increase in operational profits and investment income.
Net Profit Margin (%)	17.87%	6.19%	188.79%	Increase in operational profits and investment income.
Return on Net Worth (%)	22.25%	5.97%	272.42%	Increase in operational profits and investment income.

Human resources/ Industrial relations

Human resource is considered as the most valuable of all resources available to the Company. The Company continues to lay emphasis on building and sustaining an excellent organization climate based on human performance. The Management has been continuously endeavoring in fostering high performance culture the organization. During the year the Company has employed around 27,599 employees on rolls. Further, industrial relations remained peaceful and harmonious during the year.

Internal control systems and their adequacy:

Your Company has been regularly reviewing and updating its internal controls by benchmarking against the industry standards. Dynamics of changing business requirements, statutory compliances and corporate governance are adopted in existing systems after careful review to remain in line with compliance requirements, expectations of business partners like customers and institutions. Senior management monitors the recommendations of internal audits for continuous system updating. IT System infrastructure is updated regularly to support business decision making as well as better controls.

Business Responsibility Report

About Vardhman

Vardhman Textiles Limited (VTXL) is the flagship company of Vardhman Group with diverse operations across sectors. Vardhman's humble beginning dates back to 1965 when the Group started its first manufacturing unit at Ludhiana in the state of Punjab with 6000 spindles and is today one of the largest textile companies of India manufacturing Cotton Yarns & Fabrics.

Through its integrated operations across textile value chain from Cotton to Fabric and to Garments, it touches lives of millions of people and assures quality product and services to its customers.

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 the National Stock Exchange of India Ltd. (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) 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: L17111PB1973PLC003345
2. Name of the Company: Vardhman Textiles Limited
3. Registered address: Vardhman Premises, Chandigarh Road, Ludhiana- 141010.
4. Website: www.vardhman.com
5. E-mail id: secretarial.lud@vardhman.com
6. Financial Year reported: 2021-22
7. Sector(s) that the Company is engaged in (industrial activity code-wise): Textiles, NIC Code 131
8. List three key products/services that the Company manufactures/provides (as in balance sheet): Yarn and Fabric
9. Total number of locations where business activity is undertaken by the Company
   (a) Number of International Locations (Provide details of major 5): The Company has 1 Liaison office at Bangladesh
   (b) Number of National Locations: 17
10. Markets served by the Company – Local/State/National/ International:

    National / International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR): ₹57.77 crore
2. Total Turnover (INR): ₹9,386.10 crore
3. Total profit after taxes (INR): ₹1,677.45 crore
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 1.20%
5. List of activities in which expenditure in 4 above has been incurred: As per Annexure III of the Directors' Report.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies? Yes
2. 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): No
3. 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

1. Details of Director/Directors responsible for BR:

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

1. DIN Number: 00340459
2. Name: Mr. Neeraj Jain
3. Designation: Joint Managing Director

(b) Details of the BR head

Sr. No.	Particulars	Details
1	DIN number	00340459
2	Name	Neeraj Jain
3	Designation	Joint Managing Director
4	Telephone number	0161-2228943
5	Email id	neerajjain@vardhman.com

PRINCIPLE 1:

Corporate Governance for Ethics, Transparency and Accountability

PRINCIPLE 2:

Sustainability of Products & Services across Life-cycle

PRINCIPLE 3:

Employee Well-being

PRINCIPLE 4:

Stakeholder Engagement

PRINCIPLE 5:

Human Rights

PRINCIPLE 6:

Protection and Restoration of the Environment

PRINCIPLE 7:

Responsible Advocacy

PRINCIPLE 8:

Supporting Inclusive Growth and Equitable Development

PRINCIPLE 9:

Providing Value to Customers and Consumers

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national /international standards? If yes, specify?	N	Y ISO 14001:2015 ISO 45001:2018	Y ISO 45001:2018	Y ISO 45001:2018	Y ISO 45001:2018	Y ISO 14001:2015	N	Y	N

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4.	Is it a board approved policy? If yes, has it been signed by MD / owner /CEO /appropriate Board Director?	Y, BOD	Y, CEO	Y, BOD	Y, BOD	N	Y, CEO	N	Y, BOD	N
5.	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	N	Y	N
6.	Indicate the link for the policy to be viewed online	Refer Below								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have an in-house structure to implement the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy to address stakeholders' grievances related to the policy?	Y	Y	Y	Y	Y	Y	N	Y	Y
10.	Has the company carried out independent audit /evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	N	Y	N

(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	NA								
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)									

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%20Textiles%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

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 Vardhman.

The composition of the Board of Directors of the Company is governed by the Companies Act 2013 and SEBI Regulations 2015. As on March 31, 2022, the Company has 10 directors on its board (including the Chairman), of which 6 are independent, 3 are non-independent and 1 is non-executive non-independent director.

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

Code of Conduct: Vardhman has its Code of Conduct which extends to all directors and senior employees of Vardhman 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 senior employees have to read and understand this code and agree to abide by it.

The Code of Conduct is available at the Company's website at the link https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Code_of_Conduct_for_Directors_&_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 at the ink https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Whistle_Blower_Policy.pdf

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

The Sustainable Business Model and the framework driving towards identification and implementation of strategies that add value to the lives of numerous people linked, directly or indirectly, with the organization is a core strength of Vardhman. The image of Vardhman Group and its position in society has been developed by proactively and effectively fulfilling our responsibility towards the world around us. The three facets of sustainability namely – social, environmental and economic play a pivotal role in formulating our plan of action. A blueprint developed in compliance with national and international standards for the industry, emphasizing initiatives towards sustainable growth and development maps our journey. This works with a long-term perspective, objectivity and apt understanding of the impact of choices made. Vardhman's Sustainability Drive, backed with innovation, is one of several initiatives to broaden the perspective toward Sustainable development.

Our detailed ESG profile/report can be accessed online at https://bit.ly/3JucgT2

Responsible Sourcing of Raw Material

Cotton is a natural fibre grown on farms. Cultivating cotton involves skill as well as preparation. Testing soil for fertility, climatic conditions, geographic factors etc. is crucial to the growth of this natural fibre. What is more challenging is to retain the fertility of the land where it is produced and ensure the quality of the yield with every produce.

To combat these challenges, initiatives like Better Cotton Initiative, Organic Cotton, Fair-trade Cotton, Cotton made in Africa (CMIA Cotton), Recycled Cotton, Artificial Fibres, etc. are ongoing aiming at improving the yield, introducing modified cultivating practices, reducing the production cost, minimizing the use of harmful pesticides and inorganic fertilizer, conserving natural resources like soil and water, providing decent working conditions and the right price to the farmers.

For encouraging and promoting the cultivation of Extra Long Staple (ELS) cotton in Madhya Pradesh (M.P.) which in turn would empower farmers, a financial contribution is made each year to the Cotton Collaborative Project of the Confederation of Indian Textile Industry - Cotton Development & Research Association (CITI-CDRA) to conduct research and identify better practices to increase the yield of ELS.

As a part of several sustainable cotton programs, run by global stakeholders, Vardhman Textiles consciously ensures that more than 30% of cotton sourcing is done from sustainable cotton programs.

Rural Development

India's villages are its soul, so unless its rural development is accounted for, growth will only be partial. Project Pragati is one way that we give back to our homeland. It is one of the primary rural development programs run under the Better Cotton

Initiative. Over the course of several years, we have supported several villages in their efforts to cultivate more crops while also providing thousands of farmers with training that has positively raised their yield capabilities. The project not only offers livelihood to people in these villages but also an opportunity to connect with the mainstream economy. Women empowerment and childcare are also important aspects of this project and every year we aim at bringing further improvements under this initiative. We're always striving to offer quality healthcare facilities, educational support, hygienic living conditions and skill development conditions to people living in villages.

Better Cotton Initiative

BCI is another aspect of growth strategy of Vardhman that aims to make cotton a sustainable crop. The initiative aims at ensuring optimum use of resources, profitability for the producers and maintaining the soil's fertility. The quality of cotton fibre relies highly on crop management practices as any contamination at the initial level can prove to be harmful. This initiative caters to the agricultural, social, environmental and economic aspects besides promising prosperity to the textile industry.

Global standards and practices adopted by BCI farmers help in:

- minimizing the harmful impact of crop protection practices
- promoting water stewardship
- caring for the health of soil
- enhancing biodiversity and using land responsibly
- caring for and preserving fibre quality
- promoting fair work practices
- operating an effective management system

Project Pragati

While BCI came into being in 2010, the adoption of villages by Vardhman started as early as 2003 under the village adoption scheme started in collaboration with Punjab Agricultural University (PAU), in Cotton growing villages in Punjab.

Researchers and experts from PAU and Krishi Vigyan Kendras were engaged to educate farmers about cultivating cotton crop long before BCI was formed. In 2015, the initiative was given a proper framework and project Pragati was launched. The implementation of BCI's crop management practices was first done in Gujarat. Starting with one Producer Unit (PU), 9 villages, 1,758 farmers and 3,787 hectares of land, this project witnessed growth in leaps and bounds with the support from Junagarh University.

Year	2017-18	2018-19	2019-20	2020-21*	2021-22
Producer Unit	3	3	5	5	3
Villages	48	51	80	60	70
Farmers	9456	10047	13949	9471	9292
Learning Groups	252	268	379	250	290
Land	15973 hectares	18254 hectares	24173 hectares	13703 hectares	13564 hectares
License	Undergoing	Undergoing	3 years for 3 PUs & 2 years for 2 PUs	2 PUs in 2nd year of license	2 PUs in 3rd year of license
Production of BCI Bales	75,548	88,427	1,01,000	42,900	50,100

*Because of COVID-19, BCI Project Pragati was scaled down.

The activities implemented under this project include:

1. Creating awareness among the farmers and training them on various subjects like sowing techniques and optimum use of water etc.
2. Testing soil to understand the actual requirement of fertilizers/pesticides for the land.
3. Field demonstrations to show the difference between the yield from conventional methods and BCI methods.
4. Training the farmers to use personal protective equipment (PPE) to prevent any hazardous effects of pesticides.
5. Involving women in the mainstream economy and spreading awareness about the importance of education, prevention of child labour etc.
6. Keeping the environment clean and green by planting trees and painting the walls with beautiful messages in villages.
7. Distributing cotton bags to farmers to reduce contamination while picking the crop in fields.

Organic Cotton

Other than BCI, we source organic cotton that is grown without using any chemical fertilizers or pesticides, on land where the use of chemicals is abandoned for at least three years and from plants which have not been genetically modified. We are certified in Organic Yarn for

- GOTS (Global Organic Textile Standard)
- OCS (Organic Content Standard)

- GRS (Global Recycle Standard)
- RCS (Recycled Content Standard)

Recycled and Manmade Fibres

Cotton, Polyesters and other Fibres are recycled to reduce waste. In addition to the fibres purchased from external sources, we have processed more than 1,500 tons of waste in FY 2021-22 to create recycled products.

Quality	In Metric Tons approx.	Basic Value (in lac) approx.
Organic	16,000	31,000
BCI	56,600	77,200
Recycled Cotton	520	495
Recycled Polyester	6,600	6,800

Artificial fibres like Tencil and Lenzing Modal are made from an innovative, efficient close-Loop Technology with no impact on the environment, as compared to their alternatives. Committed to sustainable forestry, these fibres are developed with eco-friendly technology and mark themselves as the future of textile industry. Major benefits of these man-made fibres are:

1. Made with wood pulp from sustainably harvested trees which have the potential to rejuvenate themselves.
2. No chemical fertilizers or artificial irrigation facility is required.
3. The raw material is sourced from sustainably managed semi-natural forests which become home to bio-diversity.
4. Low Chemical and Carbon footprint.
5. Fully biodegradable and compostable fibre.
6. Enhanced durability of the product.
7. Minimal Waste.

New Sustainable Specialty fibres added during the year 2021-22 are:

Quality	In Metric Tons approx.	Basic Value (in lac) approx.
Ecomade Coolmax & Thermolite	70	330
Recycled Cocona	30	110
Refibra	8.5	25
Eco Made Lycra	12.0	145

Vardhman ReNova – our fibre recycling plant is operational since December 2021. The plant is designed to recycle Yarn Hard Waste/Fabric Clippings into usable fibre. As of now, we have procured 122 MT of textile waste from outside and are using 146 MT of internal Yarn Hard Waste as raw material for this plant.

Next year the estimated production of ReNova Recycling plant is 2000 MT.

Besides, Vardhman Textiles is registered with Textile Genesis which is a BlockChain traceability program.

WATER

Water being a resource without which life cannot survive on Earth, remains our major priority in terms of sustainability measures undertaken by us. To ensure proper treatment of waste water and its safe discharge, we monitor the effluent quantities and treat to keep them well within the standards set by Central and State Pollution Control Boards.

Owing to our thrust on Sustainability, we have won two awards at Sustainability 4.0 organized by Frost and Sullivan & TERI. Vardhman Fabrics was awarded with the Challenger's Award for large business, process sector and Jury Special Mention Award for water-saving initiatives.

We also have collaborated with GAP and participated in one of their Globally acknowledged Projects, "Women + Water Initiative" for the upliftment of Rural Women and Safe and sustainable water access to rural communities. Additionally, we are registered for Clean By Design with GAP, PVH & Target to incorporate the world's best practices in our ETP Operations and Safe Chemical Management.

Water Treatment

We have installed 3 Effluent Treatment Plants (ETPs) and 9 Sewage Treatment Plants (STPs) which utilize advanced technology to annually treat about 5.47 million KL and 1.36 million KL of waste water respectively. At Baddi, about 3.54 million KL of effluent from units - Auro Textiles and Auro Dyeing is sent to Common Effluent Treatment Plant (CETP) for treatment.

Water Recycle and Reuse

99% Water Recovery and Zero Chemical Treatment: At Budhni (our largest integrated facility), we have a Zero Liquid Discharge (ZLD) System with an effluent treatment capacity of 11,000 KLD. This treatment plant at Vardhman Fabrics, Budhni works solely on the Bio-oxidation process. Although there is no chemical treatment performed, the COD and BOD removal efficiency of the plant is 90-92% & 96-98% respectively. 8,400 KLD of this biologically treated effluent is recycled through RO & MEE for reuse in the process. The rest of the ETP treated water is utilized for Green Belt Development. The recovery rate through RO & MEE is 99.0% and MEE recovered salt is disposed of at government-authorized TSDF.

We have revamped and re-commissioned our in-house ETP at Baddi to significantly reduce the organic and inorganic pollutant load to the CETP achieving 85-90% COD removal and 91- 95% BOD removal to treat 0.73 million KL of effluent annually. 2000 KLD treated water from ETP is then recycled through RO-MEE for process re-use. To reduce salt & chemical consumption for water softening, we have recently commissioned 3 brackish water RO systems at Baddi of capacities 10000 KLD, 3000 KLD and 1000 KLD respectively.

Adhering to the set standard of treated water in our Company; we use all of the STP treated water in our plant operations, irrigation and horticulture. Likewise, 25% of the processed water is reused in Fabric Processing and Acrylic Washing. We constantly strive to improve on this figure by researching the potential ways to save water in all areas of our operations.

Water Recharge

To contribute toward the replenishment of groundwater, we have been continuously investing in water conservation initiatives. Since 2005, we are working on groundwater recharge and have 52 Rain Water Harvesting Systems (RWH) installed within our premises. These rainwater harvesting systems have a capacity to recharge 1.75 million KL of water annually.

ENERGY CONSERVATION

We keep investing in energy-efficient technologies for energy savings & power quality improvement, besides implementing renewable energy resource projects as a part of sustainability intiatives. With an emphasis on green energy and alternative sources of energy, we have successfully achieved a downward trend in per unit cost of energy.

Electricity is a major requirement for the industry and therefore, it is crucial to look for measures to make optimum use of electric energy. Our approach is to reduce the power consumption of the equipment by adopting the latest technology or making improvements. We constantly strive to minimize the energy input while meeting the system requirement.

Goals for Global Climatic Change:

A Conference of the Parties (COP 21) was held in Paris under the UN Body, UNFCCC in 2015. The agreement reaffirms the goal of keeping average warming below 2 degrees Celsius. India has submitted its Intended Nationally Determined Contributions (INDC) with the plan, policies, measures, actions etc. to combat climatic change. Some of India's INDC commitments include the following:

- Reducing emission intensity of its GDP by 33 to 35 per cent by 2030 from the 2005 level.
- Generating 40 per cent cumulative electric power generation from non-fossil fuel-based resources by 2030.
- Supporting environmental initiatives
- Voluntary carbon disclosure programme for private sector handled by Carbon Disclosure Project, India.
- National Solar Mission- 20 GW to 100 GW by 2022.
- Nationwide Campaign for Energy Conservation targets to save 10 % of energy consumption by 2018-2019.
- Smart Cities Mission by building a clean and sustainable environment.
- Green Highways (Plantation & Maintenance) Policy- 140,000 km long "tree-line" along both sides of national highways.
- Faster Adoption and Manufacturing of Hybrid & Electric Vehicles.

Vardhman Group is taking initiatives by understanding its moral responsibility toward global interest - "keeping average warming below 2 degrees Celsius."

Renewable Energy

Green power is a subset of renewable energy and represents those renewable energy resources and technologies that provide the lowest environmental impact. Green power is defined as electricity produced from Solar, Wind, Geothermal, Biogas and low-impact small hydroelectric sources.

We have installed Solar Power Plants in our units Vardhman Fabrics & Vardhman Yarns under the Sustainability aspect – 'Avoidance of the depletion of natural resources to maintain an ecological balance.'

Further, we are planning to install more projects under renewable energy sources and will continue to contribute for achieving the global targets on climate change.

Solar Energy:

In Vardhman Fabrics (Budhni, MP), we have installed two separate captive solar plants with a capacity of 7.5 MW (Ground-mounted) and 1.6 MW (Rooftop-mounted). The plants have respectively generated 136.60 lac kWh and 23.75 lac kWh of power in FY 2021-22.

In Vardhman Yarns (Satlapur), we have 2.4 MW and 1.6 MW (both rooftop-mounted) solar power plants which have respectively generated 38.01 lac kWh and 24.35 lac kWh of power in FY 2021-22.

The Company generated 222.71 lac kWh units of electricity from the renewable source - (Solar) in FY 2021-22 leading to a reduction of 18485 units of CO2 emission in the atmosphere.

Due to our following endeavors for saving energy, we have saved 74.31 lac kWH of energy in FY 2021-22:

Energy Saving Measures implemented during FY 2021-22
Installation of variable frequency drives on suction fans, supply air fans, transfer pumps, and blowers.
Reducing the speed of fans in winter season through VFD.
Replacement of old conventional fluorescent tube lights and sodium vapour lamps with energy-efficient LED lights.
Using time-switch & motion sensors for switching lights on and off.
Replacement of old ceiling fans with new energy-efficient fans.
Reduction of voltage drop in cables by laying additional / higher sized cables / reducing the length of the cable by changing the source transformer.
Installation of HT & LT high-efficiency Compressors. Reduction in the Compressed Air consumption by replacing the Solenoid Valve and Valves Assembly in Linkconer.
Replacement of old Washer Pumps and motors of spinning section & H-Plant with new energy-efficient pumps.
Modification of circuit of anti-static power device and interlocking power ON with machine in running condition only.
Optimization of H-plant running of Blow Room and Preperatory section in Winter season (4 Months Saving) and by reduction in Frequency of fans.
Stoppage and removal of ventilator fan, supply fan and booster fan motors on different machines.
Installation of suction ecorized tubes system on ring frame machines.
STP collection tank sludge pump (submersible) replaced by cutter pump.
Cooling tower fans replaced from GRP to EPOXY coated FRP blades.

AIR

Climate change, the emission of greenhouse gases and the depletion of the ozone layer are symptoms of an alarmingly polluted air. We carry on our responsibility in helping to reduce pollution by refining our energy efficiency measures and investing in low-carbon technologies. Over the years, a focused drive for greater efficiency has resulted in managing our emissions to a good extent. Some major initiatives include:

- Reduction in GHGs: Practices are adopted to reduce the emission of greenhouse gases such as Carbon Dioxide, Methane, Nitrous oxide etc.
- Sequestration: Trees play a great role in reducing carbon dioxide levels. To effectively sequester Carbon dioxide, we promote the practice of afforestation and tree plantation as well as encouraging others to plant different kinds of vegetation.

Planting trees and developing green belts remain our focus every year. Not only do we maintain green areas within our premises, but also take the responsibility of generating awareness in the masses about the need for planting more and more trees. Our employees enthusiastically participate in this drive and to date, we have planted over 4.55 lac trees to combat air pollution.

Principle 3: Employee Well-being

In a world where everything else is equal, human effort makes all the difference. We place immense value on our workforce and consider it our biggest, most valuable asset. At Vardhman, we have a culture of empowerment that values and respects individual potential and helps each one achieve it to the fullest. Our people own their jobs and not just perform them. We continuously strive to improve quality of work-life for total job satisfaction and social harmony for the employees.

1. Total number of employees. – 31,315 (including contractual manpower)
2. Total number of employees hired on temporary/contractual/ casual basis. –3,716
3. Number of permanent women employees. – 8,886 (does not include contractor female employees)
4. Number of permanent employees with disabilities- 41
5. Do you have an employee association that is recognized by management. – No
6. What percentage of your permanent employees is members of this recognized employee association? – N.A.
7. 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.

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- 83%

(b) Permanent Women Employees- 85%

(c) Casual/Temporary/Contractual Employees- 79%

(d) Employees with Disabilities- 69%

The policies on the principle of Employee well-being are available on the company's website at the following link:-

Child Labour - https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Child_Labour_Prohibition_Policy.pdf

Anti-Sexual – https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Anti_Sexual_Harassment_Policy.pdf

Bonded Labour - https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Forced_Bonded_Labour_Prohibition_Policy.pdf

Principle 4: Stakeholder Engagement

Vardhman recognizes employees, local communities surrounding our operations, business associates (marginalized farmers, network of suppliers, agents and dealers), customers and shareholders/investors as our key stakeholders.

Vardhman identifies communities (with a focus on women and children from these communities) around our manufacturing facilities and small farmers in our inbound supply chain as disadvantaged, vulnerable & marginalized stakeholders.

Vardhman regularly undertakes initiatives to serve the interest of its disadvantaged, vulnerable and marginalized stakeholders. These are briefly described below:

Stakeholder group	Initiatives
Employees	Our Employee policies safeguard employees against any kind of discrimination based on caste, creed, religion, geography, educational or social background, gender, age, family status, citizenship, disability, etc. We believe in the continuous people development through investment in the training & development of our employees even in adverse business times. Women who form 32% of our workforce are given ample opportunities to accept greater roles at work and are treated with utmost respect. Ensuring the safety of women employees is a top priority for Vardhman.
Local Communities around our manufacturing Locations	Development and deployment of need-based community programs in the areas of health, education, skill development, sanitation, livelihood etc. as part of Corporate Social Responsibility (CSR) initiatives.
Business associates	Direct engagement with small and marginal farmers and providing free technical advice to them for improving yield of their cotton crop through deploying better farming methods. This provides an avenue for sustainable livelihood generation and capacity building for small farmers. We educate our agents about the new products and industry scenario and engage them in both formal and informal ways as they are the extended arms of Vardhman. Once in every two years we invite our dealers in customer meet and recognize their efforts in growing sales.
Customers	We provide a dedicated sales team to ensure pre to post sale services to our customer. Post sale service ensures smooth usage of our products and problem solving through a partnership approach has helped us forge long lasting relationships with our customers

Principle 5: Human Rights

We subscribe fully to the basic tenets of human rights as defined in our Constitution. We adhere to the human rights principle of dignity of workforce regardless of the nation, location, language, religion, ethnic origin or any other status of an individual.

We have placed grievance redressal mechanisms in every manufacturing unit and we try to ensure a harassment free work environment along with workplace health and safety. A Labour Welfare Officer is placed in every manufacturing unit who is available in the plant round the clock to take care of ensuring the basic amenities to workers. Communication meetings between workers and senior officials are regularly conducted to redress the grievance of workers and maintain harmonious relations between the management and workers.

Prime importance is given towards maintaining better working conditions in the plants to take care of the health & safety of employees. We are certified under OHSAS 18001 by NSAI.

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

Principle 6: Protection and Restoration of the Environment

1. Vardhman has implemented stringent standards and policies for Environment, Health and Safety in all its manufacturing units.

2. Changes in climatic conditions leading to global warming and degradation of the environment owing to overexploitation of resources are threats to the existence of life on the planet. These challenges are contemplated to create sustainable products and manufacturing mechanisms at Vardhman. We invest heavily in developing advanced technology and innovative solutions to minimize the strain the textile industry puts on the environment. Alternative energy, optimum consumption and replenishment of natural resources are some of the initiatives undertaken to brace our goal of sustainable development. Dedicated teams have been deployed to devise and implement strategies to manage environmental risks. In our endeavour to protect and restore the environment, following steps have been initiated:

    - Treatment of process effluent: We have established independent ETPs in wet processing units. At Baddi location the low TDS effluent is sent to CETP for treatment

    - Zero Liquid discharge (ETP, RO, MEE) systems are installed at two locations to recycle wastewater and make it fit for re-use in the process.

    - Sewage Treatment Plants are installed for the treatment of domestic sewage. The treated STP water is consumed in process, gardening and flushing.

    - Disposal of hazardous solid waste generated at the units is done only through CPCB/SPCB authorized disposal facilities.

    - Ground water recharge is done through Rainwater Harvesting Systems.

    - Boiler flue gases are passed through filter bags, ESP's or scrubber units.

    These steps help to reduce in raw water consumption, emission of greenhouse gases, generation of solid waste, effluent and other hazardous substances. Initiatives like these are effective in reducing the impact of industry on our natural resources and environment.

3. We accord the highest priority to the safety of human lives. All recruits have to go through the mandatory Safety Training Program before they are introduced to the shop floor. Regular refresher training is provided to employees at every level, and visitors are instructed on security measures to ensure workplace safety and reduce the probability of accidents.

    In the light of the coronavirus pandemic, the safety protocols have been revised as required. From thermal screening to quarantine and vaccination, we have taken every step essential for the safety of our employees.

4. All the hazardous waste generated is stored and disposed of as per the statutory norms. Each unit has requisite facilities for proper management of e-waste, spent oil and ETP sludge. The disposal of such waste is carried out through approved recyclers & TSDF.

5. Though we've not registered ourselves under any of the projects for Clean Development Mechanism, we've undertaken several initiatives for clean and sustainable growth, which is eco-friendly and promotes better management.

    Clean Technology: We use an organic composter called Aaga to manage food waste. By decomposing food waste, we have been able to meet our cooking gas needs through bio-gas plants. At two of our locations – Auro Textiles, Baddi and Vardhman Fabrics, Budhni – two plants, (having a total capacity of 7 MT/day) generate 120 kg/day of bio-gas. The remaining compost is used as manure in the green belt development inside the premises.

We have solar water heaters installed at our hostels and other residential campuses. The kitchens are equipped with solar energy-enabled equipment for cooking at four of our units.

Energy Conservation: Optimum utilization of resources as a principle is ingrained in all the processes at Vardhman. Energy conservation initiatives for reduction in power consumption and increasing efficiency are regular features.

Reduction in Water Usage: Treatment of wastewater and its utilization in gardening, process activities, flushing etc. results in a reduction in the amount of usage of fresh water. For a limited natural resource like fresh water, conservation is a primary responsibility of humankind. We make our contribution by regular metering, monitoring and controlling its consumption at all our sites.

Water Conservation: Our 52 Rainwater harvesting systems, ground water recharge initiatives and similar provisions allow us to conserve water. We have a capacity to recharge 1.75 million KL of water to the ground annually.

Reduction in Office Waste: Our initiative to reduce waste generation at our offices includes 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.

Awareness Programs: To spread awareness about environmental protection measures, every year, we celebrate Earth Day, Environment Day, Environment Week and Water Saving Week. The activities held during such programs include Tree Plantation, Drawing Competition, Slogan Competition, Social media campaign etc.

Plantations: Plantation drives are carried out every year by us. To increase the green area around our factories, we have till date planted over 4.55 lac saplings.

Environment and Safety Certifications: All units of the Company are ISO 14001:2015 and ISO 45001:2018 certified.

6. The emission levels of our units are within acceptable limits set by the State and Central Pollution Control Boards.

7. The EHS policy is available on the Company's website at the link https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/EHS_Policy.pdf

Principle 7: Responsible Advocacy

Vardhman is a member of several industrial and trade associations. These are listed as under:

a. Confederation of Indian Industries (CII);
b. Federation of Indian Chamber of Commerce and Industries (FICCI);
c. PHD Chamber of Commerce and Industries (PHDCCI);
d. Confederation of Indian Textile Industry (CITI);
e. Texprocil

Being an industrial house, our major areas of concern are those public policies which deal with industry/business. Therefore, most of the time, our submissions are related to economic policy changes and other issues, which affect the sustainability and competitiveness of the industry.

These platforms are utilized to update the industry concerns to the relevant government offices through seminars, delegations and memorandums. Through these forums, we also provide our inputs sought by the State & Central Governments related to the current problems faced by the industry, future prospects and policy imperatives required to overcome bottlenecks.

These forums are used to advance the cause of the industry and are not used to take up company specific issues.

Principle 8: Supporting Inclusive Growth and Equitable Development

Vardhman supports the principle of inclusive growth and equitable development through CSR (Corporate Social Responsibility) initiatives as well as an ingrained mechanism for sustainable development in core business activities. The Company has in effect, a detailed CSR policy monitored by a CSR Committee appointed by the Board of Directors.

CSR initiatives at Vardhman are developed with key emphasis on promoting education, offering advanced healthcare facilities, contributing to rural development, conserving the environment etc. The areas of emphasis are covered in Schedule VII of the Companies Act 2013.

A number of CSR programs are pursued mostly in close proximity to our units to enable effective supervision and maximize the impact of these developmental activities.

While we equally participate in offering services for national causes, an emphasis is laid on ensuring that the intended effect of the initiatives taken is delivered to the target communities.

Programs under the above-mentioned principle are developed and executed by:

a) In-house teams

Our in-house teams remain vigilant and actively engaged with the marginalized sections of society including farmers and local communities. These teams carry out need assessments and analyze the existing problems to formulate and implement suitable solutions benefitting the local population.

b) Trusts

Community development initiatives are performed by inducing trusts and organizations dedicated to the cause. Close monitoring for the optimum utilization of resources invested helps in ensuring a positive outcome from such drives. In the states of Punjab, Himachal Pradesh and Madhya Pradesh, we have trusted entities that carry out developmental activities as per the directions of the Board.

c) Other organizations

For healthcare, education and such benefits to reach the masses, we collaborate with public and private organizations like hospitals, schools etc. These initiatives aim at presenting underprivileged sections of society with the right to quality healthcare facilities and the opportunity to learn and grow.

Women's Empowerment and the Right to Equal Opportunity

Offering an equal opportunity to women employees; allowing them to share the responsibility for development of the nation is critical to the working culture at Vardhman. We see women as a human resource that if utilized to their optimum potential can contribute a great deal to the development of the nation and therefore, take initiatives to augment women's participation in our workforce.

However, bringing out women who never had a job before is not easy to come and requires tireless efforts. We reach out to them, counsel their families, and offer favourable working conditions and a healthy lifestyle in order to connect them to the mainstream.

Impact Assessment

Vardhman, 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 the desired benefits to the community and gaining insights for improving the design and impact of future initiatives.

Contribution towards Corporate Social Responsibility (FY 2021-22)

Promoting Education: Infrastructure, amenities and awareness

1. Construction of Mother Auditorium with a seating capacity of 885 persons at Sri Aurobindo College of Commerce & Management (SACCM), Ludhiana, Punjab. The estimated project cost is ₹14 crore.
2. Provided financial support of ₹3 crore to set-up Nanotechnology Research Laboratory at Shoolini University of Biotechnology & Management Science, Solan, HP.
3. Construction of toilet & science lab. and providing green boards, tables, UPS etc. to Govt. High School, Lehra Rahi, Zira, Firozpur. The estimated project cost is ₹30 lac.
4. Project Nandini – an initiative to promote awareness about menstrual hygiene management among adolescent girls & rural women – extended to Baddi region in Himachal Pradesh with the Himalayan Social Institute as the implementation Partner. Cost for project including sessions and installation of sanitary napkin vending machines & incinerators is estimated to be ₹20 lac.
5. Upgradation of existing infrastructure such as LAN Network, smart class equipment and admin. block renovation at Sri Aurobindo Public School, Baddi, HP. The estimated project cost is ₹80 lac.
6. Provided (textiles) lab. equipment to Govt. Polytechnic College Nasrullaganj, Sehore, MP. The estimated project cost is ₹20 lac.
7. Construction of well-equipped science lab. toilets, furniture, drinking water points etc. at Govt. Higher Secondary School, Bineka, Mandideep. The estimated project cost is ₹20 lac.
8. Upgradation of existing infrastructure such as LAN network, boundary wall with fencing, solar rooftop, smart classes and rubber floor mat of Indoor Badminton Hall at Sri Aurobindo College of Commerce & Management, Ludhiana. The estimated project cost is ₹215 lac.
9. Construction of toilet with basic amenities and pathway at Deaf & Dumb School, Malerkotla. The estimated project cost is ₹8.50 lac.
10. Financial support of ₹5 lac to District Administration for the Construction of child-friendly toilets in 37 Aganwadi centres of Ludhiana.
11. Providing cycle stand shed, furniture and drinking water facility at Govt. Higher. Secondary School Bayan, Budhni. The estimated project cost is ₹5 lac.

Promoting Healthcare: Strengthening Infrastructure, Providing Medical Equipment and Contribution to Treatment of poor patients

1. Construction of patient waiting shed & providing portable washrooms for patient's attendants at Govt. Multi-Specialty Hospital, Sector- 16 Chandigarh. The project cost is ₹37.50 lac.

2. ₹25 lac contributed to Poor Patients Fund of Dayanand Medical College & Hospital (DMCH), Ludhiana.

3. Provided digital X-Ray machine worth ₹22.51 lac to Primary Health Center, Kanwan, Dhar and Civil Hospital, Gaj Basoda, Vidisha, MP.

4. ₹18 lac contributed to Cancer Treatment Fund of Christian Medical College & Hospital (CMCH), Ludhiana for diagnosis and treatment of economically weaker cancer patients.

5. Provided Colour Doppler Ultrasound Machine worth ₹17 lac to Vijayanand Diagnostic Centre, Ludhiana.

6. Strengthening the infrastructure of Mother and Child Hospital (MCH, Vardhman), Ludhiana to serve patients better. The estimated project cost is ₹10.45 lac. Besides ECG Machine worth ₹1.10 lac has been provided to the hospital.

7. Provided artificial limbs to 5 specially-abled people of Ludhiana with Greentech Foundation as an Implementing partner. The project cost is ₹5.00 lac.

8. Organized 16 Health Check-Up camps in the rural areas of Punjab, Himachal Pradesh and Madhya Pradesh. The project cost is ₹9 lac.

9. Provided a 30 KVA DG set worth ₹7 lac to Civil Hospital Dadasiba in Paragpur Kangra, HP.

Rural Development: Rural Infrastructure Development; Water, Sanitation and Solar Electrification

1. Technical assistance to Cotton growing farmers for better farming practices and integrated pest management through Better Cotton Initiatives (BCI) Project Pragati in Rajkot- Gujarat covering 70 villages and 10700 farmers. The project cost is ₹76 lac.

2. Construction of a community hall in village Kalujanda, Baddi HP. The estimated project cost is ₹42 lac.

3. 100 Solar Street Lights installed in 15 villages near Vardhman Fabrics, Budhni. The project cost is ₹20 lac.

4. 90 Solar lights installed in 14 villages of block Pragpur and Mandi, HP. The estimated project cost is ₹15 lac.

5. Financial support of ₹10 lac to CITI CDRA for the Cotton Collaborative Project - research and development of long-staple cotton in Madhya Pradesh.

6. Installation of borewells and hand pumps in village Noorganj, Obedullaganj, Madhya Pradesh. The project costs ₹10 lac.

7. Provided 25 steel benches, tables and chairs each, as well as carried out the painting and renovation of Deen Dayal Rasoi and Bus Stand, Hoshangabad. The estimated project cost is ₹6 lac.

8. Installation of hand pumps in the neighbouring villages of Budhni to provide access to drinking water. The project cost is ₹6 lac.

Protecting Environment:

1. 6000 saplings, costing about ₹3 lac planted in the nearby areas of Budhni and Mandideep, Madhya Pradesh.

Promoting National Sports, Art & Culture:

1. Provided Gym equipment worth ₹25 lac to Police DAV Public School, Police Lines, Ludhiana.

2. Provided Akash Mehra, a sports person with financial assistance of ₹3 lac to upgrade his artificial legs and help him prepare for international/Paralympic long jump events.

3. Provided financial assistance of 10.00 lac to Guru Nanak Dev Bhavan, Ludhiana to complete the remaining construction work of the seminar hall.

4. Contribution of ₹7 lac to SAPTAK under project Sangeet Sankalp Saptah organized to scout talent, train, discover, and promote traditional arts and culture in the field of Indian Classical Music.

5. Contribution of ₹10 lac to Bhopal Literature and Art Festival, organized every year in Bhopal, MP.

6. Provided financial assistance of ₹5 lac to organize Budhni Khilona Utsav - Kiloniakari for the promotion and development of Rural Handicrafts in Budhni.

At all our units, we strive to continuously engage with surrounding communities and offer support by understanding the problems being faced by them. Regular meetings and surveys are carried out to assess the needs, priorities and expectations of the local community. Initiatives to be undertaken are designed and delivered in a transparent manner after evaluating the inputs from the residents of the locality.

The Company's CSR policy is available on the website at the following link: https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Corporate_Social_Responsibility_Policy.pdf

Principle 9: Providing Value to Customers and Consumers

Adding value is not always about money or discounts. Understanding our customer is the key to add value. We try to understand what drives value for our customers and offer best quality products with a prime focus on developing memorable customer experience.

We take care of the expectations of our customers as well as other stakeholders. We implement practices to safeguard our environment and society. We consistently work to improve customer satisfaction and deliver value proactively by anticipating changes in customer's needs.

1. Pending customer complaints at the end of the financial year were of a routine nature and constituted about 10%.

2. We disclose all the information on our labels in compliance with the legal requirements so as to enable customers to make an informed decision.

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

4. As part of our stakeholder engagement strategy, Vardhman engages with its customers and carries consumer surveys for different products every year to know the customer satisfaction level so that necessary steps may be taken to enhance the same. There is a designated market research department which carries out these surveys and gives inputs to respective business teams for undertaking new developments besides remedial action, as may be required.

Directors' Report

Dear Members,

The Directors of your Company have pleasure in presenting their 49th Annual Report of the business and operations of the Company along with the Audited Financial Statements for the year ended 31st March, 2022.

1. FINANCIAL RESULTS:

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

(₹ in crore)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2021-22	2020-21	2021-22	2020-21
Revenue from Operations (Net)	9,386.10	5,926.23	9,622.34	6,139.87
Other Income	385.26	188.16	224.51	201.56
Profit before Depreciation, Interest & Tax (PBDIT)	2,647.38	955.23	2,538.11	1,036.03
Interest and Financial expenses	99.53	112.78	99.72	113.32
Profit before Depreciation and Tax (PBDT)	2,547.85	842.45	2,438.39	922.71
Depreciation	362.10	358.39	367.51	363.81
Profit before Tax (PBT)	2,185.75	484.06	2,070.88	558.90
Provision for Tax - Current	521.03	103.49	527.96	118.75
- Deferred Tax	(12.72)	13.83	(8.31)	13.24
Profit after tax (PAT)	1,677.44	366.74	1,551.23	426.91
Other Comprehensive Income/ (Expense)	6.52	4.72	6.80	4.75
Total Comprehensive Income for the period	1,683.96	371.46	1,558.03	431.66
Earnings per share (₹)				
- Basic	58.16	12.75	54.58	14.67
- Diluted	58.00	12.67	54.42	14.56

2. FINANCIAL ANALYSIS AND REVIEW OF OPERATIONS:

PRODUCTION & SALES REVIEW:

During the year under review, your Company has registered Revenue from Operations of ₹9,386.10 crore as compared to ₹5,926.23 crore in the previous year. The export of the Company (FOB value) increased from ₹2,784.86 crore to ₹4,523.80 crore showing an increase of 62.44% over the previous year. The business wise performance is as under:-

a) Yarn:

The production of Yarn increased from 2,11,343 MT to 2,38,638 MT during the year 2021-22.

b) Fabric:

During the year, the production of grey fabric increased from 155 million meter to 193 million meter. The production of processed fabric increased from 100 million meter to 152 million meter.

STANDALONE:

Profitability:

The Company earned profit before depreciation, interest and tax of ₹2,647.38 crore as against ₹955.23 crore in the previous year. After providing for depreciation of ₹362.10 crore (Previous Year ₹358.39 crore), interest of ₹99.53 crore (Previous Year ₹112.78 crore), provision for current tax of

₹521.03 crore (Previous Year ₹103.49 crore), deferred tax of ₹(12.72) crore (Previous Year ₹13.83 crore), the net profit from operations after comprehensive income worked out to ₹1,683.96 crore as compared to ₹371.46 crore in the previous year.

The balance available for appropriation after adding balance in surplus account is ₹5,955.44 crore.

Resources Utilisation:

a) **Fixed Assets:**

The Net Block as at 31st March, 2022 was ₹3,435.69 crore as compared to ₹3,467.95 crore in the previous year.

b) **Current Assets:**

The current assets as on 31st March, 2022 were ₹5,617.42 crore as against ₹4,783.41 crore in the previous year. Inventory level was at ₹2,806.67 crore as compared to the previous year level of ₹2,735.59 crore.

CONSOLIDATED:

Profitability:

The Company earned profit before depreciation, interest and tax of ₹2,538.11 crore as against ₹1,036.03 crore in the previous year. After providing for depreciation of ₹367.51 crore (Previous Year ₹363.81 crore), interest of ₹99.72 crore (Previous Year ₹113.32 crore), provision for current tax of ₹527.96 crore (Previous Year ₹118.75 crore), deferred tax of ₹(8.31) crore (Previous Year ₹13.24 crore), the net profit from operations after comprehensive income worked out to ₹1,558.03 crore as compared to ₹431.66 crore in the previous year.

The balance available for appropriation after adding balance in surplus account is ₹6,028.39 crore. Out of this, a sum of ₹3.99 crore has been transferred to Statutory Reserve, a balance of ₹6,024.40 crore is proposed to be carried as surplus to the Balance sheet.

Resources Utilisation:

a) **Fixed Assets:**

The Net Block as at 31st March, 2022 was ₹3,491.56 crore as compared to ₹3,526.57 crore in the previous year.

b) **Current Assets:**

The current assets as on 31st March, 2022 were ₹5,855.26 crore as against ₹5,202.21 crore in the previous year. Inventory level was at ₹2,882.29 crore as compared to the previous year level of ₹2,796.05 crore.

FINANCIAL CONDITIONS & LIQUIDITY:

The Company enjoys a rating of "AA+/Stable" from Credit Rating Information Services of India (CRISIL) for long term borrowings and "A1+" for short term borrowings. Management believes that the Company's liquidity and capital resources should be sufficient to meet its expected working capital needs and other anticipated cash requirements. The position of liquidity and capital resources of the Company is given below:-

(₹ in crore)

PARTICULARS	2021-22	2020-21
Cash and Cash equivalents:		
Beginning of the year	36.05	150.53
End of the year	62.06	36.05
Net cash provided (used) by:		
Operating Activities	1,429.90	115.40
Investing Activities	(882.66)	(31.09)
Financing Activities	(521.23)	(198.79)

3. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34(2)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of this Annual Report.

4. DIVIDEND:

During the year under review, the Board of Directors in its meeting held on 27th October, 2021 declared an interim dividend of ₹34/- per share on the fully paid equity shares of the Company.

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 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 www.vardhman.com.

6. CONSOLIDATED FINANCIAL STATEMENT:

In accordance with Companies Act, 2013 & Indian Accounting Standards (Ind AS) 110 on 'Consolidated Financial Statements' read with Ind AS 111 on 'Joint Arrangements' and Ind AS 112 on 'Disclosure of Interest in other entities', the Audited Consolidated Financial Statements are provided in the Annual Report.

7. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company does not have any material subsidiary. subsidiary. During the year, Vardhman Nisshinbo Garments Company Limited and VMT Spinning Company Limited, wholly owned subsidiaries of the Company, got merged with the Company and as such ceased to be subsidiaries of the Company. The details of the financials of the subsidiary and associate companies for the year 2021-22 are as follows:-

VTL Investments Limited (VTL)

This 100% subsidiary of your Company is engaged in the business of investment. The earnings of the Company mainly comes from the dividend/interest earned on its investments and profits made on sale of investments. During the financial year 2021-22, VTL recorded Revenue from operations of ₹25.52 crore against ₹4.07 crore in the previous year. The net profit of the Company worked out to ₹19.93 crore as compared to ₹3.31 crore during the previous year.

Vardhman Acrylics Limited (VAL)

This subsidiary of the Company is engaged in the business of manufacturing of Acrylic Fibre. Presently, the Company holds 70.74% shares in this subsidiary. During the financial year 2021-22, VAL recorded Revenue from operations of ₹303.33 crore against ₹280.19 crore in the previous year. The net profit of the Company after comprehensive income worked out to ₹14.85 crore as compared to ₹42.94 crore in the previous year.

Vardhman Yarns and Threads Limited (VYTL)

Vardhman Yarns and Threads Limited, Joint Venture with American & Efird Global, LLC (A&E), is an Associate of the Company. It is engaged in the business of threads manufacturing and distribution. Presently, the Company holds 11% stake in VYTL. A&E is the second largest player in threads manufacturing and distribution across the world. During the year under review, the Revenue from operations was ₹1,010.63 crore as against ₹703.77 crore in the previous year showing an increase of 43.60%. The net profit for the year after comprehensive income worked out to ₹ 132.62 crore as compared to ₹ 86.06 crore during last year.

Vardhman Special Steels Limited (VSSL)

Vardhman Special Steels Limited is an Associate of the Company. The Company holds 23.94% shares of VSSL. The Revenue from operations of the Company was ₹1,368.46 crore as compared to ₹937.08 crore in the previous year. The net profit for the year after comprehensive income worked out to ₹100.94 crore as compared to ₹44.82 crore in the previous year.

Vardhman Spinning & General Mills Limited (VSGM)

Vardhman Spinning & General Mills Limited is an Associate of the Company. The Company holds 50% shares of VSGM. It is a trading company. However, during the year, the Company has not traded any goods. The Revenue from operations of the Company was ₹0.42 lac as against ₹0.99 lac in the previous year.

8. DIRECTORS:

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

Independent Director: The Board of Director in its meeting held on 22nd January, 2022 had appointed Mr. Udeypaul Singh Gill as an Additional Director (Independent) on the Board of the Company for a term of three (3) consecutive years w.e.f. 22nd January, 2022. His appointment as an Independent Director was further approved by the Members of the Company vide their resolution passed by Postal Ballot dated 11th March, 2022.

Declaration by Independent Directors:

The Independent Directors have submitted their disclosures to the Board that they fulfil 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, if applicable, shall undergo online proficiency self-assessment test 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 programmes 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%20Textiles%20Ltd/Familarisation_Programme_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 29th 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, Chairperson 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.	S.P. Oswal	Chairman & Managing Director
2.	Rajeev Thapar	Chief Financial Officer
3.	Sanjay Gupta	Company Secretary

10. NUMBER OF BOARD MEETINGS:

During the year under review, the Board met Seven (7) times and the intervening gap between any two meetings was within the period prescribed under Companies Act, 2013. The details of Board Meeting are set out in Corporate Governance Report which forms part of this Annual Report.

11. AUDITORS AND AUDITORS' REPORT:

Statutory Auditors:

M/s Deloitte Haskins & Sells, LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) ('Deloitte') were appointed as Statutory Auditors of the Company for a term of 5 years at the 44th Annual General Meeting of the Company held on 22nd September, 2017. Since, their term is expiring at the ensuing Annual General Meeting, the

Board of Directors in its meeting held on 21st May, 2022, has approved and recommended to the Shareholders the re-appointment of M/s Deloitte Haskins & Sells, LLP as the Statutory Auditors of the Company for a second consecutive term of 5 years starting from the conclusion of 49th Annual General Meeting till the conclusion of 54th Annual General Meeting. The said re-appointment is subject to approval by the Members 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 31st March, 2022.

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

Secretarial Auditor:

M/s. Ashok K Singla & Associates, Company Secretary in Practice, were appointed as Secretarial Auditors of the Company by the Board of Directors of the Company in its meeting held on 25th 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 31st March, 2022. This Report is self-explanatory and requires no comments. The Report forms part of this report as **Annexure II.**

Cost Auditor:

The Company is maintaining the Cost Records, as specified by the Central Government under section 148(1) of Companies Act, 2013.

The Board of Directors has appointed M/s. Ramanath Iyer & Company, Cost Accountants, New Delhi, as the Cost Auditors of the Company to conduct Cost Audit of the Accounts for the financial year ended 2022-23. However, as per the provisions of Section 148 of the Companies Act, 2013, read with Companies (Cost Records and Audit) Rules, 2014, the remuneration to be paid to the Cost Auditors is subject to ratification by Members at the Annual General Meeting. Accordingly, the remuneration to be paid to M/s. Ramanath Iyer & Company, Cost Accountants, New Delhi, for financial year 2022-23 is placed for ratification by the Members.

12. AUDIT COMMITTEE & VIGIL MECHANISM:

Composition of Audit Committee:

The Audit Committee consists of Mr. Prafull Anubhai, Dr. S.K. Bijlani and Mr. A.K. Kundra, Independent Directors. Mr. Prafull Anubhai is the Chairman 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.

Vigil Mechanism:

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 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%20Textiles%20Ltd/Whistle_Blower_Policy.pdf

13. 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 of the Company 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.

14. CORPORATE SOCIAL RESPONSIBILITY (CSR):

Vision & Core areas of CSR: Your Company is committed to and fully aware of its 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 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%20Textiles%20Ltd/Corporate_Social_Responsibility_Policy.pdf

During the year, the Company has spent ₹20.09 crore on CSR activities. Out of this, an amount of ₹3.06 crore pertains to FY 2021-22.

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 form part of this report as **Annexure III.**

15. 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 in our Annual Report.

16. DIVIDEND DISTRIBUTION POLICY (DDP):

As per Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the top 1,000 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%20Textiles%20Ltd/Dividend_Distribution_Policy.pdf

17. 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%20Textiles%20Ltd/Risk_Management_Policy.pdf

18. 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 and Consolidated Financial Statements as **Annexure A.**

19. 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 Party 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%20Textiles%20Ltd/Related_Party_Transaction_Policy.pdf

Your Directors draw attention of the Members to Note 46 to the standalone financial statement which sets out related party disclosures.

20. 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 4, 5, 9 and 12 to the standalone financial statement).

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

Energy conservation continues to be an area of major emphasis in our Company. Efforts are made to optimize the energy cost while carrying out the manufacturing operations. Particulars with respect to conservation of energy and other areas as per Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, are annexed hereto and form part of this report as **Annexure IV.**

22. 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

23. HUMAN RESOURCES /INDUSTRIAL RELATIONS:

Human resource is considered as the most valuable of all resources available to the Company. The Company continues to lay emphasis on building and sustaining an excellent organization climate based on human performance. The Management has been continuously endeavoring to build high performance culture on one hand and amiable work environment on the other hand. As on 31st March, 2022, the Company employed around 27,599 employees on permanent rolls.

Pursuit of proactive policies for industrial relations has resulted in a peaceful and harmonious situation on the shop floors of the various plants.

24. 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 annexed hereto and form part of this report.

A statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in Rule 5(2) and 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is annexed hereto and forms part of this report.

In terms of section 197(14) of the Companies Act, 2013, the Company does not have any Holding Company. Further, none of the Director of the Company has received any remuneration or commission from any subsidiary company.

All the above details are provided in **Annexure V.**

25. MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE 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 this financial statements relate and the date of this report.

26. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to provisions of Section 134 (5) of the Companies Act, 2013 the Board hereby submit 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 31st March, 2022 and of the profit of the Company for the year ended on 31st March, 2022;

c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for 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. a proper system has been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

27. 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. Details relating to deposits covered under Chapter V of the Act.

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. Change in nature of Business of Company.
5. No fraud has been reported by the Auditors to the Audit Committee or the Board.
6. There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.
7. There was no instance of one time settlement with any Bank or Financial Institution.

Further, your Directors state that the Company has complied with the provisions relating to constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and there was no case filed under the said Act.

28. VARDHMAN TEXTILES LIMITED EMPLOYEE STOCK OPTION PLAN, 2016:

The Company has granted options to its employees under Vardhman Textiles Limited Employee Stock Options Plan, 2016 (hereinafter referred as ESOP Plan). As per the terms of the ESOP Plan, the Company can grant a maximum of 6,36,518 options of face value of ₹10/- each to eligible employees from time to time. One option entitles the holder to apply for one equity share of ₹10/- each of the Company in terms of the Plan. During, the financial year 2021-22, 2,10,250 equity shares of face value of ₹10/- each were allotted to the eligible employees. So, the paid up equity share capital of the Company stood increased to ₹57,77,28,100 as on 31st March, 2022.

The ESOP Plan of the Company is being implemented in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014 and the resolution passed by the shareholders approving the said plan. A certificate from the Secretarial Auditor of the Company in this regard would be available at the Annual General Meeting for the inspection by the Members.

The details as required to be disclosed are put on the Company's website and may be accessed at https://www.vardhman.com/Document/Report/Compliances/Miscellaneous/Vardhman%20Textiles%20Ltd/ESOP_Disclosure__2021-22.pdf

29. SPLIT/ SUB-DIVISION:

During the year, pursuant to the approval of the shareholders through their Postal Ballot dated 11th March, 2022, the equity shares of the Company were sub-divided from existing face value of ₹10/- per equity shares into 5 equity shares having face value of ₹2 per equity share. The Record Date for effecting this sub-division of equity share was 26th March, 2022.

30. MERGER OF VMT SPINNING COMPANY LIMITED AND VARDHMAN NISSHINBO GARMENTS COMPANY LIMITED WITH THE COMPANY:

During the year, the National Company Law Tribunal (NCLT), Chandigarh vide its Orders dated 30th March, 2022 has sanctioned the Scheme of Amalgamation of VMT Spinning Company Limited (VMT) and Vardhman Nisshinbo Garments Company Limited (VNGL) with the Company. Both VMT and VNGL were wholly owned subsidiaries of the Company and their merger has become effective from the Appointed Date as mentioned in the Scheme of Amalgamation i.e. 1st April, 2020.

31. 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 at all levels of the operations of the Company during the year.

FOR AND ON BEHALF OF THE BOARD

Place : Ludhiana
Dated : 21st May, 2022

(S.P. Oswal)
Chairman & Managing Director

Index of Annexures

(FORMING PART OF BOARD REPORT)

Annexure No.	Particulars
I	Nomination & Remuneration Policy approved by the Board.
II	Secretarial Audit Report in Form no. MR-3 for FY 2021-22.
III	CSR Activities – Annual Report FY 2021-22.
IV	Conservation of energy, technology absorption, foreign exchange earnings and outgo.
V	Particulars of employees and related disclosures.

Annexure of the Directors' Report

ANNEXURE- I

NOMINATION & REMUNERATION POLICY OF THE COMPANY

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 7th August, 2014.

Upon the recommendations of Nomination and Remuneration Committee, the Board of Directors of VTXL in their meeting held on 8th May, 2015 made certain amendments in the existing policy and thereafter replaced the existing policy with the amended policy.

The amended policy is as under:-

2. ROLE OF THE COMMITTEE:

a) To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to Board their appointment and removal.

b) To formulate criteria for determining qualifications, positive attributes and independence of a Director.

c) To recommend to the Board remuneration policy related to remuneration of Directors (Whole time Directors, Executive Directors etc), Key Managerial Personnel and other employees while ensuring the following:-

i. That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.

ii. That relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

iii. That remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate of the working of the company and its goals.

d) To formulate criteria for evaluation of Directors and the Board.

e) To devise a policy on Board diversity.

3. MEMBERSHIP:

a) The Committee shall consist of a minimum three (3) non-executive directors, majority of them being independent.

b) Minimum two (2) members shall constitute a quorum for the Committee meeting.

c) Membership of the Committee shall be disclosed in the Annual Report.

d) Term of the Committee shall be continued unless terminated by the Board of Directors.

4. CHAIRMAN:

a) Chairman of the Committee shall be an Independent Director.

b) Chairman of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.

c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

d) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

5. FREQUENCY OF MEETINGS:

The 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 8th 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 ON 31ST MARCH, 2022

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

To,
The Members,
Vardhman Textiles Limited,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Vardhman Textiles 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 my opinion thereon.

Based on our verification of the Company's books, papers, minute 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 31st March, 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 books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - Not applicable to the Company during the Audit period

(e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 -Not applicable to the Company during the Audit period; and

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. -Not 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.

(ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited;

During the period under review, the Company has complied with the provisions of the abovementioned Acts, Rules, Regulations, Guidelines, Standards etc.

We further report that

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

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

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

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.

We further report that during the audit period the company has not any specific events / actions which have a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For Ashok K Singla & Associates,
Company Secretaries,

Sd/-
Ashok Singla
Proprietor
Membership No. 2004
Certificate of Practice No. 1942
UDIN: F002004D000358690

Date: 21st May, 2022
Place: Ludhiana

List of Labour Laws and Environmental Laws which have been verified during Audit Period

List of Labour Laws

The Factories Act, 1948
The Industrial Disputes Act, 1947
The Payment of Wages Act, 1936
The Minimum Wages Act, 1948
The Employee's State Insurance Act, 1948
The Payment of Bonus Act, 1972
The Contract Labour (Regulation and Abolition) Act, 1970
The Apprentices Act, 1961

List of Environmental Laws

The Environmental (Protection) Act, 1986
The Public Liability Insurance Act, 1991
The Water (Prevention and Control of Pollution) Act, 1974
The Air (Prevention and Control of Pollution) Act, 1981
The Hazardous Waste (Management, Handling and Trans boundary Movements) Rules, 2008

Annexure A

To
The Members
Vardhman Textiles Limited,

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records 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 test basis to ensure the 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. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of the events etc.
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 test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Ashok K Singla & Associates,
Company Secretaries,

Sd/-
Ashok Singla
Proprietor
Membership No. 2004
Certificate of Practice No. 1942
UDIN: F002004D000358690

Date: 21st May, 2022
Place: Ludhiana

ANNEXURE- III

The Annual Report on CSR Activities to be Included in the Board's Report for Financial Year 2021-22

1. Brief outline on CSR Policy of the Company:

The focus areas of the Company under its CSR programme are promotion of education, preventive health care, rural development, skill enhancement, environment protection and any other project as defined in Schedule VII of the Companies Act, 2013.

2. Composition of CSR Committee:

Sr. 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	Mr. Prafull Anubhai	Chairman, Independent, Non-Executive Director	3	3
2	Mr. Sachit Jain	Member, Non-Independent, Non-Executive Director	3	0
3	Mr. Neeraj Jain	Member, Non-Independent, Executive Director	3	3

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%20Textiles%20Ltd/List_of_Committees_of_Directors.pdf

Link of Policy – https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Corporate_Social_Responsibility_Policy.pdf

Link of CSR Projects - https://www.vardhman.com/Document/Report/Compliances/Miscellaneous/Vardhman%20Textiles%20Ltd/CSR_Projects_2022-23.pdf

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).

Not Applicable for the financial year.

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:

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

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

₹ 63,566.65 lac

7.

7 (a)	7 (b)	7 (c)	7 (d)
Two percent of average net profit of the company as per section 135(5) (₹ in lac)	**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) (₹ in lac)**
1,271.33	NIL	NIL	1,271.33

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

Total Amount Spent for the Financial Year (₹ in lac)	Amount Unspent (₹ in lac)				
	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
306.09*	965.24	29th April 2022	-	-	-

* In addition to ₹306.09 lac, the Company also spent ₹446.25 lac against CSR Projects for FY 2020-21 and ₹1,258.90 lac against CSR Projects pertaining to FY 2014-15 to FY 2018-19

(b) Details of CSR amount spent against ongoing projects for the financial year: 2021-22

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. 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	Amount allocated for the project (₹ in lac)	Amount spent in the current Financial Year (₹ in lac)	Amount transferred to unspent CSR Account for the project as per Section 135(6) (₹ in lac)	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency.	
				State	District						Name	CSR registration number
A	**Education**											
1	Upgradation of existing infrastructure such as LAN Network, boundary wall with fencing, solar rooftop, smart classes and rubber floor mat of Indoor Badminton Hall at Sri Aurobindo College of Commerce & Management, Ludhiana.	Clause (ii) Promoting Education	Yes	Punjab	Ludhiana	24 Months	215.00	0.00	138.07	Yes	NA	NA
2	Construction of Science Lab, toilets for girl and boys, providing Teachers' table & Green Board, UPS for Computer Lab, to Govt. High School Lehra Rahi, Block Zira, Dist. Ferozepur.	Clause (ii) Promoting Education	Yes	Punjab	Ferozepur	18 Months	30.00	0.00	30.00	Yes	NA	NA
3	Painting of College Building at Sri Aurobindo College of Commerce & Management, Ludhiana.	Clause (ii) Promoting Education	Yes	Punjab	Ludhiana	18 Months	25.00	0.00	25.00	Yes	NA	NA
4	Construction of toilets and pathway at School for Deaf & Dumb, Malerkotla.	Clause (ii) Promoting Education	Yes	Punjab	Malerkotla	18 Months	8.50	0.00	8.50	Yes	NA	NA
5	Upgradation of existing infrastructure such as LAN Network, smart class equipment and admin block renovation at Sri Aurobindo Public School, Baddi.	Clause (ii) Promoting Education	Yes	Himachal Pradesh	Solan	18 Months	80.00	0.00	80.00	Yes	NA	NA
6	Providing financial support to set-up Nanotechnology Laboratory at Shoolini University of Biotechnology & Management Science, Solan.	Clause (ii) Promoting Education	Yes	Himachal Pradesh	Solan	18 Months	300.00	0.00	300.00	No	Foundation For Life Science & Business Management	CSR00016844
7	Construction of Science Block at Govt. Sr. Sec. School Karoa, Pragarpur, Dist Kangra.	Clause (ii) Promoting Education	Yes	Himachal Pradesh	Kangra	18 Months	50.00	0.00	50.00	Yes	NA	NA
8	Providing cycle stand shed, furniture and drinking water facility at Govt. High School Bayan, Budhni.	Clause (ii) Promoting Education	Yes	Madhya Pradesh	Sehore	15 Months	5.00	0.00	5.00	Yes	NA	NA
9	Providing Textiles Lab equipment to Govt. Polytechnic College Nasrullaganj, Sehore.	Clause (ii) Promoting Education	Yes	Madhya Pradesh	Sehore	18 Months	20.00	0.72	19.28	Yes	NA	NA

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. 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	Amount allocated for the project (₹ in lac)	Amount spent in the current Financial Year (₹ in lac)	Amount transferred to unspent CSR Account for the project as per Section 135(6) (₹ in lac)	Mode of implementation - Direct (Yes/ No)	Mode of implementation -Through implementing agency.	
				State	District						Name	CSR registration number
10	Construction of well-equipped Science lab, toilet, providing furniture, drinking water arrangement to Govt. Higher Secondary School, Bineka, Mandideep.	Clause (ii) Promoting Education	Yes	Madhya Pradesh	Raisen	18 Months	25.00	0.00	25.00	Yes	NA	NA
B	**Health Care**											
1	Strengthening Mother and Child Hospital, Ludhiana by providing essential equipment and infrastructure to improve healthcare facilities for patients.	Clause (i) Promoting Healthcare including Preventive Healthcare	Yes	Punjab	Ludhiana	18 Months	10.50	4.25	6.25	Yes	NA	NA
2	Providing financial contribution to Cancer Treatment Fund at Oncology Department of Christian Medical College & Hospital (CMC), Ludhiana.	Clause (i) Promoting Healthcare including Preventive Healthcare	Yes	Punjab	Ludhiana	13 Months	18.00	17.50	0.50	Yes	NA	NA
3	Providing artificial limbs and polio callipers to physically disabled people of Ludhiana through a NGO, Greentech Foundation Charitable Trust.	Clause (i) Promoting Healthcare including Preventive Healthcare	Yes	Punjab	Ludhiana	18 Months	5.00	2.76	2.24	No	Greentech Foundation Charitable Trust	CSR00016585
4	Providing Colour Doppler Ultrasound Machine to Vijayanand Diagnostic Centre, Ludhiana.	Clause (i) Promoting Healthcare including Preventive Healthcare	Yes	Punjab	Ludhiana	18 Months	17.00	3.08	13.92	Yes	NA	NA
5	Providing financial contribution to Advance Eye Research Centre, PGI, Chandigarh for Corneal transplantation of poor, needy and marginalized families.	Clause (i) Promoting Healthcare including Preventive Healthcare	No	Chandigarh (UT)	N.A.	18 Months	30.00	0.00	30.00	Yes	NA	NA
6	Construction of patient waiting shed & providing portable washroom for patients' attendant near emergency area at Govt. Multi-Speciality Hospital, Sector-16 Chandigarh.	Clause (i) Promoting Healthcare including Preventive Healthcare	No	Chandigarh (UT)	N.A.	18 Months	37.50	0.00	37.50	Yes	NA	NA

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. 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	Amount allocated for the project (₹ in lac)	Amount spent in the current Financial Year (₹ in lac)	Amount transferred to unspent CSR Account for the project as per Section 135(6) (₹ in lac)	Mode of implementation - Direct (Yes/No)	Mode of implementation -Through implementing agency.	
				State	District						Name	CSR registration number
7	Organising four Community Health Check-up camps in surrounding villages of Malerkotla.	Clause (i) Promoting Healthcare including Preventive Healthcare	Yes	Punjab	Malerkotla	18 Months	2.00	0.00	2.00	Yes	NA	NA
8	Providing 30 KVA DG set to Civil Hospital Dadasiba, Paragpur Kangra.	Clause (i) Promoting Healthcare including Preventive Healthcare	Yes	Himachal Pradesh	Kangra	15 Months	7.00	0.00	7.00	Yes	NA	NA
9	Providing Digital X-Ray Machine to Civil Hospital, Gaj Basoda, Vidisha.	Clause (i) Promoting Healthcare including Preventive Healthcare	Yes	Madhya Pradesh	Vidisha	15 Months	12.00	1.90	10.10	Yes	NA	NA
10	Providing Medical equipment for setting up muscle lab & fund for chemical purchase & reagent at CMC, Ludhiana.	Clause (i) Promoting Healthcare including Preventive Healthcare	Yes	Punjab	Ludhiana	14 Months	29.10	17.61	11.49	Yes	NA	NA
11	Implementation of project NANDINI at Baddi, through a NGO, Himalyan Social Institute (HIS).	Clause (i) Promoting Healthcare including Preventive Healthcare	Yes	Himachal Pradesh	Solan	16 Months	10.05	0.00	10.05	No	Himalaya Social Institute	CSR00002466
C	**Rural Development**											
1	Implementation of Project Pragati in 70 Villages covering 15,600 hectare lands and providing training to cotton growing farmers at Rajkot Region.	Clause (x) Rural Development Projects	No	Gujarat	Rajkot	24 Months	76.00	26.76	49.24	No	Shri Aurobindo Socio Economic & Management Research Institute	CSR00000873
2	Construction of Community Hall at village Kalujanda, Baddi.	Clause (x) Rural Development Projects	Yes	Himachal Pradesh	Solan	18 Months	42.00	12.90	29.10	Yes	NA	NA

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. 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	Amount allocated for the project (₹ in lac)	Amount spent in the current Financial Year (₹ in lac)	Amount transferred to unspent CSR Account for the project as per Section 135(6) (₹ in lac)	Mode of implementation - Direct (Yes/ No)	Mode of implementation -Through implementing agency.	
				State	District						Name	CSR registration number
3	Installation of 87 Solar lights in villages of Kangra and Mandi.	Clause (x) Rural Development Projects	Yes	Himachal Pradesh	Kangra & Mandi	15 Months	15.00	0.00	15.00	Yes	NA	NA
4	Installation of 100 solar street lights in different villages near Budhni.	Clause (x) Rural Development Projects	Yes	Madhya Pradesh	Sehore	15 Months	20.00	0.00	20.00	Yes	NA	NA
5	Providing 25 Steel Benches, table, chairs, water cooler and painting and renovation of Deen Dayal Rasoi at Bus stand, Hoshangabad.	Clause (x) Rural Development Projects	Yes	Madhya Pradesh	Hoshangabad	15 Months	6.00	0.00	6.00	Yes	NA	NA
6	Providing drinking water facility in neighbouring villages of Budhni by installation of hand pumps.	Clause (x) Rural Development Projects	Yes	Madhya Pradesh	Sehore	15 Months	6.00	0.00	6.00	Yes	NA	NA
7	Repairing and maintenance of Old Community Hall at Pilikarar Village, Budhni.	Clause (x) Rural Development Projects	Yes	Madhya Pradesh	Sehore	18 Months	6.00	0.00	6.00	Yes	NA	NA
8	Construction of public toilets in Pilikarar village, Budhni.	Clause (x) Rural Development Projects	Yes	Madhya Pradesh	Sehore	15 Months	6.00	0.00	6.00	Yes	NA	NA
9	Providing Bore wells/Hand Pumps to Noorganj village, Obedullaganj.	Clause (x) Rural Development Projects	Yes	Madhya Pradesh	Raisen	18 Months	10.00	0.00	10.00	Yes	NA	NA
D	**Environment**											
1	Plantation Drive – Distribution of 2,500 saplings in nearby areas of Ludhiana.	Clause (iv) Environment Sustainability	Yes	Punjab	Ludhiana	18 months	6.00	0.00	6.00	Yes	NA	NA
							1,129.65	**87.48**	**965.24**			

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. 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 lac)	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
A	**Education**								
1	Construction of Child friendly toilets in 37 Aganwadi centres of Ludhiana.	Clause (ii) Promoting Education	Yes	Punjab	Ludhiana	5.00	No	Banarso Devi Oswal Public Charitable Trust	CSR00000977
2	Construction of Vardhman Block at Govt. Sr. Sec. School, Sekhewal.	Clause (ii) Promoting Education	Yes	Punjab	Ludhiana	0.29	No	Banarso Devi Oswal Public Charitable Trust	CSR00000977
3	Construction of Mother Auditorium at Sri Aurobindo College of Commerce & Management Ludhiana.	Clause (ii) Promoting Education	Yes	Punjab	Ludhiana	53.72	No	Shri Aurobindo Socio Economic & Management Research Institute	CSR00000873
B	**Healthcare**								
1	Provided ECG Machine to Mother and Child Hospital, Ludhiana.	Clause (i) Promoting Healthcare including Preventive Healthcare	Yes	Punjab	Ludhiana	1.01	Yes	NA	NA
2	Contribution to Poor Patient Welfare Fund of Dayanand Medical College & Hospital Managing Society for BPL & needy people, Ludhiana.	Clause (i) Promoting Healthcare including Preventive Healthcare	Yes	Punjab	Ludhiana	25.00	Yes	NA	NA
3	Provided essential safety items & infrastructure to CHC Baddi, for health staff and patients to fight against COVID -19.	Clause (i) Promoting Healthcare including Preventive Healthcare	Yes	Himachal Pradesh	Solan	4.16	No	Banarso Devi Oswal Public Charitable Trust	CSR00000977
4	Provided digital X-Ray Machine to Primary Health Centre, Kanwan, Dhar.	Clause (i) Promoting Healthcare including Preventive Healthcare	Yes	Madhya Pradesh	Dhar	10.13	Yes	NA	NA
5	Provided reagent for lab. equipment and Bio chemical analyzer to CHC Baddi.	Clause (i) Promoting Healthcare including Preventive Healthcare	Yes	Himachal Pradesh	Solan	0.41	No	Banarso Devi Oswal Public Charitable Trust	CSR00000977
C	**Rural Development**								
1	Installation of Bus Shelter nearby Malerkotla.	Clause (x) Rural Development Projects	Yes	Punjab	Malerkotla	0.07	No	Banarso Devi Oswal Public Charitable Trust	CSR00000977
2	Installation of Bore well & Hand pump at nearby villages of Budhni.	Clause (x) Rural Development Projects	Yes	Madhya Pradesh	Sehore	0.55	No	Banarso Devi Oswal Public Charitable Trust	CSR00000977
D	**Animal Welfare**								
1	Provided financial assistance to Dhyan Foundation, working for rescue and rehabilitation of animals by creating cattle pounds (Gaushala), Ludhiana.	Clause (iv) Animal Welfare	Yes	Punjab	Ludhiana	2.00	No	Dhyan Foundation	CSR00003498
E	**Promoting Nationally Recognised Sports**								
1	Provided Gym equipment to Police DAV Public School at Police Line, Ludhiana to promote sports activities.	Clause (vii) Promoting Nationally recognised Sports	Yes	Punjab	Ludhiana	25.00	Yes	NA	NA

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. 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 lac)	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
2	Provided financial assistance to Mr. Akash Mehra, preparing for International and Paralympics in Long Jump event, for upgrading his artificial legs.	Clause (vii) Promoting Nationally recognised Sports	Yes	Punjab	Ludhiana	3.00	Yes	NA	NA
F	**Art & Culture**								
1	Provided financial assistance to Guru Nanak Dev Bhawan Managing Committee, Ludiana for the completion of construction work of seminar hall.	Clause (v) Promoting Art & Culture	Yes	Punjab	Ludhiana	10.00	Yes	NA	NA
2	Contributed to SAPTAK Music School - for talent scouting, training, discovery and promotion of traditional arts & culture in the field of Indian Classical Music under project title "Sangeet Sankalp Saptah" organised by Saptak & Sangeet Sankalp.	Clause (v) Promoting Art & Culture	No	Gujarat	Ahmedabad	6.50	Yes	NA	NA
3	Provided financial contribution for organising Bhopal Literature and Art Festival for the promotion of arts, literature and culture among the local youth.	Clause (v) Promoting Art & Culture	Yes	Madhya Pradesh	Bhopal	10.00	Yes	NA	NA
4	Contributed for organizing Budhni Khilona Utsav - Kiloniakari for promotion and development of rural handicrafts in the region.	Clause (v) Promoting Art & Culture	Yes	Madhya Pradesh	Sehore	4.99	Yes	NA	NA
H	**Environment**								
1	Contributed to CITI- CDRA For Cotton Development and Extension Activities for promotion of ELS cotton in Ratlam, Dhar and Jhabua District.	Clause (iv) Environment Sustainability	Yes	Madhya Pradesh	Ratlam	10.00	Yes	NA	NA
2	Organised Plantation drive in nearby area of Budhni.	Clause (iv) Environment Sustainability	Yes	Madhya Pradesh	Sehore	1.56	Yes	NA	NA
3	Organised Plantation drive in nearby area of Mandideep and Bhopal.	Clause (iv) Environment Sustainability	Yes	Madhya Pradesh	Raisen & Bhopal	1.23	Yes	NA	NA
4	Environment sustainability through tree planation and beautification of BBN area, Solan.	Clause (iv) Environment Sustainability	Yes	Himachal Pradesh	Solan	0.81	No	Banarso Devi Oswal Public Charitable Trust	CSR00000977
						175.43			

(d) Amount spent in Administrative Overheads : ₹43.18 lac

(e) Amount spent on Impact Assessment, if applicable : NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹(87.48+175.43+43.18) = 306.09 lac

(g) Excess amount for set off, if any

Sr. No.	Particular	Amount (₹ in lac)
(i)	Two percent of average net profit of the Company as per section 135(5)	1,271.33 lac
(ii)	Total amount spent for the financial year	306.09 lac
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(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)]	-

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

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in lac)	Amount spent in the reporting Financial Year (₹ in lac)	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 lac)
				Name of the Fund	Amount (₹ in lac)	Date of transfer	
1	2020-21	577.15	446.25	-	-	-	130.9

(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)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (₹ in lac)	Amount spent on the project in the reporting Financial Year (₹ in lac)	Cumulative amount spent at the end of reporting Financial Year (₹ in lac)	Status of the project - Completed / Ongoing
1	FY31.03.2021_1	Construction of classrooms and providing other infrastructure to Government School, Ladhowal, Ludhiana.	2019-20	32 Months	178.00	14.27	175.82	Completed
2	FY31.03.2021_2	Upgradation of the classrooms of Sri Aurobindo College of Commerce & Management, Ludhiana.	2019-20	28 Months	200.00	18.55	132.82	Ongoing
3	FY31.03.2021_3	Construction of toilet, water proofing of school building and financial assistance to Government Schools of Budhni.	2019-20	30 Months	14.1	3.76	8.84	Completed
4	FY31.03.2021_4	Construction of Mother Auditorium at Sri Aurobindo College of Commerce & Management, Ludhiana.	2020-21	32 Months	327.10	317.18	317.18	Completed
5	FY31.03.2021_5	Provided medical equipment and other material to Christian Medical College & Hospital, Ludhiana, Punjab, for the expansion of Isolation & Ventilation facility for handling the COVID-19 crisis.	2020-21	18 Months	100.00	19.04	90.14	Completed
6	FY31.03.2021_5	Provided medical equipment, customized software & other equipment for a state of the art Molecular Laboratory of the Department of Clinical Haematology of CMC Hospital, Ludhiana, Punjab, to support cancer care and stem cell transplantation.	2019-20	32 Months	92.00	4.97	91.06	Ongoing

(1) Sr. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project duration	(6) Total amount allocated for the project (₹ in lac)	(7) Amount spent on the project in the reporting Financial Year (₹ in lac)	(8) Cumulative amount spent at the end of reporting Financial Year (₹ in lac)	(9) Status of the project - Completed / Ongoing
7	FY31.03.2021_6	Providing various medical equipment for Eye & Dental Department, Police Hospital, Sangrur.	2020-21	18 Months	10.00	1.70	7.22	Completed
8	FY31.03.2021_7	Provided awareness training on Menstrual Hygiene Management (MHM) to adolescent girls & rural women and installing sanitary napkin vending machine & incinerator at various Govt. Schools in Baddi under Project NANDANI.	2019-20	32 Months	20.00	8.30	19.68	Ongoing
9	FY31.03.2021_8	Providing various medical equipment to Civil Hospital, Dharampur and Digital X-Ray Machine to Community Health Centre (CHC), Pirsaluhi, HP.	2020-21	18 Months	40.00	7.27	37.72	Completed
10	FY31.03.2021_9	Providing Solar Street Lights and Open Gym facilities in the villages of Pragpur, Kangra.	2020-21	14 Months	23.18	2.44	21.86	Completed
11	FY31.03.2021_10	Construction of toilets and waiting area for the public in Budhni Tehsil.	2020-21	16 Months	2.44	1.22	1.22	Completed
12	FY31.03.2021_11	Providing technical assistance to cotton growing farmers for better farming practices and integrated pest management through Better Cotton Initiative (BCI) Project Pragati in Gujarat and Madhya Pradesh.	2020-21	24 Months	63.00	24.83	63.43	Completed
13	FY31.03.2021_12	Providing financial support to Hunar Vikas Kendra, to support local needy youth in enhancing skills.	2020-21	12 Months	6.00	3.50	6.00	Completed
14	FY31.03.2021_13	Construction of Indoor Badminton Hall to promote National sports.	2018-19	42 Months	146.00	19.23	146.00	Completed
					1,221.82	**446.26**	**1,118.99**	

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).

An amount of ₹965.24 lac remaining unspent pertains to "Ongoing Projects". This amount has been transferred to a separate unspent CSR Account. The said "Ongoing Projects" will be complete by FY 2022-23 & FY 2023-24.

12. Whether any unspent amount pertain to FY 2014-15 to FY 2019-20 has been spent in financial year.

a) Details of amount spent against CSR projects in the financial year

S. No.	Financial year to which the new project pertain	Item from the list of activities in schedule VII	Name of the Project	Local Area (Yes/No)	Location of the Project		Amount Spent in the Financial year (in Lacs)	Mode of Implementation-Direct (Yes/No)	Mode Implementation Through Implementation Agency	
					State	District			CSR Registration No.	Name
1	2014-15	Promoting Healthcare including preventive healthcare	Upgradation of Bone Marrow (Stem cell) Transplant infrastructure including Air Handling Unit.	Yes	Punjab	Ludhiana	18.25	Yes	NA	NA
2	2014-15	Promoting Education	Infrastructure development work at Jawahar Navoday Vidhyalay, Pawarkheda, Hoshangabad.	Yes	Madhya Pradesh	Hoshangabad	12.73	Yes	NA	NA
3	2014-15	Promoting Healthcare including preventive healthcare	Restructuring & Redesigning of ward 15 & ward 26 at 2nd floor of Christian Medical College & Hospital, Ludhiana.	Yes	Punjab	Ludhiana	21.03	No	CSR00000976	Banarso Devi Oswal Public Charitable Trust
4	2015-16	Promoting Education	Providing financial assistance to run 5 remedial centres in villages of Ajmer by Organisation for Early Literacy Promotion (OELP).	No	Rajasthan	Ajmer	7.50	Yes	NA	NA
5	2015-16	Promoting Education	Providing equipment & furniture for Science lab. to Govt. High School, Noorganj.	Yes	Madhya Pradesh	Raisen	4.41	Yes	NA	NA
6	2016-17	Promoting Healthcare including preventive healthcare	Financial assistance to Eye Research Foundation of PGI Chandigarh for corneal eye transplantation of poor and BPL families.	No	Chandigarh (UT)	N.A.	25.00	Yes	NA	NA
7	2016-17	Promoting Education	Provided 200 Students' desk at Government High School, Kasi Kalan Ludhiana.	Yes	Punjab	Ludhiana	4.78	Yes	NA	NA
8	2016-17	Promoting Education	Provided projectors to 50 Government Middle Schools of Ludhiana for promoting digital education.	Yes	Punjab	Ludhiana	13.76	Yes	NA	NA
9	2016-17	Promoting Healthcare including preventive healthcare	Construction of 72 Beded ENT Hospital Building at Bhagwan Mahavir Charitable Hospital, Lachwar, Jamui.	No	Bihar	Jamui	50.00	Yes	NA	NA

S. No.	Financial year to which the new project pertain	Item from the list of activities in schedule VII	Name of the Project	Local Area (Yes/ No)	Location of the Project		Amount Spent in the Financial year (in Lacs)	Mode of Implementation- Direct (Yes/No)	Mode Implementation Through Implementation Agency	
					State	District			CSR Registration No.	Name
10	2016-17	Promoting Education	Construction of 7 classrooms at Govt. Sr. Sec. School, Bhaga Chaunagi, Mandi.	Yes	Himachal Pradesh	Mandi	39.26	Yes	NA	NA
11	2016-17	Promoting Education	Construction of Toilet and Boundary wall and water arrangement at Govt. High School, Mahukalan.	Yes	Madhya Pradesh	Sehore	9.41	Yes	NA	NA
12	2016-17	Promoting Education	Construction of Ramp for physically disabled students at St. Farancis Convent Government School, Budhni.	Yes	Madhya Pradesh	Sehore	20.00	Yes	NA	NA
13	2016-17	Promoting Education	Provided 200 Desk Sets to 5 Govt. Schools near Budhni	Yes	Madhya Pradesh	Sehore	7.39	Yes	NA	NA
14	2016-17	Promoting Healthcare including preventive healthcare	Upgraded health and other facilities by providing Mechanized Kitchen and Laundry services in District Hospital, Sehore.	Yes	Madhya Pradesh	Sehore	32.59	Yes	NA	NA
15	2016-17	Promoting Education	Construction of a class room and provided students desks at Govt. Middle School, Khandabad, Budhni.	Yes	Madhya Pradesh	Sehore	5.49	Yes	NA	NA
16	2016-17	Promoting Healthcare including preventive healthcare	Provided supplementary Nutritional diet to Malnourished children of Budhni.	Yes	Madhya Pradesh	Sehore	1.99	Yes	NA	NA
17	2016-17	Promoting Education	Provided 30 Computers, Networking, Printer, UPS, Conference table with chairs and Electrification of Govt. Polytechnic College, Raisen.	Yes	Madhya Pradesh	Raisen	24.26	Yes	NA	NA
18	2016-17	Promoting Healthcare including preventive healthcare	Conducted various relief and rehabilitation activities during CoVID 19 pandemic across the region.	Yes	Punjab, HP & MP	Ludhiana, Solan, Raisen & Sehore	315.18	Yes	NA	NA
19	2017-18	Promoting Healthcare including preventive healthcare	Upgradation of Pathology lab. Histokintee/Tissue processor, renovation of FISH lab and Pathology lab. in CMCH, Ludhiana.	Yes	Punjab	Ludhiana	13.07	Yes	NA	NA
20	2017-18	Promoting Healthcare including preventive healthcare	Conducted Community Health Check-up camps in Ludhiana & Malerkotla.	Yes	Punjab	Ludhiana	1.61	Yes	NA	NA

S. No.	Financial year to which the new project pertain	Item from the list of activities in schedule VII	Name of the Project	Local Area (Yes/No)	Location of the Project		Amount Spent in the Financial year (in Lacs)	Mode of Implementation-Direct (Yes/No)	Mode Implementation Through Implementation Agency	
					State	District			CSR Registration No.	Name
21	2017-18	Promoting Healthcare including preventive healthcare	Provided Dental OPG and other medical equipment to Government Hospital, Hoshangabad.	Yes	Madhya Pradesh	Hoshangabad	2.48	Yes	NA	NA
22	2017-18	Promoting Healthcare including preventive healthcare	Provided medical equipment to Govt. Hospital, Mandideep.	Yes	Madhya Pradesh	Raisen	2.91	Yes	NA	NA
23	2018-19	Promoting Healthcare including preventive healthcare	Setting-up of Physical Medicine and Rehabilitation (PM&R) Centre and provided necessary equipment to CMCH, Ludhiana.	Yes	Punjab	Ludhiana	41.39	Yes	NA	NA
24	2018-19	Promoting Education	Provided financial support to 5 fellows for 'Teach for India' Fellowship Program for promoting Education.	Yes	Punjab	Ludhiana	25.00	Yes	NA	NA
25	2018-19	Promoting Education	Construction of 'Mother Auditorium' at Sri Aurobindo College of Commerce & Management, Ludhiana.	Yes	Punjab	Ludhiana	559.43	No	CSR00000873	Sri Aurobindo Socio Economic Management & Research Institute
							1 ,258.90			

Sd/-
(S.P. Oswal)
(Chairman & Managing Director)

Sd/-
(Prafull Anubhai)
(Chairman CSR Committee)

ANNEXURE- IV

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014.

CONSERVATION OF ENERGY

STEPS TAKEN FOR CONSERVATION OF ENERGY:

All the units have taken various measures in conservation of energy. The thrust is to measure the existing system parameters and then implement improvements. Emphasis is also given to optimise the operation of various equipments which also lead to energy conservation.

Consequent to the Energy Conservation measures taken, the Company was able to save 74.31 lac kWH units of electricity thereby making a saving of ₹530.20 lac during the financial year 2021-22.

STEPS TAKEN FOR UTILISING ALTERNATE SOURCES OF ENERGY

Green power is a subset of renewable energy and represents those renewable energy resources and technologies that provide the lowest environmental impact. The market defines green power as electricity produced from solar, wind, geothermal, biogas and low-impact small hydroelectric sources.

The Company has installed Solar Power Plants in Vardhman Fabric, Budhni and Vardhman Yarns, Satlapur, under the Sustainability aspect – 'Avoidance of the depletion of Natural Resources to maintain an Ecological Balance.'

Further, the Company is planning to install more projects under renewable energy sources and will continue to contribute to achieving the global targets on climate change.

Details of Unit wise initiatives are mentioned below:-

In Vardhman Fabrics, Budhni we have installed two separate solar captive plants. Details are as below:

> 7.5 MW ground mounted solar captive power plant was commissioned during the FY 2019-20. Actual generation in FY 2021-22 is 136.60 lac kWH / Annum.

> 1.6 MW rooftop mounted solar captive power plant was commissioned during the FY 2020-21. Actual generation in FY 2021-22 is 23.75 lac kWH / Annum.

In Vardhman Yarns, Satlapur, we have installed two separate solar captive plants. Details are as below:

> 2.4 MW rooftop mounted solar captive power plant was commissioned during the FY 2019-20. Actual generation in FY 2021-22 is 38.01 lac kWH / Annum.

> 1.6 MW rooftop mounted solar captive power was commissioned during the FY 2020-21. Actual generation in FY 2021-22 is 24.35 lac kWH / Annum.

The Company generated 222.71 lac kWh units of electricity from the renewable source - Solar in FY 21-22 leading to a reduction of 18485 units of CO_2 emission in the atmosphere.

CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENTS

Apart from installation of solar plants, the Company has incurred ₹ 770.89 lac on different energy and utilities saving projects.

TECHNOLOGY ABSORPTION:

Efforts made in Technology Absorption are furnished as under:

A) RESEARCH AND DEVELOPMENT (R&D):

1. Specific areas in which Research & Development is carried out by the Company:

   Research & Development is carried out for development of new products and for improvement in the production process and quality of products. The Company has been pioneer in the launch of new products that have been successful in the market due to its R&D efforts.

2. Benefits derived as a result of R & D:

   The Company has been continuously improving the quality of its existing products and entered into new products and also been able to reduce the cost of production.

3. Future Course of action:

   Management is committed to strengthen R&D activities further to improve its competitiveness in times to come.

4. Expenditure on R & D:

(₹ in crore)

Particulars	(2021-22)	(2020-21)
Capital	3.28	0.22
Recurring	1.54	1.54
Total	4.82	1.76
Total R & D expenditure as a Percentage of Turnover	0.05%	0.03%

B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1. Efforts made:

   The Company is continuously making efforts for adaptation of latest technology in all its units. The Company has also created specific cells for studying and analyzing the existing processes for further improvement.

2. Particulars of technology imported in last three years:

a)	Technology imported	NIL
b)	Year of import	N.A.
c)	Has technology been fully absorbed?	N.A.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plans are given hereunder:

- Export of yarns diversified into new Products & Markets with continuous growth.
- Focus on exports of Value-Added Products continued and the contribution of Value-Added Products in total exports for the financial year 2021-22 is around 29%.
- Increased focus on sale of environment friendly yarns and increasing sales to direct brands.

Total Foreign Exchange earned and used:

(₹ in crore)

Particulars	(2021-22)	(2020-21)
a) Earnings (FOB value of Exports, commission earned)	4,523.81	2,784.87
b) Outgo (CIF value of import and expenditure in foreign currency)	703.70	357.26

ANNEXURE- V

Particulars of employees and related disclosures:

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 FOR DIRECTORS/ KMP FOR FINANCIAL YEAR 2021-22 (Amount in ₹)	% INCREASE IN REMUNERATION IN THE FINANCIAL YEAR 2021-22	RATIO OF REMUNERATION OF EACH DIRECTOR/ KMP TO MEDIAN REMUNERATION OF EMPLOYEES
1.	S.P. Oswal Chairman & Managing Director	43,41,17,123	369.89	1113.11
2.	Suchita Jain Vice- Chairperson & Joint Managing Director	3,14,73,720	41.03	80.70
3.	Neeraj Jain Joint Managing Director	2,66,49,896	22.60	68.33
4.	Sachit Jain Non- Executive Non- Independent Director	-	-	-
5.	Prafull Anubhai Non- Executive Independent Director	7,85,000	51.25	2.01
6.	A.K. Kundra Non-Executive Independent Director	6,65,000	50.79	1.71
7.	S.K. Bijlani Non-Executive Independent Director	4,30,000	40.98	1.10
8.	Parampal Singh Non-Executive Independent Director	3,50,000	138.10	0.90
9.	Harpreet Kaur Kang Non-Executive Independent Director	3,50,000	212.50	0.90
10.	Udeypaul Singh Gill*	80,000	-	0.21
11.	Rajeev Thapar Chief Financial Officer	1,42,31,264	74.84	36.49
12.	Sanjay Gupta Company Secretary	22,22,289	3.63	5.70

*Mr. Udeypaul Singh Gill was appointed as an Independent Director w.e.f. 22.01.2022

2. The median remuneration of employees of the Company during the financial year was ₹3,90,004.

3. In the financial year, there was an increase of 9.30% in the median remuneration of employees.

4. There were 27,599 permanent employees on the rolls of Company as on March 31, 2022.

5. Average percentage increase in the salaries of employees other than the managerial personnel in the last financial year 2021-22 was 18.57% whereas the increase in the managerial remuneration for the same financial year was 236.49%.

6. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

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

a. PERSONS EMPLOYED THROUGHOUT THE FINANCIAL YEAR, WHO WERE IN RECEIPT OF REMUNERATION WHICH, IN THE AGGREGATE, WAS NOT LESS THAN ₹ 1,02,00,000/- PER ANNUM-

Sr. No.	Name of employee	Designation/ Nature of duties	Remuneration (in ₹ lac)	Quali-Fication	Age (Years)	Experience (Years)	Date of Employment	Particulars of last employment
1.	Mr. S.P. Oswal	Chairman & Managing Director	4,341.17	M. Com	80	55	08.10.1973	Chairman & Managing Director (Vardhman Spinning and General Mills Ltd.)
2.	Mrs. Suchita Jain	Vice-Chairperson & Joint Managing Director	314.74	M. Com	54	29	29.01.2010	N.A.
3.	Mr. Neeraj Jain	Joint Managing Director	266.50	B. Com, CA	55	30	31.03.2010	N.A.
4.	Mr. B.K. Choudhary	Director (Operations)	182.82	B.Sc., M.Com & MBA	70	49	23.12.1985	Usha Alloys & Steels Ltd.
5.	Mr. Mukesh Saxena	Chief General Manager	167.16	B. Tech (Textiles)	60	40	01.02.2007	Indorama Synthetics India Ltd.
6.	Mr. Tara Chand Gupta	Chief General Manager (Operations)	153.95	B. Tech (Textiles)	61	40	24.05.1993	Modern Syntex Ltd.
7.	Mr. Dinesh Kumar Sindwani	Director (Corporate Services)	150.90	B. Com, CA	61	37	01.04.2015	Hero Steels Ltd.
8.	Mr. IMJS Sidhu	President & Director-In-Charge	144.86	B.Text.	73	51	03.03.1981	Shree Bhawani Cotton Mills
9.	Mr. Rajeev Thapar	Chief Financial Officer	142.31	B. Com (Hons.), CA	53	33	01.06.1990	SC Vasudeva & Co.
10.	Mr. K.K Lahiri	Chief General Manager	142.26	B. Sc. (Tech), M. Tech	63	41	11.04.1986	Rama Fibres Ltd.
11.	Mr. S. Pal	Director (MP Location)	132.60	MA (History)	78	58	15.05.1985	Punjab Alkalies & Chemicals Ltd.
12.	Mr. Mukesh Bansal	Executive Vice-President	120.27	MBA, CS	47	27	21.08.1995	VMT Spinning Company Ltd.
13.	Mr. Sushil Kumar Jhamb	Director (Materials)	118.49	B. Com, CA	67	44	01.06.2017	Vardhman Yarns & Threads Ltd.
14.	Mr. Bharat Bhushan Peer	Executive Vice-President	115.77	B. Text.	59	32	09.12.1989	N.A.

Sr. No.	Name of employee	Designation/ Nature of duties	Remun-eration (in ₹ lac)	Quali-Fication	Age (Years)	Experience (Years)	Date of Employment	Particulars of last employment
15.	Mr. Sushil Kumar Ojha	Executive Vice-President	113.15	B. Tech.	50	21	01.07.1994	N.A.
16.	Mr. Praveen Dhingra	Chief General Manager	105.93	B. Text.	56	33	27.09.1993	Deepak Spinners Ltd.

Note - Remuneration is inclusive of perquisite value of shares allotted under ESOP Scheme, wherever applicable.

b. 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 –

Sr. No.	Name of employee	Designation/ Nature of duties	Remun-eration (in ₹ lac)	Quali-Fication	Age (Years)	Experience (Years)	Date of Employment	Particulars of last employment
1.	Mr. Rajiv Gupta	Sr. Vice-President	108.80	B.E., MBA	54	21	01.07.2000	Steel Strips Wheels Ltd.

c. STATEMENT SHOWING DETAILS OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN:

S.No., Name, Age, Designation, Gross Remuneration (in ₹ Lakhs per annum), Nature of Employment, Qualifications, Experience (in years), Date of Joining, Previous Employment and No. of Equity Shares held by the employee as on 31.03.2022

1, S.P. Oswal, 80, Chairman & Managing Director, 4,341.17, Regular, M.Com, 55, 08.10.1973, 29,87,955. 2, Suchita Jain, 54, Vice-Chairperson & Joint Managing Director, 314.74, Regular, M.Com, 29, 29.01.2010, 12,22,120. 3, Neeraj Jain, 55, Joint Managing Director, 235.12, Regular, B.Com & CA, 30, 31.01.2010, 0.4, B.K. Choudhary, 70, Director (Operations), 182.82, Regular, B.Sc., M.Com & MBA, 49, 23.12.1985, Usha Alloys & Steels Limited, 10,000. 5, Mukesh Saxena, 60, Chief General Manager, 167.15, Regular, B. Tech (Textiles), 40.04, 01.02.2007, Indorama Synthetics India Ltd (Pithampur, MP), 20,000. 6, TC Gupta, 61, Chief General Manager (Operations), 153.95, Regular, B. Tech (Textiles), 40, 24.05.1993, Modern Syntex Limited, 17,500. 7, Dinesh. K. Sindwani, 61, Director (Corporate Services), 150.90, Regular, B.Com & CA, 37, 01.04.2015, Hero Steels Limited, 0. 8, IMJS Sidhu, 73, President & Director-In-Charge, 144.86, Regular, B.Text., 51, 03.03.1981, Shree Bhawani Cotton Mills, 7,500. 9, Rajeev Thapar, 53, CFO, 142.31, Regular, B.Com (Hons.) & CA, 33, 01.06.1990, SC Vasudeva & Co., 3,550. 10, K.K. Lahiri, 63, Chief General Manager, 142.26, Regular, B. Sc (Tech), M. Tech, 41.05, 11.04.1986, Rama Fibres Ltd., 0.

Note: Except Mr. S.P. Oswal and Mrs. Suchita Jain, 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 shareholders' value and fulfill its responsibilities to the community, customers, employees, Government and other segments of society. Your Company is committed on adopting the best practices of Corporate Governance as manifested in the Company's functioning to achieve the business excellence by enhancing long-term shareholders' value. Efficient conduct of the business of the Company through commitment to transparency and business ethics in discharging its corporate responsibilities is hallmark of the best practices followed by the Company. This report on Corporate Governance, besides being in compliance of the mandatory SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, gives an insight into the functioning of the Company.

1. COMPANY'S PHILOSOPHY:

- Faith in bright future of Indian textiles and hence continued expansion in areas "which we know best".
- Total customer focus in all operational areas.
- Products to be of best available quality for premium market segments through TQM.
- Zero defect implementation.
- Global orientation targeting – at least 20% production for exports.
- Integrated diversification/ product range expansion.
- World class manufacturing facilities with most modern R & D and process technology.
- Faith in individual potential and respect for human values.
- Encouraging innovation for constant 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 March 31st March, 2022

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

Category	Name of Directors
Promoter Directors	#S.P. Oswal- Chairman & Managing Director #Suchita Jain- Vice- Chairperson & Joint Managing Director #Sachit Jain- Non-Executive Director
Executive Non-Independent Director	Neeraj Jain- Joint Managing Director
Independent Directors	Prafull Anubhai A.K. Kundra S.K. Bijlani Parampal Singh Harpreet Kaur Kang Udeypaul Singh Gill

Relationship Inter-se:

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

ii. Board Meetings:

During the financial year 2021-2022, the Board met 7 (Seven) times on the following dates:

- 7th April, 2021
- 25th May, 2021
- 29th July, 2021
- 21st September, 2021
- 27th October, 2021
- 5th January, 2022
- 22nd January, 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 Directorships/Chairmanships 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 Chairmanships in other Companies	Total No. of Committee Chairmanships in other companies
S.P. Oswal	7	No	6	Vardhman Acrylics Limited Vardhman Holdings Limited	Non-Executive Director Executive Director	3	3	3
Sachit Jain	7	No	8	Vardhman Holdings Limited Vardhman Special Steels Limited Vardhman Acrylics Limited	Non-Executive Director Executive Director Non-Executive Director	1	-	-
Suchita Jain	7	Yes	9	Vardhman Holdings Limited Vardhman Special Steels Limited Vardhman Acrylics Limited	Non-Executive Director Non-Executive Director Non-Executive Director	5	1	1
Neeraj Jain	7	Yes	6	-	-	-	-	-
Prafull Anubhai	7	Yes	3	Unichem Laboratories Limited	Non-Executive Director	2	-	2
A. K. Kundra	7	No	1	-	-	-	-	-
S.K. Bijlani	6	No	1	-	-	1	-	-
Parampal Singh	7	No	-	-	-	-	-	-
Harpreet Kaur Kang	7	No	1	Sportking India Limited	Non-Executive Director	1	-	-
Udeypaul Singh Gill*	1	No	-	-	-	-	-	-

*During the year, Mr. Udeypaul Singh Gill was appointed as an Independent Director of the Company w.e.f. 22nd January, 2022.

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

3. BOARD COMMITTEES:

i. Board Committees, their composition and terms of reference, as on 31st March, 2022, are provided as under:

NAME OF COMMITTEE	COMPOSITION	TERMS OF REFERENCE
Audit Committee	Prafull Anubhai (Chairman) A.K. Kundra S.K. Bijlani	• 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) Regulation, 2015.
Nomination and Remuneration Committee	A.K. Kundra (Chairman) Prafull Anubhai S.P. Oswal	• The role of the Nomination and Remuneration Committee is as per Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. • Formulated and recommended Nomination and Remuneration Policy. • The Nomination & 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. • Nomination and Remuneration Policy of the Company forms part of the Board Report as **Annexure - I.**
Corporate Social Responsibility Committee	Prafull Anubhai (Chairman) Neeraj Jain Sachit Jain	• 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: https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Corporate_Social_Responsibility_Policy.pdf • Recommends expenditure to be incurred for CSR activities/project and ensures effective monitoring of CSR policy of the Company from time to time. • The Annual Report on CSR activities undertaken by the Company forms part of the Board Report as **Annexure III**.
Stakeholder's Relationship Committee	A.K. Kundra (Chairman) Sachit Jain Suchita Jain	• The Committee reviews and ensures redressal of investor grievances. • The Committee noted that during the year the Company received 3 complaints from the investors and the same has been duly resolved by the Company.
Risk Manangement Committee	Prafull Anubhai (Chairman) Suchita Jain Neeraj Jain D.K. Sindwani Rajeev Thapar	• The Risk Manangement Policy of the Company aims to maximise opportunities in all activities and to minimise adversity. • 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. • 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%20Textiles%20Ltd/Risk_Management_Policy.pdf

Mr. Sanjay Gupta, 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	**5**	**3**	**4**	**1**	**2**
S.P. Oswal	N.A.	N.A.	4	N.A.	N.A.
Sachit Jain*	N.A.	0	0	1	N.A.
Suchita Jain**	N.A.	N.A.	N.A.	0	2
Neeraj Jain	N.A.	3	N.A.	N.A.	2
Prafull Anubhai Shah	5	3	4	N.A.	2
A. K. Kundra	5	N.A.	4	1	N.A.
S.K. Bijlani	4	N.A.	N.A.	N.A.	N.A.
Parampal Singh	N.A.	N.A.	N.A.	N.A.	N.A.
Harpreet Kaur Kang	N.A.	N.A.	N.A.	N.A.	N.A.
Udeypaul Singh Gill	N.A.	N.A.	N.A.	N.A.	N.A.

* Mr. Sachit Jain ceased to be member of Nomination & Remuneration Committee w.e.f. 01st January, 2022.

** Mrs. Suchita Jain was appointed as Member of Risk Management Committee of the Company w.e.f. 25th May, 2021.

N.A.- Not a member of the Committee.

iii. Meeting of Independent Directors:

A meeting of Independent Directors of the Company for the financial year 2021-22 was held on 29th 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%20Textiles%20Ltd/Familarisation_Programme_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
S.P. Oswal	Strategic Planning Leadership Operational Experience Industry Experience Financial Expertise Administrative Experience
Sachit Jain	Strategic Planning Leadership Operational Experience Industry Experience Financial Expertise Administrative Experience
Suchita Jain	Strategic Planning Leadership Operational Experience Industry Experience Financial Expertise Administrative Experience
Neeraj Jain	Strategic Planning Leadership Operational Experience Industry Experience Financial Expertise Administrative Experience

Name of Director	Area of Expertise
Prafull Anubhai	Strategic Planning Leadership Industry Experience Financial Expertise
A.K. Kundra	Strategic Planning Leadership Financial Expertise Administrative Experience
S.K. Bijlani	Strategic Planning Leadership Operational Experience Financial Expertise
Parampal Singh	Strategic Planning Leadership Administrative Experience
Harpreet Kaur Kang	Strategic Planning Leadership Administrative Experience
Udeypaul Singh Gill	Strategic Planning Leadership Industry Experience Administrative Experience

4. DIRECTORS' REMUNERATION:

i) Chairman and Managing Director / Executive Directors:

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

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

(in ₹)

Name	S.P. Oswal	Suchita Jain	Neeraj Jain
Designation	Chairman & Managing Director	Vice-Chairperson & Joint Managing Director	Joint Managing Director
Salary	61,00,000	93,20,000	72,84,000
Perquisites & Allowances	28,21,127	67,15,320	73,77,096
Retirement Benefit	7,32,000	11,18,400	7,48,800
Commission	42,44,63,996	-	-
Performance Linked Incentive	-	1,43,20,000	1,12,40,000

Performance Linked Incentives are decided by the Nomination & Remuneration Committee based on the profits calculated at the end of Financial Year.

The tenure of office of Managing Director & Joint Managing Director(s) is 5 (five) years from their respective dates of appointment and can be terminated by either party by giving 3 months notice in writing. There is no separate provision for payment of severance fees.

None of the above mentioned Directors has been granted any stock options except Mr. Neeraj Jain, who has been granted 20,000 Options. He has been allotted 18,000 options till date.

ii) Non-Executive Directors:

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

During the year, the sitting fees payable to Independent Directors has been increased from ₹30,000/- to ₹35,000 per Audit Committee Meeting and from ₹35,000/- to ₹50,000/- per Board Meeting, w.e.f. 28th July, 2021 and 29th July, 2021, respectively. However, the sitting fees payable for attending other Committee Meetings remained the same i.e. ₹30,000/- per meeting.

The detail of sitting fees paid to the Directors during the Financial Year 2021-22 is given hereunder: -

Sr. No.	NAME OF DIRECTOR	SITTING FEE (₹)
1.	Prafull Anubhai	7,85,000
2.	A.K. Kundra	6,65,000
3.	S.K. Bijlani	4,30,000
4.	Parampal Singh	3,50,000
5.	Harpreet Kaur Kang	3,50,000
6.	Udeypaul Singh Gill	80,000

*During the year, Mr. Udeypaul Singh Gill was appointed as an Independent Director of the Company w.e.f. 22nd January, 2022.

5. SHAREHOLDING DETAILS OF DIRECTORS AS ON 31ST MARCH, 2022:

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

Sr. No.	NAME OF DIRECTOR	NUMBER OF SHARES HELD
1.	S.P. Oswal	29,87,955
2.	Suchita Jain	12,22,120

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

6. GENERAL BODY MEETINGS:

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
48th Annual General Meeting for the Financial year ended 31st March, 2021.	Tuesday, 28th September, 2021 at 11:30 A.M.	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	1
47th Annual General Meeting for the Financial year ended 31st March, 2020.	Monday, 28th September, 2020 at 10:30 A.M.	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	1
46th Annual General Meeting for the Financial year ended 31st March, 2019.	Monday, 30th September, 2019 at 03:00 P.M.	Regd. Office, Chandigarh Road, Ludhiana- 141010.	4

ii. Postal Ballot

During the year, the members approved following three matters by passing Special Resolution through Postal Ballot:

a) To approve split/ sub-division of equity shares of the Company having face value of ₹10/- per share to ₹2/- per share.

b) To approve alteration in Capital Clause of the Memorandum of Association of the Company.

c) To appoint Mr. Udeypaul Singh Gill as an Independent Director of the Company.

The Board had appointed M/s Khanna Ashwani & Associates, Practicing Company Secretaries as Scrutinizer to conduct the postal ballot process in a fair and transparent manner. The details of the voting pattern is as follows:-

Promoter/ Public	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes in against on votes polled
	1	2	3 = (2/1)*100	4	5	6= (4/2)*100	7= (5/2)*100
Special Resolution 1							
Promoter & Promoter Group	3,64,27,442	3,54,23,969	97.245	3,54,23,969	0	100	0
Public	2,13,45,368	1,30,86,203	61.306	1,30,85,731	472	99.996	0.004
Total	**5,77,72,810**	**4,85,10,172**	**83.967**	**4,85,09,700**	**472**	**99.999**	**0.001**
Special Resolution 2							
Promoter & Promoter Group	3,64,27,442	3,54,23,969	97.245	3,54,23,969	0	100	0
Public	2,13,45,368	1,30,86,202	61.306	1,30,85,807	395	99.997	0.003
Total	**5,77,72,810**	**4,85,10,171**	**83.967**	**4,85,09,776**	**395**	**99.999**	**0.001**
Special Resolution 3							
Promoter & Promoter Group	3,64,27,442	3,54,23,969	97.245	3,54,23,969	0	100	0
Public	2,13,45,368	1,30,77,035	61.264	1,30,76,190	845	99.994	0.006
Total	**5,77,72,810**	**4,85,01,004**	**83.951**	**4,85,00,159**	**845**	**99.998**	**0.002**

There is no immediate proposal for passing any resolution through postal ballot in financial year 2022-23.

7. DISCLOSURES:

i. There was no materially significant related party transaction. Transactions with related parties are disclosed in Note No. 46 to the Financial Statements. 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%20Textiles%20Ltd/Related_Party_Transaction_Policy.pdf

ii. 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, relating to capital market, during the last three years.

iii. The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism and Whistle Blower Policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The policy on "Vigil Mechanism and Whistle Blower" may be accessed on the Company's website at the link: https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Textiles%20Ltd/Whistle_Blower_Policy.pdf

iv. The Company has complied with all the applicable requirements specified in Regulation 17 to 27 and 46 of 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 Board of Directors of the Company. The aim of Risk Management Policy is to maximize the opportunities in all activities and to minimize adversity.

viii. Further, the Company has complied with all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The Company may also take up the non-mandatory requirements of the Regulations in due course of time.

ix. As on March 31, 2022, there was no outstanding GDRs/ ADRs/Warrants or any convertible instruments.

x. During the year 2021-22, the Company had managed the foreign exchange risk and commodity price risk and hedged to the extent considered necessary. The Company enters into forward contracts and options contracts for hedging foreign exchange exposures against exports and imports. Further, the Company also enters in commodity derivative contracts for hedging commodity price risk exposures on cotton.

The details of foreign currency exposure are disclosed in the Note No. 37 to the Financial Statements.

Exposure of the Company to commodity risk as on 31st March, 2022 is as follows:

Commodity Name	Exposure in INR towards the particular commodity	Exposure in quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
Cotton	1,361 crore	63.39 million kgs. approx	-	0.95% approximately	-	39.64% approximately	40.59%

xi. 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%20Textiles%20Ltd/Policy_for_Determining_Material_Subsidiaries.pdf

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/ company of which statutory auditor is part is ₹78.60 lac.

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, conducting investor calls 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., "Business Standard" and "Desh Sewak". The Financial Results of the Company are also made available at the Company's website www.vardhman.com.

GENERAL INFORMATION FOR SHAREHOLDERS

i)	**49th Annual General Meeting:**	
	Date	: 30th September, 2022
	Time	: 10:15 a.m.
	Venue	: Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")
ii)	**Financial Calendar 2022-23 (Tentative)**	
	First Quarter Results	: July, 2022
	Second Quarter Results	: October, 2022
	Third Quarter Results	: January, 2023
	Annual Results	: May, 2023
iii)	**Dates of Book Closure**	**: 20th September, 2022 to 30th September, 2022** (both days inclusive)
iv)	**Dividend payment date**	: The Board has not recommended Dividend for the Financial Year 2021-22.
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 : 502986 • National Stock Exchange of India Limited : VTL

vii) Stock Market Data:

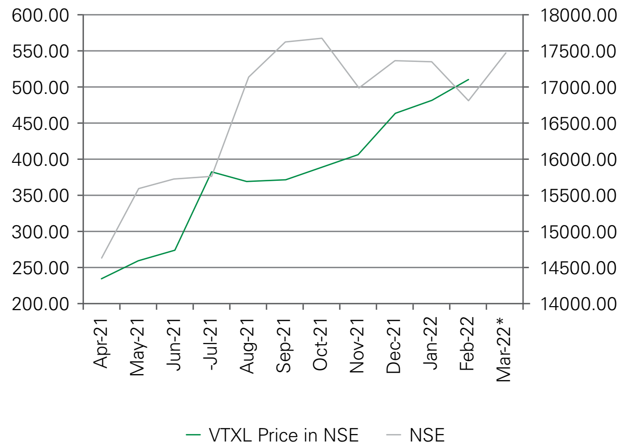
The month-wise highest and lowest and closing stock prices of NSE vis-a-vis BSE during the financial year 2021-22 is given below: -

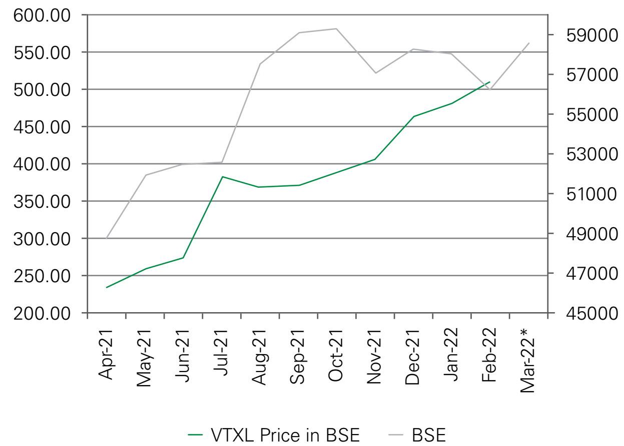
Financial Year 2021-22	Share Prices of Vardhman Textiles Limited on NSE				Share Prices of Vardhman Textiles Limited on BSE			
	Highest (₹)	Lowest (₹)	Closing (₹)	%age change over last month's closing	Highest (₹)	Lowest (₹)	Closing (₹)	%age change over last month's closing
April	1,346.35	1,120.00	1,171.90	-9.69	1,333.20	1,120.05	1,177.60	-9.42
May	1,387.70	1,157.00	1,293.10	10.34	1,384.00	1,170.00	1,294.15	9.90
June	1,477.25	1,261.20	1,367.40	5.75	1,476.50	1,261.50	1,367.35	5.66
July	2,009.95	1,355.25	1,909.65	39.66	2,008.85	1,358.00	1,909.80	39.67
August	2,039.70	1,623.80	1,842.10	-3.54	2,040.00	1,630.00	1,840.15	-3.65
September	2,024,00	1,752.45	1,852.40	0.56	2,023.40	1,755.00	1,854.25	0.77
October	2,147.85	1,773.00	1,946.05	5.06	2,145.00	1,773.10	1,943.55	4.82
November	2,167.35	1,846.10	2,031.95	4.41	2,198.85	1,850.75	2,032.25	4.56
December	2,420.00	1,908.00	2,318.40	14.10	2,416.50	1,905.00	2,309.40	13.64

Financial Year 2021-22	Share Prices of Vardhman Textiles Limited on NSE				Share Prices of Vardhman Textiles Limited on BSE			
	Highest (₹)	Lowest (₹)	Closing (₹)	%age change over last month's closing	Highest (₹)	Lowest (₹)	Closing (₹)	%age change over last month's closing
January	2,880.00	2,320.00	2,403.90	3.69	2,880.00	2,351.00	2,403.95	4.09
February	2,661.00	2,334.65	2,551.10	6.12	2,662.75	2,370.00	2,557.00	6.37
March	2,822.00	434.05	436.00	N.A.*	2,822.95	433.60	435.55	N.A.*

* The face value of the equity share of the Company sub-divided from ₹10/- per share to ₹2/- per share during March, 2022.

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





* The figures for the month of March 2022 has not been given as the same are not comparable due to split of face value of equity share of the Company from ₹10/- per share to ₹2/- per share.

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 up to the financial year 2013-14 has 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 by the end 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

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,

(Unit: Vardhman Textile Limited)

205-208, Anarkali Complex, Jhandewalan Extension, New Delhi - 110 055.

Phone: (011) 41540060-63, Fax: (011) 41540064, E-mail: 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 dematerialize 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 **INE 825 A01020**.

xii) Distribution of Shareholding as on 31st March, 2022:

RANGE No. of Shares	SHAREHOLDERS		SHARES	
	Numbers of Total Holders	% to Total Holders	Numbers of Shares Held	% to Total Shares
Upto-500	64,578	86.75	51,78,265	1.80
501-1000	5,012	6.74	37,40,931	1.29
1001-5000	3,776	5.07	83,83,557	2.90
5001-10000	465	0.62	32,84,091	1.14
10001-50000	403	0.54	87,65,919	3.03
50001-100000	63	0.08	44,62,617	1.54
100001-500000	93	0.12	2,25,20,841	7.80
500001- above	59	0.08	23,25,27,829	80.50
Total	**74,449**	**100.00**	**28,88,64,050**	**100.00**

xiii) Dematerialisation of shares:

As on 31st March, 2022, 99.05% of the capital comprising 28,61,29,600 shares, out of total of 28,88,64,050 shares, were dematerialized.

xiv) Stock Options:

The Company has granted options to its employees under Vardhman Textiles Limited Employee Stock Options Plan, 2016 (hereinafter referred as ESOP Plan). During the financial year 2021-22, 2,01,250 equity shares were allotted to the eligible employees. So, the paid-up equity share capital of the Company stood increased to ₹57,77,28,100 as on 31st March, 2021.

xv) Plant Location:

- **Arihant Spinning Mill**
  Industrial Area,
  Malerkotla-148 023
- **Anant Spinning Mills,**
  New Industrial Area,
  Mandideep-462 046
- **Arisht Spinning Mills,**
  Sai Road, Baddi,
  Distt. Solan (H.P.)- 173 205.
- **Auro Spinning Mills,**
  Sai Road, Baddi,
  Distt. Solan (H.P.)- 173 205.
- **Vardhman ReNova,**
  Sai Road, Baddi,
  Distt. Solan (H.P.)- 173 205.
- **Auro Weaving Mills,**
  Sai Road, Baddi,
  Distt. Solan (H.P.) - 173 205.

- **Auro Textiles**

  Sai Road, Baddi,
  Distt. Solan (H.P.)- 173 205

- **Vardhman Spinning Mills,**

  Sai Road, Baddi,
  Distt. Solan (H.P.)- 173 205

- **Vardhman Spinning and General Mills,**

  Chandigarh Road,
  Ludhiana-141 010.

- **Vardhman Fabrics**

  Budhni, Distt. Sehore (M.P.) - 466 445

- **Vardhman Fabrics (Power Division)**

  Budhni, Distt. Sehore (M.P.) – 466 445

- **Vardhman Yarns**

  Satlapur, Distt. Raisen (M.P.) – 462 046

- **Vardhman Yarns (Power Division)**

  Satlapur, Distt. Raisen (M.P.) – 462 046

- **VMT Spinning Mills**

  Kalyanpur, Baddi, Distt. Solan (H.P.)- 173205

- **Vardhman Apparels**

  D-295/2, Phase VIII, Focal Point,
  Ludhiana-141123

xvi) Address for correspondence:

Registered office	: Chandigarh Road, Ludhiana-141010
Tel	: 0161-2228943-48
Fax	: 0161-2601048, 2602710, 2222616
E-mail	: secretarial.lud@vardhman.com (Exclusively for redressal of investors' grievances)

xvii) List of credit ratings:

The Company has obtained rating from CRISIL Limited during the financial year 2021-22. There has been no revision in the credit ratings during the financial year 2021-22. List of all credit ratings obtained by the Company during the year are as follows:

Particulars	Rating during FY 2021-22
Long Term Bank Facilities	CRISIL AA+/Stable
Short Term Bank Facilities	CRISIL A1+
Non-Convertible Debentures	CRISIL AA+/Stable
Commercial Papers	CRISIL A1+

xviii) Debenture Trustee :

SBICAP Trustee Company Limited, Apeejay House, 6th floor 3, Dinshaw Wachha Road, Churchgate, Mumbai 400 020 Tel: 022-4302 5555; Fax : 022- 22040465 E-Mail: corporate@sbicaptrustee.com; Website: www.sbicaptrustee.com

Chairman & Managing Director's Declaration

A. I, S.P. Oswal, Chairman & Managing Director of Vardhman Textiles 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.

Place: Ludhiana
Dated:21st May, 2022

S.P. Oswal
Chairman & Managing Director

B. I, S.P. Oswal, Chairman & Managing Director of Vardhman Textiles 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.

Place: Ludhiana
Dated: 21st May, 2022

S.P. Oswal
Chairman & 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 Textiles 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:

Sr. No.	Director Identification Number	Name of Director
1.	00121737	Mr. S.P. Oswal
2.	00746409	Mr. Sachit Jain
3.	00746471	Mrs. Suchita Jain
4.	00340459	Mr. Neeraj Jain
5.	00040837	Mr. Prafull Anubhai
6.	00154024	Mr. A.K. Kundra
7.	01040271	Dr. S.K. Bijlani
8.	07995388	Dr. Parampal Singh
9.	03049487	Mrs. Harpreet Kang
10.	00004340	Mr. Udeypaul Singh Gill

This certificate is issued pursuant to Clause 10 (i) of Part C of Schedule V of 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: F002004D000358681

Date: 21st May, 2022
Place: Ludhiana

Corporate Governance Certificate

To
The Members of
Vardhman Textiles Limited

We have examined relevant records of M/s Vardhman Textiles Limited (the Company) for the purpose of certifying compliance of the conditions of Corporate Governance for the financial year ended 31st March, 2022 as per the provisions of Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the review of procedure and implementation thereof. It is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with the conditions of Corporate Governance for the financial year ended 31st March, 2022 as stipulated in the Listing Regulations.

This Certificate is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For Ashok K Singla & Associates
Company Secretaries,

Sd/-
Ashok Singla
Proprietor
Membership No. 2004
Certificate of Practice No. 1942
UDIN: F002004D000358679

Date: 21st May, 2022
Place: Ludhiana

Independent Auditor's Report

To
The Members of
Vardhman Textiles Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Vardhman Textiles 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 of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone 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 standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit 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 of the current period. 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. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Uncertain income-tax positions - Refer to Notes 2.15, 2.19.1.4, 38 and 39 to the standalone financial statement** The Company has material uncertain income-tax positions including matters under dispute relating to Income Taxes. These matters involve significant management judgement to determine the possible outcome of these disputes.	**Principal audit procedures performed:** • Obtained an understanding of and performed testing of design, implementation and operating effectiveness of the control established by the Company with regard to uncertain income tax positions. • We obtained details of complete income tax matters from the Company's internal tax experts during the year ended March 31, 2022.

Sr. No.	Key Audit Matter	Auditor's Response
		• We involved our internal direct tax experts to challenge the management's underlying assumptions in estimating the tax provisions and possible outcome of the disputes. Our internal direct tax experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions relating to Income Taxes. • Assessed the adequacy of the disclosures made in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

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 Report, Business Responsibility Report, Director's Report including annexures to the Director's Report and Corporate Governance Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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 Standalone 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 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 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 the 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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, 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 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls 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, as amended,

   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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer to Note 38(a) to the standalone Ind AS financial statements.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer to Note 38(f) to the standalone Ind AS financial statements.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company - Refer to Note 51 to the standalone Ind AS financial statements.

   iv. (a) The Management has represented that, to the best of it's knowledge and belief as disclosed in note 53 (v) to the financial statements, 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 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 ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (b) The Management has represented, that, to the best of it's knowledge and belief as disclosed in note 53 (vi) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), 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 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 performed that have 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), 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 during the year is in accordance with section 123 of the Act, as applicable. Also, The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with section 123 of the Act.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS AND SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rajesh Kumar Agarwal
(Partner)
(Membership No. 105546)
(UDIN: 22105546AJISFG4463)

Place: Gurugram
Date: May 21, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report 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 controls over financial reporting of Vardhman Textiles Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is 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 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India 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. 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 judgement, 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 system over financial reporting.

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 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 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 financial statements.

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.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, 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 March 31, 2022, based on the criteria for internal financial control over financial reporting 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.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Rajesh Kumar Agarwal
(Partner)
(Membership No. 105546)
(UDIN: 22105546AJISFG4463)

Place: Gurugram
Date: May 21, 2022

ANNEXURE "B" TTO THE INDEPENDENT AUDITOR'S REPORT OF VARDHMAN TEXTILES LIMITED

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

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) 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. Immovable properties of land whose title deeds have been pledged for obtaining credit facility extended to the company as security are held in the name of the Company based on the confirmations directly received by us from "ICICI Bank Limited" and "SBI Bank" (custodian) on behalf of term and consortium lenders.

(d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories except for goods-in-transit and stocks held with third parties, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods in transit, the goods have been received subsequent to the year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/alternate procedures performed as applicable, when compared with the books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly statements comprising stock statements, book debt statements, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.

(iii) The Company has not provided guarantee or security and granted advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. The company has made investments in and granted loans to employees, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:

(a) The Company has provided loans to employees and details of which are given below:

	Amount in Rs. Crores
A. Aggregate amount of loans granted during the year to Employees:	3.54
B. Balance outstanding as at balance sheet date with Employees	2.97

The Company has not provided any guarantee or security to any other entity during the year.

(b) The investments made and the terms and conditions of the grant of all the above-mentioned loans to employees during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted to employees, the schedule of repayment of principal has been stipulated and the repayments of principal amounts are regular as per stipulation. There are no interest bearing loans given by the company.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.

(iv) According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause (iv) of the Order is not applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Nature of Statute	Nature of Dues	Forum where dispute is pending	Period to which the Amount Relates	Amount*	Amount paid under protest	Amount unpaid
					(Rs. In Crores)	
Central Excise Laws	Excise Duty	CESTAT	FY 2007-08 to FY 2010-11	0.67	0.02	0.65
		Up-to Commissioner (Appeals)	FY 2011-12 to FY 2013-14, FY 2017-18, FY 2018-19	0.61	0.02	0.59
		High Court	FY 2016-17, FY 2017-18, FY 2020-21	3.77	0.20	3.58
Service Tax Laws	Service Tax	CESTAT	FY 2008-09	0.11	-	0.11
Sales Tax Laws	Central Sales Tax	Appellate Board	FY 2009-10	0.06	-	0.06
	State Sales Tax	Appellate Board	FY 2010-11 to FY 2012-13	0.17	0.09	0.08
		Up-to Commissioner (Appeals)	FY 2014-15 to FY 2017-18	0.07	0.02	0.05
Goods and Service Tax Laws	Goods and Service Tax	Up-to Commissioner (Appeals)	FY 2017-18, FY 2020-21	1.32	0.22	1.10
Provident Fund	Provident Fund	Upto Commissioner Appeals	FY 2015-16	0.27	0.11	0.16
Municipality Corporation Act	Octroi	High Court	FY 1996-97	0.15	-	0.15
Property Tax	Property Tax	High Court	FY 2015-16	1.40	0.70	0.70
Land Acquisition Act	Enhancement of compensation for Industrial Land	Collector Land Acquisition	FY 1991-92	1.47	-	1.47
National Green Tribunal	National Green Tribunal	High Court	FY 2020-21	1.38	-	1.38
Income Tax Laws	Income Tax	ITAT	AY 2014-15, AY 2015-16	37.37	37.37	-
		CIT(A)	AY 2016-17 to AY 2019-20	251.52	137.90	113.62

*Amount under dispute/ as per demand orders including interest and penalty wherever quantified in the Order.

The following matters, which have been excluded from the above table, have been decided in favor of the Company but the department has preferred appeals at higher levels. The details are given below:

Nature of Statute	Nature of Dues	Forum where dispute is pending	Period to which the Amount Relates	Amount involved*
				(Rs. In Crores)
Income Tax Laws	Income Tax	High Court	AY 2001-02 to AY 2007-08	26.83
		ITAT	AY 2014-15, AY 2015-16	83.52

*Amount under dispute/ as per demand orders including interest and penalty wherever quantified in the Order.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The Company has not made any investment in or given any new loan or advances to any of its subsidiaries, associates or joint ventures during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 2022.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, (Asset Liability Maturity (ALM) pattern) other information accompanying the financial statements and 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 indicating that Company is not capable of meeting its liabilities existing at the date of 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 transfer 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 second proviso to sub-section (5) of section 135 of the said Act.

(b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, 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 DELOITTE HASKINS AND SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rajesh Kumar Agarwal
(Partner)
(Membership No. 105546)
(UDIN: 22105546AJISFG4463)

Place: Gurugram
Date: May 21, 2022

Balance Sheet

as at March 31, 2022

(All amounts in crores, unless otherwise stated)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3A	3,425.75	3,457.51
(b) Right-of-Use Asset	44	8.50	8.63
(c) Capital work-in-progress	3A	241.02	77.75
(d) Intangible assets	3B	1.44	1.82
(e) Financial assets			
(i) Investments	4	964.29	494.30
(ii) Loans	5	0.95	1.32
(iii) Others financial assets	6	154.28	173.98
(f) Other non-current assets	7	162.40	65.03
Total Non-current assets		**4,958.63**	**4,280.34**
Current assets			
(a) Inventories	8	2,806.67	2,735.59
(b) Financial assets			
(i) Investments	9	493.59	318.90
(ii) Trade receivables	10	1,310.68	1,023.54
(iii) Cash and cash equivalents	11	62.06	36.05
(iv) Bank balances other than above	11A	53.89	35.27
(v) Loans	12	1.92	1.30
(vi) Other financial assets	13	143.32	48.72
(c) Other current assets	15	745.12	583.89
(d) Assets held-for-sale	15A	0.17	0.15
Total Current assets		**5,617.42**	**4,783.41**
TOTAL ASSETS		**10,576.05**	**9,063.75**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	57.77	57.56
(b) Other equity	17	7,481.35	6,080.99
Total Equity		**7,539.12**	**6,138.55**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	921.06	1,296.60
(ii) Lease Liability	19A	0.17	0.16
(iii) Other financial liabilities	19	5.40	2.81
(b) Provisions	20	15.98	16.38
(c) Deferred tax liabilities (Net)	21	229.78	242.48
(d) Other non-current liabilities	22	16.42	17.72
Total Non-current liabilities		**1,188.81**	**1,576.15**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	1,059.25	835.21
(ii) Trade payables	24		
(a) total outstanding dues of micro enterprises and small enterprises		29.98	14.33
(b) total outstanding dues of trade payable other than micro enterprises and small enterprises		318.63	243.69
(iii) Other financial liabilities	25	306.39	164.00
(b) Other current liabilities	26	109.25	82.65
(c) Provisions	27	2.77	2.62
(d) Current tax liabilities (net)	14	21.85	6.55
Total Current liabilities		**1,848.12**	**1,349.05**
TOTAL EQUITY AND LIABILITIES		**10,576.05**	**9,063.75**
See accompanying notes to the standalone financial statements	1 - 56		

In terms of our report attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

For and on behalf of the Board of Directors

Rajesh Kumar Agarwal
Partner

Sanjay Gupta
Company Secretary
Membership No:-4935

Rajeev Thapar
Chief Financial Officer

Suchita Jain
Vice Chairperson and Joint Managing Director
DIN:00746471

S.P. Oswal
Chairman and Managing Director
DIN: 00121737

Place : Gurugram
Date: May 21, 2022

Place : Ludhiana
Date: May 21, 2022

Statement of Profit and Loss

for year ended March 31, 2022

(All amounts in crores, unless otherwise stated)

	Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I	Revenue from operations	28	9,386.10	5,926.23
II	Other income	29	385.26	188.16
III	**Total Income (I+II)**		**9,771.36**	**6,114.39**
IV	**Expenses :**			
	Cost of materials consumed	30	4,796.53	3,084.65
	Purchases of stock-in-trade	31	0.43	2.26
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	32	(397.81)	67.27
	Employee benefits expense	33	713.93	574.66
	Finance costs	34	99.53	112.78
	Depreciation and amortization	3A, 3B & 44	362.10	358.39
	Other expenses	35	2,010.90	1,430.32
	Total Expenses		**7,585.61**	**5,630.33**
V	**Profit before tax (III-IV)**		**2,185.75**	**484.06**
VI	**Tax expense:**	36		
	Current tax		521.03	103.49
	Deferred tax		(12.72)	13.83
VII	**Profit for the year (V-VI)**		**1,677.44**	**366.74**
VIII	**Other Comprehensive Income**	17		
	A Items that will not be reclassified to profit or loss			
	(a) (i) Remeasurements of the defined benefits plans		8.63	6.09
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(2.17)	(1.50)
	(b) (i) Equity instruments through other comprehensive income		0.08	0.17
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.02)	(0.04)
IX	**Total other comprehensive income**		**6.52**	**4.72**
X	**Total comprehensive income for the year (VII+IX)**		**1,683.96**	**371.46**
	Earnings per equity share (amount in ₹)	42		
	(1) Basic		58.16	12.75
	(2) Diluted		58.00	12.67
	See accompanying notes to the standalone financial statements	1 - 56		

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors

Rajesh Kumar Agarwal
Partner

Sanjay Gupta
Company Secretary
Membership No:-4935

Rajeev Thapar
Chief Financial Officer

Suchita Jain
Vice Chairperson and Joint Managing Director
DIN:00746471

S.P. Oswal
Chairman and Managing Director
DIN: 00121737

Place : Gurugram
Date: May 21, 2022

Place : Ludhiana
Date: May 21, 2022

Cash Flow Statement

for the year ended March 31, 2022
(All amounts in ₹ Crores, unless otherwise stated)

	Particulars	year ended March 31, 2022	year ended March 31, 2021
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	2,185.75	484.06
	Adjustments for:		
	Finance costs	80.88	100.64
	Fair valuation gain on investment	(42.62)	(35.63)
	Subsidy from Government	(1.74)	(27.58)
	Interest income	(24.77)	(28.65)
	Dividend on investments	(176.21)	(5.65)
	Net gain on sale / discarding of property, plant and equipment	(5.35)	(0.66)
	(Profit)/Loss on sale of Investments (Net)	(24.83)	(18.12)
	Provision no longer required written back (net)	(5.52)	(6.68)
	Assets written off	5.82	1.82
	Bad debt written off	1.17	0.37
	Allowances for doubtful trade receivables and advances written back (net)	14.99	(0.03)
	Depreciation and amortisation	362.10	358.39
	Share options outstanding account	0.84	2.16
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets :-		
	Trade receivables	(303.30)	(208.39)
	Inventories	(71.08)	(112.71)
	Loans	(0.25)	28.61
	Other assets (Current)	(152.60)	(89.15)
	Others financial assets (Current)	(93.03)	(36.07)
	Others financial assets (Non Current)	0.21	(165.45)
	Other assets (Non-current)	(43.26)	(3.50)
	Adjustments for increase / (decrease) in operating liabilities :-		
	Trade payables	96.10	(40.16)
	Provisions (Non Current)	(0.40)	0.81
	Provisions (Current)	0.15	0.11
	Others financial liabilities (Current)	105.73	(49.33)
	Others financial liabilities (Non-Current)	2.60	(1.16)
	Other liabilities (Non-current)	0.36	0.37
	Other liabilities (Current)	26.06	(0.59)
	Cash generated from operations	**1,937.80**	**147.83**
	Income taxes paid (net of refund received)	(507.90)	(32.44)
	Net cash generated by operating activities	**1,429.90**	**115.40**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of investments	(1,042.66)	(552.39)
	Proceeds from sale of Investments	465.51	766.14
	Interest received	16.70	20.69
	Payment for purchase of property, plant and equipment, capital work in progress and other intangible assets	(516.49)	(242.68)
	Bank balances not considered as cash and cash equivalents	7.36	(32.02)
	Proceeds from disposal of property, plant and equipment	10.71	3.52
	Dividend on subsidiaries, associates and other investments	176.21	5.65
	Net cash used in investing activities	**(882.66)**	**(31.09)**

Cash Flow Statement

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	year ended March 31, 2022	year ended March 31, 2021
C CASH FLOW FROM FINANCING ACTIVITIES*		
Proceeds from equity share capital/share application	12.82	9.19
Proceeds from borrowings (non-current)	87.95	325.00
Repayment of borrowings (non-current)	(282.28)	(228.26)
Repayment of borrowings (current) (net)	42.83	(211.10)
Dividends on equity share capital paid	(296.43)	(0.29)
Finance costs paid	(86.12)	(93.33)
Net cash used in financing activities	**(521.23)**	**(198.79)**
Net increase / (decrease) in cash and cash equivalents	**26.01**	**(114.48)**
Cash and cash equivalents at the beginning of the year	36.05	150.53
Cash and cash equivalents at the end of the year	**62.06**	**36.05**

*There are no non cash changes arising from financing activities

See accompanying notes to the standalone financial statements 1 - 56

In terms of our report attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

For and on behalf of the Board of Directors

Rajesh Kumar Agarwal
Partner

Sanjay Gupta
Company Secretary
Membership No:-4935

Rajeev Thapar
Chief Financial Officer

Suchita Jain
Vice Chairperson and Joint Managing Director
DIN:00746471

S.P. Oswal
Chairman and Managing Director
DIN: 00121737

Place : Gurugram
Date: May 21, 2022

Place : Ludhiana
Date: May 21, 2022

Statement of Changes in Equity

for the year ended March 31, 2022

(All amounts in crores, unless otherwise stated)

a. Equity share capital

Particulars	Amount
Balance as at April 01, 2020	57.52
Issue of equity shares under employee stock option plan (Refer note 45)	0.04
Balance as at March 31, 2021	**57.56**
Issue of equity shares under employee stock option plan (Refer note 45)	0.21
Balance as at March 31, 2022	**57.77**

b. Other equity

Particulars	Share application money pending allotment	Reserves and Surplus							Item of other comprehensive income	Total
		Capital reserve	Capital redemption reserve	Security premium	Debenture redemption reserve	Share options outstanding account	General reserve	Retained earnings	Equity instrument through other comprehensive income	
Balance as at April 01,2020 (as earlier published)	**-**	**1.24**	**6.26**	**13.57**	**57.62**	**14.71**	**1,375.09**	**4,139.04**	**1.16**	**5,608.69**
Effect of business combination (refer note 48)		0.40	6.00	-	-	-	24.91	58.22	-	89.53
Balance at April 01, 2020	**-**	**1.64**	**12.26**	**13.57**	**57.62**	**14.71**	**1,400.00**	**4,197.26**	**1.16**	**5,698.22**
Profit for the year	-	-	-	-	-	-	-	366.74	-	366.74
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	4.59	0.13	4.72
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**371.33**	**0.13**	**371.46**
Employee stock options accrued/(Lapsed) during April-March 2021 (Refer note 45)	-	-	-	-	-	2.16	-	-	-	2.16
Share Application Money received under employee stock options.	5.62	-	-	-	-	-	-	-	-	5.62
Transfer to equity shares due to issue of employee stock options (Refer note 45)	-	-	-	-	-	(1.83)	-	-	-	(1.83)
Securities premium on shares under Employee stock options	-	-	-	5.36	-	-	-	-	-	5.36
Transfer from Employee Stock Options accounts to General Reserve	-	-	-	-	-	(2.65)	2.65	-	-	-
Balance as at March 31,2021	**5.62**	**1.64**	**12.26**	**18.93**	**57.62**	**12.39**	**1,402.65**	**4,568.59**	**1.29**	**6,080.99**

Statement of Changes in Equity

for the year ended March 31, 2022

(All amounts in crores, unless otherwise stated)

b. Other equity (Contd..)

Particulars	Share application money pending allotment	Reserves and Surplus							Item of other comprehensive income	Total
		Capital reserve	Capital redemption reserve	Security premium	Debenture redemption reserve	Share options outstanding account	General reserve	Retained earnings	Equity instrument through other comprehensive income	
Profit for the year	-	-	-	-	-	-	-	1,677.44	-	1,677.44
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	6.46	0.06	6.52
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,683.90**	**0.06**	**1,683.96**
Employee stock options accrued/(Lapsed) during April-March 2022 (Refer note 45)	-	-	-	-	-	0.84	-	-	-	0.84
Share Application Money received under employee stock options.	1.30	-	-	-	-	-	-	-	-	1.30
Final Equity Dividend for the financial year 2020-21 (Amount ₹ 17.50 per share)	-	-	-	-	-	-	-	(100.91)	-	(100.91)
Interim Equity Dividend (Amount ₹ 34 per share)	-	-	-	-	-	-	-	(196.14)	-	(196.14)
Transfer to equity shares due to issue of employee stock options (Refer note 45)	(5.62)	-	-	-	-	(8.79)	-	-	-	(14.41)
Securities premium on shares under Employee stock options	-	-	-	25.72	-	-	-	-	-	25.72
Transfer from Employee Stock Options accounts to General Reserve	-	-	-	-	-	(0.45)	0.45	-	-	-
Balance as at March 31,2022	**1.30**	**1.64**	**12.26**	**44.65**	**57.62**	**3.99**	**1,403.10**	**5,955.44**	**1.35**	**7,481.35**

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

For and on behalf of the Board of Directors

Rajesh Kumar Agarwal
Partner

Sanjay Gupta
Company Secretary
Membership No:-4935

Rajeev Thapar
Chief Financial Officer

Suchita Jain
Vice Chairperson and Joint Managing Director
DIN:00746471

S.P. Oswal
Chairman and Managing Director
DIN: 00121737

Place : Gurugram
Date: May 21, 2022

Place : Ludhiana
Date: May 21, 2022

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

1 GENERAL INFORMATION

Vardhman Textiles Limited (the Company) is a public Company, which was incorporated under the provisions of the Companies Act, 1956 on October 8, 1973 and has its registered office at Chandigarh Road, Ludhiana. The name of the Company at its incorporation was Mahavir Spinning Mills Limited and subsequently changed to Vardhman Textiles Limited on September 5, 2006. The Company is engaged in manufacturing of cotton yarn, synthetic yarn and woven fabric. 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 21, 2022.

2 SIGNIFICANT ACCOUNTING POLICIES, SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS AND APPLICABLITY OF NEW AND REVSIED 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 Rule3 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 116, 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.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- **Level 2** inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** inputs are unobservable inputs for the asset or liability.

2.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amount disclosed as revenue are net of returns, rebates, goods & services tax and value added taxes.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities, as described below. The Company bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue recognised from major business activities:

2.3. 1 Sale of goods:

Revenue from sale of goods is recognised as and when the Company satisfies performance obligations by transferring control of the promised goods to its customers.

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

2.3. 2 Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

2.3. 3 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 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. 4 Rental income

The Company's policy for recognition of revenue from operating leases is described below in point no.2.13

2.4 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants recoverable upto financial year 2017-18 are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

As per the amendment in Ind-AS 20 "Government Grants" w.e.f April 1, 2018, the Company had opted to present the grant received/receivable after April 01,2018 related to assets as deduction from the carrying value of such specific assets.

2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

2.6 Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the entity’s functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.7 Employee benefits

2.7. 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

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

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.

2.7. 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.

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.

2.8 Share-based payment arrangements

Share-based payment transactions of the Company

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note no. 45.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee option outstanding account.

2.9 Taxation

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

2.9. 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.

2.9. 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

Notes to Standalone Financial Statement

for the year ended March 31, 2022

(All amounts in crores, unless otherwise stated)

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.

2.9. 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.

2.9. 4 Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Company applies significant judgement in identifying uncertainties over income tax treatments.

2.10 Property, plant and equipment (PPE)

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.

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

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

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.

The Company has elected to continue with the carrying value of all its PPE recognised as on April 1, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as on transition date.

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 ₹ 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	3 - 60 years
Plant and Equipment	5 - 40 years
Furniture and Fixtures & Office Equipment	3- 10 years
Vehicles	8 - 10 years

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. 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.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2.11 Intangible assets

2.11. 1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The Company has elected to continue with the carrying value of all its intangible assets recognised as on April 1, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as on transition date.

2.11. 2 De-recognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.11. 3 Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Computer softwares	6 years
Contribution to CETP	5 years
Right to use power lines	5 Years

Notes to Standalone Financial Statement

for the year ended March 31, 2022

(All amounts in crores, unless otherwise stated)

2.12 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.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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.

2.13 Leases

The Company as Lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company 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.

2.14 Inventories

Inventories are valued at cost or net realizable value, whichever is lower. The cost in respect of the various items of inventory is computed as under:

In case of raw materials at weighted average cost plus direct expenses. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

In case of stores and spares at weighted average cost plus direct expenses. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

In case of work in progress at raw material cost plus conversion costs depending upon the stage of completion.

In case of finished goods at raw material cost plus conversion costs, packing cost, non recoverable indirect taxes (if applicable) and other overheads incurred to bring the goods to their present location and condition.

In case of by-products at estimated realizable value

Net realizable value is the estimated selling price in ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.15 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 on 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.

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

2.16 Financial instruments

Financial assets and financial liabilities are recognised when a Company 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.

2.16.1 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

2.16.1.1 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

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.

2.16.1.2 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.

2.16.1.3 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

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

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.

2.16.1.4 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.

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.

2.16.1.5 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.

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

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

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 18, 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, 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 ECL's 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.

2.16.1.6 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.

2.16.1.7 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss.

2.16.2 Financial liabilities

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

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

2.16.2.1 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

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.

2.16.2.2 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.

2.16.2.3 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.

2.16.3 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks and to manage its exposure to imported raw material price risk including foreign exchange forward contracts and commodities future contracts. Further details of derivative financial instruments are disclosed in note 37.

Notes to Standalone Financial Statement

for the year ended March 31, 2022

(All amounts in crores, unless otherwise stated)

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

2.16.4 Equity instrument

Equity instrument are any contract that evidences a residual interest in the assets of an equity after deducting all of its liabilities.

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument"

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

The equity shares of the Company held by it through a trust are presented as deduction from total equity, until they are cancelled or sold.

2.17 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). 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.

2.18 Assets held for sale

The Company classifies non current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

2.19 Significant accounting judgements, estimates and assumptions

In the application of the Company's accounting policies, which are described as stated above, the Board of Directors of the Company are required to make judgements,

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

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.

2.19.1 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:

2.19.1.1 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.

2.19.1.2 Useful lives of depreciable tangible assets and intangible 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.

2.19.1.3 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.

In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The Chief Financial Officer works closely with the qualified external valuers to establish appropriate valuation techniques and inputs to the model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in notes 37.

2.19.1.4 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 is 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

Notes to Standalone Financial Statement

for the year ended March 31, 2022

(All amounts in crores, unless otherwise stated)

provides disclosures in the financial statements but does not record a liability in its financial statements unless the loss becomes probable.

2.19.1.5 Income Tax

The Company's tax jurisdiction is India. Significant judgements are involved in determining the provision for income taxes including judgement on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

2.19.1.6 Inventory

Management has carefully estimated the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by market driven changes.

2.20 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 themost 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 March 31, 2022
(All amounts in crores, unless otherwise stated)

3A Property, plant and equipment and capital work-in-progress

Particulars	As at March 31, 2022	As at March 31, 2021
Carrying amount of		
Freehold land	116.47	103.93
Buildings	1,003.72	983.72
Plant and equipment	2,273.03	2,339.95
Furniture and fixtures	9.05	9.07
Vehicles	9.43	6.60
Office equipment	14.05	14.24
Total Property, plant and equipment	**3,425.75**	**3,457.51**
Capital work-in-progress	241.02	77.75
	3,666.77	**3,535.26**

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Cost or Deemed Cost							
Balance at April 01, 2020 (as earlier published)	**100.48**	**1,079.96**	**3,604.64**	**13.89**	**13.96**	**49.88**	**4,862.81**
Effect of business combination	2.52	25.58	84.80	0.79	0.16	1.46	115.31
Balance at April 01, 2020	**103.00**	**1,105.54**	**3,689.44**	**14.68**	**14.12**	**51.34**	**4,978.12**
Addition	0.94	69.60	201.11	1.93	0.68	3.66	277.92
Disposal/Adjustments	(0.01)	(1.63)	(5.10)	(0.08)	(0.85)	(0.36)	(8.03)
Balance at March 31, 2021	**103.93**	**1,173.51**	**3,885.45**	**16.53**	**13.95**	**54.64**	**5,248.01**
Addition	13.18	60.97	254.66	1.74	4.55	5.59	340.69
Disposal/Adjustments	(0.64)	(0.26)	(21.39)	(0.10)	(0.83)	(0.70)	(23.92)
Balance at March 31, 2022	**116.47**	**1,234.22**	**4,118.72**	**18.17**	**17.67**	**59.53**	**5,564.78**
Accumulated depreciation							
Balance at April 01, 2020 (as earlier published)	**-**	**147.04**	**1,200.38**	**5.31**	**6.09**	**33.45**	**1,392.27**
Effect of business combination	-	4.76	38.12	0.51	0.07	1.00	44.46
Balance at April 01, 2020	**-**	**151.80**	**1,238.50**	**5.82**	**6.16**	**34.45**	**1,436.73**
Depreciation	-	38.32	309.30	1.66	1.62	6.22	357.12
Disposal/Adjustments	-	(0.33)	(2.30)	(0.03)	(0.42)	(0.27)	(3.35)
Balance at March 31, 2021	**-**	**189.79**	**1,545.50**	**7.45**	**7.36**	**40.40**	**1,790.50**
Depreciation	-	40.75	311.61	1.70	1.59	5.63	361.28
Disposal/Adjustments	-	(0.04)	(11.42)	(0.04)	(0.70)	(0.55)	(12.75)
Balance at March 31, 2022	**-**	**230.50**	**1,845.69**	**9.11**	**8.25**	**45.48**	**2,139.03**

Notes to Standalone Financial Statement

for the year ended March 31, 2022

(All amounts in crores, unless otherwise stated)

3A Property, plant and equipment and capital work-in-progress (Contd..)

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Carrying amount							
Balance at April 01, 2020 (as earlier published)	**100.48**	**932.92**	**2,404.26**	**8.58**	**7.87**	**16.43**	**3,470.54**
Effect of business combination	2.52	20.82	46.68	0.27	0.10	0.46	70.85
Balance at April 01, 2020	**103.00**	**953.74**	**2,450.94**	**8.85**	**7.97**	**16.89**	**3,541.39**
Addition	0.94	69.60	201.11	1.93	0.68	3.66	277.92
Disposal/Adjustments	(0.01)	(1.30)	(2.80)	(0.05)	(0.43)	(0.09)	(4.68)
Depreciation	-	(38.32)	(309.30)	(1.66)	(1.62)	(6.22)	(357.12)
Balance at March 31, 2021	**103.93**	**983.72**	**2,339.95**	**9.07**	**6.60**	**14.24**	**3,457.51**
Addition	13.18	60.97	254.66	1.74	4.55	5.59	340.69
Disposal/Adjustments	(0.64)	(0.22)	(9.97)	(0.06)	(0.13)	(0.15)	(11.17)
Depreciation	-	(40.75)	(311.61)	(1.70)	(1.59)	(5.63)	(361.28)
Balance at March 31, 2022	**116.47**	**1,003.72**	**2,273.03**	**9.05**	**9.43**	**14.05**	**3,425.75**

Notes on property, plant and equipment

1 Refer to note 18 (a) for information on property, plant and equipment pledged as security by the Company.

2 Buildings includes ₹ 2.48 Crores (March 31, 2021: ₹ 2.48 Crores) cost of residential flats at Mandideep, the land cost of which has not been excluded from this cost. The depreciation for the year has been taken on the entire cost.

3 As per the amendment in Ind-AS 20 "Government Grants" w.e.f April 1, 2018, the Company has opted to present the grant related to assets as deduction from the carrying value of such specific assets. For financial year 2021-22 such amount deducted from Property, Plant and Equipment is ₹ Nil (FY 20-21 ₹ Nil).

4 The Company has availed benefit under Export Promotion Capital Goods (EPCG) scheme amounting to ₹ 17.82 Crores (FY 20-21 ₹ 7.11 Cr) (related to non cenvatable portion of total duty saved) for financial year 2021-22, such benefit is related to Property, Plant and Equipment and Capital work in progress.

5 Borrowing cost capitalised during the year ₹ Nil Crores (March 31, 2021 Nil)

6 Also refer Note 2.10 for option used by the Company to use carrying value of previous GAAP as deemed cost as on April 1, 2015.

7 The title deeds of all immovable properties are held in the name of the Company. Where immovable properties are acquired by the Company consequent to acquisition / merger of companies, the title to the immovable properties of the transferror companies shall be deemed to have been mutated in the name of the company as per the scheme of amalgamation approved by National Company Law Tribunal / court.

8 Capital-work-in progress (CWIP) ageing schedule:

Projects in progress	Amount in CWIP for a period of:				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31-03-2022	239.84	0.98	0.20	-	241.02
As at 31-03-2021	70.86	6.89	-	-	77.75

9 There are no overdue or cost overrun projects compared to its original plan and no projects which are temporarily suspended, on the above mentioned reporting dates.

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

3B Intangible assets

Particulars	As at March 31, 2022	As at March 31, 2021
Carrying amount of		
Computer Softwares	1.41	1.78
Contribution to CETP	0.00	0.00
Right to use power lines	0.03	0.04
	1.44	**1.82**

Particulars	Computer Softwares	Contribution to CETP	Right to use power lines	Total
Cost or Deemed Cost				
Balance at April 01, 2020 (as earlier published)	**12.85**	**0.64**	**4.50**	**17.99**
Effect of business combination	0.49	-	0.07	0.56
Balance at April 01, 2020	**13.34**	**0.64**	**4.57**	**18.55**
Addition	0.95	-	-	0.95
Disposal	-	-	-	-
Balance as at March 31, 2021	**14.29**	**0.64**	**4.57**	**19.50**
Addition	0.32	-	-	0.32
Disposal	-	-	-	-
Balance as at March 31, 2022	**14.61**	**0.64**	**4.57**	**19.82**
Accumulated amortisation				
Balance at April 01, 2020 (as earlier published)	**11.03**	**0.64**	**4.50**	**16.17**
Effect of business combination	0.36	-	0.03	0.39
Balance at April 01, 2020	**11.39**	**0.64**	**4.53**	**16.56**
Amortisation expenses	1.12	-	0.01	1.13
Disposal	-	-	-	-
Balance as at March 31, 2021	**12.51**	**0.64**	**4.54**	**17.69**
Amortisation expenses	0.69	-	0.01	0.70
Disposal	-	-	-	-
Balance as at March 31, 2022	**13.20**	**0.64**	**4.55**	**18.39**
Carrying amount				
Balance at April 01, 2020 (as earlier published)	**1.82**	**0.00**	**(0.00)**	**1.82**
Effect of business combination	0.13	-	0.04	0.17
Balance at April 01, 2020	**1.95**	**0.00**	**0.04**	**1.99**
Addition	0.95	-	-	0.95
Disposal	-	-	-	-
Amortisation expenses	(1.12)	-	-	(1.12)
Balance as at March 31, 2021	**1.78**	**0.00**	**0.04**	**1.82**
Addition	0.32	-	-	0.32
Disposal	-	-	-	-
Amortisation expenses	(0.69)	-	(0.01)	(0.70)
Balance as at March 31, 2022	**1.41**	**0.00**	**0.03**	**1.44**

Note: These intangible assets are not internally generated

Also refer Note 2.11.1 for option used by the Company to use carrying value of previous GAAP as deemed cost as on April 1, 2015.

Notes to Standalone Financial Statement

for the year ended March 31, 2022

(All amounts in crores, unless otherwise stated)

4 Investments (Non Current)**

Particulars	As at March 31, 2022	As at March 31, 2021
TRADE INVESTMENTS (at cost/carrying value)		
Financial assets carried at cost		
a. Investment in equity instruments		
(i) Investment in subsidiaries (quoted)		
5,68,51,144 (March 31, 2021: 5,68,51,144) Equity shares of ₹ 10/- each fully paid up of Vardhman Acrylics Limited	53.15	53.15
(ii) Investment in subsidiaries (unquoted)		
40,00,000 (March 31, 2021: 40,00,000) Equity shares of ₹ 10/- each fully paid up of VTL Investments Limited	4.04	4.04
(iii) Investment in Associates		
Quoted		
97,08,333 (March 31, 2021: 97,08,333) Equity shares of ₹ 10/- each fully paid up of Vardhman Special Steels Limited	25.24	25.24
Unquoted		
62,69,699(March 31, 2021: 62,69,699) Equity shares of ₹ 10/- each fully paid up of Vardhman Yarns & Threads Limited	27.50	27.50
25,000 (March 31, 2021 : 25,000) Equity shares of ₹ 10/- each fully paid-up of Vardhman Spinning and General Mills Limited	0.03	0.03
Financial assets measured at fair value through other comprehensive income		
(i) Investment in equity instruments (unquoted)		
41,000 (March 31, 2021: 41,000) Equity-Shares of ₹ 10/- each fully paid-up of Shivalik Solid Waste Management Limited (Section 25 Company)	0.13	0.11
1,40,625 (March 31, 2021: 1,40,625) Equity shares of ₹ 10/- each fully paid-up of Nimbua Greenfield (Punjab) Limited	1.89	1.84
2,225 (March 31, 2021: 2,225) Equity shares of ₹ 10/- each fully paid-up of Devakar Investment & Trading Company Private Limited	0.20	0.20
Other Investments:-		
Financial assets measured at fair value through Profit and loss		
(i) Investment in Bonds/ Preference shares/ Debentures/Mutual Funds (quoted)		
*** 6,660 (March 31, 2021 :6,660) 17.38% Non-convertible redeemable cumulative preference shares of ₹ 7,500/- each fully paid of IL&FS Financial Services Limited	-	-
*** 10,000 (March 31, 2021:10,000) 16.46% Non-convertible redeemable cumulative preference shares of ₹ 7,500/- each fully paid of Infrastructure Leasing & Financial Services Limited	-	-
4,80,963 (March 31, 2021: NIL) units of ₹ 1000/- each of Bharat Bond ETF - April 2031	51.78	-
9,24,143 (March 31, 2021:9,24,143) units of ₹ 1000/- each of BHARAT Bond ETF - April 2030 -Growth	111.17	104.83
4,77,412 (March 31, 2021: Nil) units of ₹ 1000/- each of Bharat Bond ETF - April 2025	51.76	-

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

4 Investments (Non Current)**(Contd..)

Particulars	As at March 31, 2022	As at March 31, 2021
7,45,44,342.813 (March 31, 2021 :4,99,97,500.125) units of ₹ 10/- each of Edelweiss NIFTY PSU Bond Plus SDL Index Fund - 2026 - Direct Plan Growth - P6D1	80.06	50.54
1,25,00,000 (March 31, 2021: NIL) units of ₹ 10/- each of Nippon India Fixed Horizon Fund - XLIII - Series 1 - Direct plan growth	25.73	-
3,49,98,250.087 (March 31, 2021 : NIL) units of ₹ 10/- each of Kotak FMP Series 292 - Direct Growth	36.13	-
* Nil (March 31, 2021: 3,24,12,364) units of ₹ 10/- each of Kotak FMP Series 254 - 1250 Days -Direct Plan - Growth	-	40.21
4,99,97,500.12 (March 31, 2021: NIL) units of ₹ 10/- each of SBI Fixed Maturity Plan (FMP) - Series 49 (1823 Days) - Direct Growth	51.42	-
* Nil (March 31, 2021: 6,50,00,000) units of ₹ 10/- each of Kotak FMP Series 251 - 1265 Days -Direct Plan - Growth	-	81.55
24998750.062 (March 31, 2021: NIL) Units of ₹ 10/- each of SBI Fixed Maturity Plan (FMP) - Series 46 (1850 Days) Direct Growth	26.13	-
4,99,97,500.125 (March 31, 2021: 4,99,97,500.125) units of ₹ 10/- each of SBI FMP Series 41 - 1498 Days -Direct Growth	52.96	50.00
2,99,98,500.075 (March 31, 2021: 2,99,98,500.075) units of ₹ 10/- each of SBI FMP Series 42 - 1857 Days -Direct Growth	31.86	30.00
3,49,27,229.892 (March 31, 2021:2,50,00,000.100) units of ₹ 10/- each of IDFC Gilt 2027 Index Fund Direct Plan- Growth	36.90	25.06
3,47,10,500.042 (March 31, 2021: NIL) units of ₹ 10/- each of SBI CPSE Bond Plus SDL Sep 2026- 50:50 Index fund direct	35.15	-
1,25,00,000 (March 31, 2021: NIL) units of ₹ 100/- each of Nippon India ETF Nifty SDL - 2026 Maturity	135.08	-
46,00,000 (March 31, 2021: NIL) units of ₹ 100/- each of Nippon India ETF Nifty CPSE Bond plus SDL 2024	49.85	-
4,98,39,012.067 (March 31, 2021: NIL) units of ₹ 10/- each of Edelweiss CRISIL PSU Plus SDL- 50:50 Oct 2025 Index Fund - Direct Plan Growth - P5D1	50.07	-
2,49,98,750.062 (March 31, 2021:NIL) units of ₹ 10/- each of Aditya Birla Sunlife Fixed Term Plan Series-TI (1837 Days) -Direct Growth	26.06	-
	964.29	**494.30**
1. Aggregate book value of quoted investments	930.51	460.60
2. Aggregate Market Value of quoted investments	1,379.14	724.77
3. Aggregate carrying value of unquoted investments	33.78	33.70

* Investments having maturity period of less than 12 months from March 31, 2022 i.e. the balance sheet date have been reclassified as Current Investment' during the year.

**Refer Note 37

*** Investment in preference shares of IL&FS group companies aggregating to ₹ 24.90 crores. 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 ₹ NIL (March 31,2021 ₹ NIL) and recorded adjustment as FVTPL .

Notes to Standalone Financial Statement

for the year ended March 31, 2022

(All amounts in crores, unless otherwise stated)

5 Loans (Non Current)

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assets at amortized cost		
Loan to employees (unsecured considered good)	0.95	1.32
	0.95	**1.32**

6 *Other Financial Assets (Non Current)

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assets at amortized cost		
(unsecured considered good unless otherwise stated)		
Fixed Deposits with banks more than twelve months maturity	132.86	169.72
Earmarked Deposits with banks	10.88	-
Interest Receivable	9.81	3.32
Other Recoverable	0.73	0.94
	154.28	**173.98**

*Refer Note 37

7 Other Non Current Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Non Financial Assets at amortized cost		
(unsecured considered good unless otherwise stated)		
Capital advances	74.18	20.07
Balance with government authorities	6.62	6.18
Other Recoverable	34.86	-
Prepaid (Deferred) Expense for employee benefit	0.19	0.08
Security deposits	45.16	37.02
Prepaid expenses-others	1.39	1.68
	162.40	**65.03**

8 Inventories

Particulars	As at March 31, 2022	As at March 31, 2021
(at cost or net realisable value, whichever is lower)		
Raw materials*	1,548.81	1,937.87
Work-in-progress	247.17	168.47
Finished Goods	791.30	472.19
Stores and Spares*	219.39	157.06
	2,806.67	**2,735.59**
*above items include goods in transit as per below		
Raw materials	40.86	10.60
Stores and Spares	18.07	14.07
	58.93	**24.67**

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

8 Inventories (Contd..)

(i) The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹ 4,796.53 Crores (March 31, 2021: ₹ 3,084.65 Crores)

(ii) Refer to Note 18(a) and 23 for information on inventories pledged as security by the Company.

(iii) The method of valuation of inventories has been stated in note 2.14.

9 *Other Investments (Current)

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assets measured at fair value through Profit and loss		
Investment in Liquid Funds (Quoted)		
NIL (March 31,2021: 62,656.588) units of ₹ 1000/-each of SBI Overnight Fund Direct Growth	-	21.00
14,87,98,853.156 (March 31, 2021 : NIL) units of ₹ 10/- each of TATA Arbitrage Fund-Direct-plan-growth	178.35	-
6,25,17,584.106 (March 31, 2021: NIL) units of ₹ 10/- each of Axis Arbitrage Fund-Direct-Growth	101.19	-
3,81,80,603.379 (March 31, 2021: NIL) units of ₹ 10/- Nippon India Arbitrage Fund- Direct growth plan- growth option.	87.16	-
Investment in Debt Funds/ Monthly Income Plans/Debentures/Bonds (Quoted)		
NIL (March 31, 2021 :5,00,00,000) units of ₹ 10/- each of Kotak FMP Series 216 Direct-Growth	-	63.80
NIL (March 31, 2021:4,00,00,000) units of ₹ 10/- each of Aditya Birla Sunlife Fixed Term Plan Series-PI (1140 Days) -Direct Growth	-	50.32
# 3,24,12,364 (March 31, 2021: Nil) units of ₹ 10/- each of Kotak FMP Series 254 - 1250 Days -Direct Plan - Growth	41.94	-
# 6,50,00,000 (March 31, 2021: Nil) units of ₹ 10/- each of Kotak FMP Series 251 - 1265 Days -Direct Plan - Growth	84.95	-
NIL (March 31, 2021: 2,50,00,000) units of ₹ 10/- each of HDFC FMP 1158 Days Direct Growth	-	31.48
NIL (March 31, 2021: 1,50,00,000) units of ₹ 10/- each of UTI Fixed Term Income Fund Series XXIV-XIV (1831 Days)Direct Growth Plan	-	21.87
NIL (March 31, 2021: 5,00,00,000)units of ₹ 10/- each of SBI Debt Fund Series C - 10 (1150 DAYS) Direct Growth	-	62.97
NIL (March 31, 2021 : 5,00,00,000) units of ₹ 10/- each of ICICI Prudential Fixed Maturity Plan Series 82-1203 days Plan K-Direct Plan Cumulative	-	63.17
Investment in equity Share (Quoted)		
NIL(March 31, 2021 :5,30,000) Equity shares of ₹ 1 /- each fully paid up of Welspun India Limited	-	4.29
	493.59	**318.90**
1. Aggregate amount of quoted investments	493.59	318.90
2. Aggregate market value of quoted investments	493.59	318.90
3. Aggregate carrying value of unquoted investments	-	-

Investments having maturity period of less than 12 months from March 31, 2022 i.e. the balance sheet date have been reclassified as 'Current investment' during the year.

* Refer note 37

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

10 *Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Receivable from related parties (Refer Note 46)		
- Unsecured, considered good	-	-
Receivable from others		
- Secured, considered good	-	-
- Unsecured considered good	1,310.68	1,023.54
- Significant increase in Credit risk	17.14	2.37
- Credit impaired	-	-
Less:- Allowances for doubtful trade receivables	(17.14)	(2.37)
	1,310.68	**1,023.54**

(i) The credit period allowed on sales generally vary, on case to case basis, business to business, based on market conditions, maximum credit period allowed is 45 days (2020-21 - 45 days) in case of domestic yarn and 90 days (2020-21 - 90 days) in case of domestic fabric and garments. In case of exports, maximum credit period of 120 days (2020-21 - 120 days) against letter of credit is provided.

(ii) There are no major customers that represent more than 10% of total balances of trade receivables.

(iii) Ageing of provision of doubtful trade receivables

Particulars	Expected Credit Loss	
	As at March 31, 2022	As at March 31, 2021
Less than 180 days	15.32	-
More than 180 days	1.82	2.37
	17.14	**2.37**

(iv) Age of Receivables:

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Undisputed Trade receivables – considered good		
Less than 6 months	1,305.64	1,008.22
6 months to 1 year	1.69	9.72
1 to 2 years	1.40	3.58
2 to 3 years	0.41	0.27
More than 3 years	0.43	0.64
	1,309.57	**1,022.43**
(b) Undisputed Trade Receivables – which have significant increase in credit risk		
Less than 6 months	0.40	-
6 months to 1 year	8.28	0.08
1 to 2 years	6.03	0.56
2 to 3 years	0.51	-
More than 3 years	0.28	0.09
	15.50	**0.73**

Notes to Standalone Financial Statement

for the year ended March 31, 2022

(All amounts in crores, unless otherwise stated)

10 *Trade receivables (Contd..)

Particulars	As at March 31, 2022	As at March 31, 2021
(c) Disputed Trade receivables – considered good		
Less than 6 months	-	-
6 months to 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	0.01
More than 3 years	1.11	1.10
	1.11	**1.11**
(d) Disputed Trade Receivables – which have significant increase in credit risk		
Less than 6 months	-	-
6 months to 1 year	-	-
1 to 2 years	0.25	0.25
2 to 3 years	-	1.39
More than 3 years	1.39	-
	1.64	**1.64**

(v) Movement in expected credit loss allowance

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	2.37	2.37
Reversal of provision during year	(0.55)	-
Provision provided during the year	15.32	-
Balance at the end of the year.	**17.14**	**2.37**

(vi) The concentration of credit risk is limited due to the fact that customer base is large and unrelated.

* Refer note 37

11 Cash and cash equivalents#

For the purpose of financial statements cash and cash equivalents include cash on hand and bank balances. Cash and cash equivalent at the end of reporting period can be reconciled to the related items in balance sheet as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
a) Balances with banks		
- In current accounts	59.89	35.23
b) Cheques on hand	2.01	0.65
c) Cash on hand	0.16	0.17
	62.06	**36.05**

#Refer note 37

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

11A Bank Balances other than Cash and cash equivalents#

Particulars	As at March 31, 2022	As at March 31, 2021
a) Other bank balances		
- Earmarked balances with banks*	17.76	4.70
- Deposits with more than twelve months maturity	132.86	169.72
- Deposits with more than three months but less than twelve months maturity	47.01	30.57
	197.63	204.99
Less: Amounts disclosed as other financial non current assets (Refer note 6)	143.74	169.72
	53.89	**35.27**

* Earmarked balances with banks includes ₹ 3.31 crores (March 31, 2021: ₹ 2.69 crores) pertaining to dividend accounts with banks and ₹ 12.89 crores (March 31, 2021:₹ 2.01 crores) pledged with government authorities, banks and others. Also includes ₹ 1.56 crores (March 31, 2021: ₹ Nil) pertaining to balances in unspent CSR accounts.

Refer note 37

12 Loans (Current)#

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assets at amortized cost		
(Unsecured and considered good), unless otherwise stated		
Loan to employees	1.92	1.30
	1.92	**1.30**

Refer note 37

13 Other financial assets (Current)**

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assets at amortized cost		
(Unsecured and considered good), unless otherwise stated		
Recoverable from related parties (Refer Note 46)	0.01	0.04
Interest receivable	4.77	3.19
Claims receivable	0.01	3.05
Other Recoverable	120.59	24.58
Financial assets at Fair value through Profit and loss		
Derivative Financial Instruments*	17.94	17.86
	143.32	**48.72**

* The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risk including foreign exchange forward contracts. For further details of derivative financial instruments refer note 37.

** Refer note 37

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

14 Current tax

Particulars	As at March 31, 2022	As at March 31, 2021
Current tax liabilities (net)		
Income-tax payable (net)	21.85	6.55

15 Other current assets

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured and considered good), unless otherwise stated		
Amount recoverable from Mahavir Share Trust in respect of shares Held in Trust (Refer note 40)	4.65	4.65
Advances to suppliers	181.41	107.44
Balance with government authorities	281.50	270.32
Prepaid (Deferred) Expense for employee benefit	0.17	0.17
Gratuity Trust	3.50	1.98
Prepaid expenses others	6.96	7.41
Other recoverable :		
- Considered good	266.93	191.92
- Considered Doubtful	0.23	0.01
Less: Allowances for doubtful other recoverable	(0.23)	(0.01)
	266.93	191.92
	745.12	**583.89**

15A Assets Held for sale

Particulars	As at March 31, 2022	As at March 31, 2021
Land held for Sale	0.16	0.15
Vehicle held for sale	0.01	-
	0.17	**0.15**

The company intends to dispose off a parcel of freehold land and a vehicle it no longer utilises in the next 12 months. No impairment loss was recognised on reclassification of the assets as held for sale as at March 31, 2022 as the company expects that sale consideration less costs to sell is higher than the carrying amount. Also the company had received advance of ₹ 1.51 Crore (March 31,2021 ₹ 1.50 Crore) shown in other current liabilities (Refer Note.26) against sale of these assets.

16 Equity share capital

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised share capital:		
45,00,00,000 equity shares of ₹ 2 each (March 31, 2021: 9,00,00,000 equity shares of ₹ 10 each)	90.00	90.00
1,00,00,000 redeemable cumulative preference shares of ₹ 10 each (March 31, 2021: 1,00,00,000 redeemable cumulative preference shares of ₹ 10 each)	10.00	10.00
	100.00	**100.00**

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

16 Equity share capital (Contd..)

Particulars	As at March 31, 2022	As at March 31, 2021
Issued, subscribed and fully paid up share capital comprises:		
28,88,64,050 equity shares of ₹ 2 each (March 31, 2021: 5,75,62,560 equity shares of ₹ 10 each)	57.77	57.56
	57.77	**57.56**

16.1 Rights, preference and restriction attached to equity shares

The Company has one class of equity shares having a par value of ₹ 2/- 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.

16.2 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.

16.3 As per Employee Stock Options Scheme 2016, senior employees of the Company were offered 6,14,000 options (for details refer note 45). The vesting for due options began from financial year 2016-17 and 1,40,850 options/shares (99,300 options/shares 2020-21) vested during the year 2021-22. Out of these, 2,10,250 of Face Value 10 per share- shares/options (FY 2020-21 43,800 shares/options) have been alloted. Share options granted under Company's employee share option plan carry right to dividend and voting rights at par with other equity holders.

16.4 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	5,75,62,560	57.56	5,75,18,760	57.52
Add: Issue of equity shares under employee stock option plan (Refer note 45)	2,10,250	0.21	43,800	0.04
Add: Equity shares arising on share split from ₹ 10 to ₹ 2 per share(refer note 16.8 below)	23,10,91,240	-	-	-
Balance as at the end of the year	**28,88,64,050**	**57.77**	**5,75,62,560**	**57.56**

16.5 Details of shares held by the holding Company

There is no Holding / Ultimate Holding Company of the Company

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

16.6 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
Vardhman Holdings Limited	7,95,02,475	27.52%	1,58,95,095	27.61%
Adishwar Enterprises LLP	5,15,94,315	17.86%	1,03,18,863	17.93%
Devakar Investment and Trading Company Private Limited	3,16,87,790	10.97%	63,37,564	11.01%
HDFC Trustee Company Ltd	2,34,93,615	8.13%	34,97,558	6.08%

16.7 Details of Shares held by promoters at the end of the year

Promoter Name	As at March 31, 2022			As at March 31, 2021		
	No. of Shares	%of total shares	% Change during the year	No. of Shares	%of total shares	% Change during the year
Vardhman Holdings Limited	7,95,02,475	27.52%	0.09%	1,58,95,095	27.61%	0.92%
Adishwar Enterprises LLP	5,15,94,315	17.86%	0.07%	1,03,18,863	17.93%	(0.01%)
Devakar Investment & Trading Company Private Limited	3,16,87,790	10.97%	0.04%	63,37,564	11.01%	0.17%
VTL Investments Limited	46,61,745	1.61%	0.13%	10,03,473	1.74%	0.00%
Shri Paul Oswal	29,87,955	1.03%	0.00%	5,97,591	1.04%	0.00%
Flamingo Finance & Investment Company Limited	26,64,795	0.92%	0.00%	5,32,959	0.93%	0.00%
Santon Finance & Investment Company Limited	22,81,650	0.79%	0.00%	4,56,330	0.79%	0.00%
Ramaniya Finance & Investment Company Limited	21,21,170	0.73%	0.00%	4,24,234	0.74%	0.00%
Suchita Jain	12,22,120	0.42%	0.00%	2,44,424	0.42%	0.00%
Shakun Oswal	6,93,075	0.24%	0.00%	1,38,615	0.24%	0.00%
Shri Paul Oswal, Partner, Paras Syndicate	5,74,875	0.20%	0.00%	1,14,975	0.20%	0.00%
Shri Paul Oswal, Partner, Northern Trading Company	5,63,295	0.20%	0.00%	1,12,659	0.20%	0.00%
Mahavir Spinning Mills Private Limited	4,94,720	0.17%	0.00%	98,944	0.17%	0.00%
Shri Paul Oswal, Partner, Amber Syndicate	3,89,240	0.13%	0.00%	77,848	0.14%	0.00%
Shakun Oswal, Partner, Eastern Trading Company	2,66,430	0.09%	0.00%	53,286	0.09%	0.00%
Soumya Jain	41,015	0.01%	0.00%	8,203	0.01%	0.00%
Sagrika Jain	34,925	0.01%	0.00%	6,985	0.01%	0.00%
Sachit Jain	-	0.00%	0.00%	-	0.00%	0.00%

16.8 During the current year, the equity shares of the Company have been sub-divided from existing face value of ₹ 10/- per equity shares into 5 equity shares having face value of ₹ 2 per equity share based on approval by the shareholders through their Postal Ballot dated 11th March, 2022 . The Record Date for effecting this sub-division of equity share was March 26, 2022.

Notes to Standalone Financial Statement

for the year ended March 31, 2022

(All amounts in crores, unless otherwise stated)

17 Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
Share application money pending allotment	1.30	5.62
Capital reserve	1.64	1.64
Capital redemption reserve	12.26	12.26
Security premium	44.65	18.93
Debenture redemption reserve	57.62	57.62
Share options outstanding account	3.99	12.39
General reserve	1,403.10	1,402.65
Retained earnings	5,955.44	4,568.59
Equity instrument through other comprehensive income	1.35	1.29
	7,481.34	**6,080.99**

Notes to Standalone Financial Statement

for the year ended March 31, 2022

(All amounts in crores, unless otherwise stated)

17 Other equity (Contd..)

Particulars	Share application money pending allotment	Reserves and Surplus							Item of other comprehensive income	Total
		Capital reserve	Capital redemption reserve	Security premium	Debenture redemption reserve	Share options outstanding account	General reserve	Retained earnings	Equity instrument through other comprehensive income	
Balance at April 01, 2020 (as earlier published)	**-**	**1.24**	**6.26**	**13.57**	**57.62**	**14.71**	**1,375.09**	**4,139.04**	**1.16**	**5,608.69**
Effect of business combination (refer note 48)		0.40	6.00	-	-	-	24.91	58.22	-	89.53
Balance at April 01, 2020	**-**	**1.64**	**12.26**	**13.57**	**57.62**	**14.71**	**1,400.00**	**4,197.26**	**1.16**	**5,698.22**
Profit for the year	-	-	-	-	-	-	-	366.74	-	366.74
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	4.59	0.13	4.72
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**371.33**	**0.13**	**371.46**
Employee stock options accrued/(Lapsed) during April-March 2021 (Refer note 45)	-	-	-	-	-	2.16	-	-	-	2.16
Share Application Money received under employee stock options.	5.62	-	-	-	-	-	-	-	-	5.62
Transfer to equity shares due to issue of employee stock options (Refer note 45)	-	-	-	-	-	(1.83)	-	-	-	(1.83)
Securities premium on shares under Employee stock options	-	-	-	5.36	-	-	-	-	-	5.36
Transfer from Employee Stock Options accounts to General Reserve	-	-	-	-	-	(2.65)	2.65	-	-	-
Balance at March 31, 2021	**5.62**	**1.64**	**12.26**	**18.93**	**57.62**	**12.39**	**1,402.65**	**4,568.59**	**1.29**	**6,080.99**
Profit for the year	-	-	-	-	-	-	-	1,677.44	-	1,677.44
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	6.46	0.06	6.52
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,683.90**	**0.06**	**1,683.96**
Employee stock options accrued/(Lapsed) during April-March 2022 (Refer note 45)	-	-	-	-	-	0.84	-	-	-	0.84
Share Application Money received under employee stock options.	1.30	-	-	-	-	-	-	-	-	1.30
Final Equity Dividend for the financial year 2020-21 (Amount ₹ 17.50 per share)	-	-	-	-	-	-	-	(100.91)	-	(100.91)
Interim Equity Dividend (Amount ₹ 34 per share)	-	-	-	-	-	-	-	(196.14)	-	(196.14)
Transfer to equity shares due to issue of employee stock options (Refer note 45)	(5.62)	-	-	-	-	(8.79)	-	-	-	(14.41)
Securities premium on shares under Employee stock options	-	-	-	25.72	-	-	-	-	-	25.72
Transfer from Employee Stock Options accounts to General Reserve	-	-	-	-	-	(0.45)	0.45	-	-	-
Balance at March 31, 2022	**1.30**	**1.64**	**12.26**	**44.65**	**57.62**	**3.99**	**1,403.10**	**5,955.44**	**1.35**	**7,481.35**

Notes to Standalone Financial Statement

for the year ended March 31, 2022

(All amounts in crores, unless otherwise stated)

17 Other equity (Contd..)

a. Share application money pending allotment

It represents money received from senior employees under the Company's employee share option scheme.

b. Capital reserve

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

c. 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.

d. Securities premium

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

e. Debenture redemption reserve

The Company has issued non convertible debentures in Financial Year 2017-18 and as per the provisions of the Companies Act, 2013 , it was required to create debenture redemption reserve out of the profits available for payment of dividend.The company has discontinued creation of DRR as per MCA notification no.464 dated August 16,2019.

f. Share options outstanding account

Company has approved employee share option scheme under which equity shares of Company are alloted to eligible employees as per the terms and conditions contained in the scheme. The amount is recognised based on the value of equity-settled share-based payments.

g. 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.

h. 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.

i. 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.

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

18 Borrowings (Non Current)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured - at amortised cost		
Term loans		
**From banks*	991.41	1,035.74
Less: Current maturities (refer note-23)	265.35	133.94
	726.06	**901.80**
Debentures		
Series B 7.69% 1500 Debentures of ₹ 10,00,000/-each	-	150.00
Series C 7.75% 1998 Debentures of ₹ 10,00,000/-each	199.80	199.80
6.83% 1950 Debentures of ₹ 10,00,000/- each	195.00	195.00
Less: Current maturities of Debentures (refer note-23)	199.80	150.00
	195.00	**394.80**
Total	**921.06**	**1,296.60**

* Net of unamortized processing charges: March 31, 2022: ₹ 1.03 crores (March 31, 2021 ₹ 1.08 crores)

** Includes External Commercial borrowing from Citi bank amounting ₹ 45.48 Crores (March 31,2021 ₹ 43.87 Crores)

(a) Term loans from banks are secured as follows:-

(1). 1st pari passu charge :- Hypothecation of entire fixed assets of the Company (both present and future) including equitable mortgage.

(2). 2nd pari passu charge:- Hypothecation of stocks of raw material, stock in process and finished goods, receivables/ book debts and other current assets (both present and future).

(b) The Company had issued secured, rated listed Redeemable Non-convertible Debentures (NCDs) aggregating to ₹ 195.00 Crores for cash at par on private placement basis on June 1, 2020. The NCD's are listed at the Bombay Stock Exchange of India (BSE) and repayable at the end of 36 months from the date of allotment and have a yield of 6.83% per annum payable on 01-June on annual basis.

CRISIL has assigned a rating of AA+ with Stable outlook to the said NCDs of the Company on November 23, 2021. The NCDs are secured by way of a first pari passu charge over the immovable and movable fixed assets of the Company and it should have fixed asset cover of more than 1.25 times of outstanding amount of NCDs. The Fixed Asset coverage ratio as on March 31, 2022 is 2.47 times and Asset cover as on March 31, 2022 is 2.43 times.

(c) The Company had also issued secured, rated listed Redeemable Non-convertible Debentures (NCDs) aggregating to ₹ 499.80 crores for cash at par on private placement basis on September 8, 2017. The NCDs are listed at the Bombay Stock Exchange of India (BSE) and comprise of three series repayable in third, fourth and fifth years and have an overall yield of 7.69% per annum. During the previous year 1,500 7.59% Series A NCDs of ₹ 10 lacs each amounting to ₹ 150 Cr were redeemed on 08-September 2020 and during the current year 1,500 7.69% Series B NCDs of ₹ 10 lacs each amounting to ₹ 150 Crores were redeemed on 08-September 2021.

CRISIL has assigned a rating of AA+ with Stable outlook to the said NCDs of the Company on November 23, 2021. These NCDs are secured by way of a first pari passu charge over the immovable and movable fixed assets of the Company and it should have fixed asset cover of more than 1.05 times of outstanding amount of NCDs. The Fixed Asset coverage ratio as on March 31, 2022 is 2.47 times and Asset cover as on March 31, 2022 is 2.43 times.

(d) There have been no breach of covenants mentioned in the loan agreements during the reporting years.

Notes to Standalone Financial Statement

for the year ended March 31, 2022

(All amounts in crores, unless otherwise stated)

18 Borrowings (Non Current) (Contd..)

18 (e) Terms of repayment of loan/debentures

			Repayments during				
Loan Category	**Frequency of principal repayments**	**Interest rate**	**FY 2022-23**	**FY 2023-24**	**FY 2024-25**	**FY 2025-28**	**Total**
Term loans	Quarterly Payments	5.25% to 7.65%	263.82	31.71	32.34	89.10	416.97
Term loans	Bullet Payments	5.35% to 7.25%	1.53	2.16	463.58	62.72	529.99
*ECB Loan	Bullet Payments	3M libor + 65 Bps	-	15.16	30.32	-	45.48
7.75% Series C Non-convertible debentures	Yearly	7.75%	199.80	-	-	-	199.80
6.83% Non-convertible debentures	Bullet Payments	6.83%	-	195.00	-	-	195.00
			465.15	**244.03**	**526.24**	**151.82**	**1,387.24**

18 (f) Also refer note 37 for fair value disclosures.

18 (g) For specific purpose borrowings from banks, company has utilized the funds for specific purpose for which it was taken.

* External commercial borrowing from Citi bank for capital expenditure is repayable in 3 equal installments beginning from end of 54 months, 57 months and 60 months carries an interest rate of 3M Libor plus spread of 0.65%.

19 Other financial liabilities (Non Current)*

Particulars	As at March 31, 2022	As at March 31, 2021
Financial liabilities at amortized cost		
Retention money	5.40	2.81
	5.40	**2.81**

* Refer note 37

19A Lease liabilities (Non Current)*

Particulars	As at March 31, 2022	As at March 31, 2021
Financial liabilities at amortized cost		
Lease Liability	0.17	0.16
	0.17	**0.16**

*Refer Note:-44

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

20 Provisions (Non Current)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits :		
- Leave (Refer note 47)	15.98	16.38
	15.98	**16.38**

The provision for employee benefit include annual leave and vested long service leave entitlement accrued of employees.

21 Deferred tax liabilities (net)*

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities	261.27	255.96
Deferred tax assets	31.49	13.48
	229.78	**242.48**

* Refer note 36

22 Other non-current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Income for Capital subsidy	14.79	16.45
Due to employees	0.32	0.09
Other	1.31	1.18
Total	**16.42**	**17.72**

The deferred revenue arises as a result of the benefits received from state government on account of installation of specified project assets whereby such grant is treated as deferred income and is recognized as income over the useful life of the assets for which such grant is received. W.e.f April 1, 2018 the Company has opted to deduct such grant from the carrying value of the specific asset (Also refer Note 3A)

23 Borrowings (Current)*

Particulars	As at March 31, 2022	As at March 31, 2021
Loans repayment on demand		
- From banks (secured at amortised cost)	594.10	551.27
Total	**594.10**	**551.27**
Current Maturities of Long term borrowings		
- From banks	265.35	133.94
- From Debentures	199.80	150.00
Total	**465.15**	**283.94**
Total Borrowings	**1,059.25**	**835.21**

Notes to Standalone Financial Statement

for the year ended March 31, 2022

(All amounts in crores, unless otherwise stated)

23 Borrowings (Current)* (Contd..)

Details of security for working capital borrowings

Working capital borrowings from banks are secured as follows:-

(1) 1st pari passu charge :- Hypothecation of stocks of raw material, stock in process and finished goods, receivables/ book debts and other current assets (both present and future).

(2) 2nd pari passu charge:- Hypothecation of entire fixed assets of the company (both present and future) including equitable mortgage.

Includes Nil (March 31, 2021: Nil) for commercial paper issued by the Company. The maximum amount outstanding during the year is ₹ 600 crores (including interest) (FY 2020-21: ₹ 450.00 crores (including interest)).

24 Trade payables*

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payables (refer note 43)		
- Total outstanding dues of micro enterprises and small enterprises	29.98	14.33
- Total outstanding dues of other than micro enterprises and small enterprises	317.48	242.07
Due to related parties (Refer Note 46)	1.15	1.62
Total	**348.61**	**258.02**

* Refer note 37

Ageing of Trade payables:

Particulars	As at March 31, 2022	As at March 31, 2021
(i) MSME:		
Less than 1 year	29.98	14.33
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	29.98	**14.33**
(ii) Others:		
Less than 1 year	295.78	216.93
1-2 years	7.41	14.21
2-3 years	4.77	3.27
More than 3 years	10.67	9.28
	318.63	**243.69**

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

25 Other financial liabilities (Current)**

Particulars	As at March 31, 2022	As at March 31, 2021
Financial liabilities at amortized cost		
Interest accrued but not due on borrowings	24.78	30.02
Other payables		
- Retention money	4.88	9.36
- Security deposits	5.36	2.03
- Expense payable	41.27	24.54
- Payables for purchase of fixed assets		
- Total outstanding dues of micro enterprises and small enterprises	1.28	0.10
- Total outstanding dues of other than micro enterprises and small enterprises	57.68	16.96
- Due to employees	107.95	78.92
Financial liabilities at Fair value through Profit and loss		
Derivative Financial Instruments*	63.19	2.07
Total	**306.39**	**164.00**

* This includes net mark to market loss of ₹ 63.19 crores (March 31,2021 : ₹ 2.07 Crores) on commodities traded through commodities exchange. The Company has taken future/option contracts to hedge against fluctuation of cotton prices and has booked mark to market loss on these contracts in head Other expenses (Refer note 35).

** Refer note 37

26 Other current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory remittances*	37.56	20.06
Deferred Income for Capital subsidy	1.72	1.80
Unpaid dividends **	3.31	2.69
Advances from customers (Contract Liabilities) #	60.61	44.58
Other Liabilities	4.54	12.02
Advance against Sale of Property Plant and Equipment	1.51	1.50
Total	**109.25**	**82.65**

* Statutory remittances includes contribution to provident fund and employee state insurance corporation, tax deducted/collected at source, goods and service tax etc.

** Unpaid dividends do not include any amount due and outstanding required to be credited to the Investors' Education and Protection Fund.

Advance from customers is recognised when payment is received before the related performance is satisfied.

Particulars	As at March 31, 2022	As at March 31, 2021
As at beginning of the year	44.58	36.42
Less:-Recognised as revenue	(44.58)	(36.42)
Add:- Advances received during the year related to closing balance	60.61	44.58
As at end of the year	**60.61**	**44.58**

Notes to Standalone Financial Statement

for the year ended March 31, 2022

(All amounts in crores, unless otherwise stated)

27 Provisions (Current)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits : (Refer note 47)		
Leave	2.77	2.62
	2.77	**2.62**

28 Revenue from operations

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of products (Net of Rebate & Discount)	9,174.06	5,851.59
Sale of services	3.23	2.67
Other operating revenues :		
- Export benefits*	184.54	59.32
- Others	24.27	12.65
	9,386.10	**5,926.23**

Ind AS 115 'Revenue from Contracts with customers' outlines a single comprehensive control based model for revenue recognition. The Company had not applied any significant judgements in applying the revenue recognition criteria. The disclosure requirements as per Ind As 115 given below:-

The following is an analysis of the companies revenue from its products and services

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of Yarn	6,082.43	4,009.55
Sale of Fabric	3,023.79	1,812.38
Service income	3.23	2.67
Sale of Garments	86.45	33.90
Others (Sale of scrap and others)	5.66	8.41
	9,201.56	**5,866.91**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
The following is analysis on the Companies revenue disaggregates on the basis of timing of revenue recognition.		
- At point of time	9,201.56	5,866.91
- Over the period	-	-
The contract price of sale of products co-incide with the revenue from operations.		
* Export benefits are in the nature of government grants covering following benefits		
(a) RoDTEP/MEIS #	110.81	7.51
(b) Duty drawback benefits	73.73	51.81
	184.54	**59.32**

The new scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) was introduced by Ministry of Commerce and Industry vide notification dated August 17, 2021 for eligible exported goods. Accordingly the Company has recognised in current year the benefit of RoDTEP e-Scrips of ₹ 19.69 crores pertains to eligible export sales for the period from January 1, 2021 to March 31, 2021.

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

29 Other income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Interest income		
Interest income	24.77	25.18
Interest income on employee loans	0.10	0.10
(b) Dividend income		
Dividend Income from investment carried at cost	176.20	5.64
Dividend income from investments- carried at fair value through Profit or Loss	0.01	0.01
(c) Other Non Operating Income (Net of Expenses directly attributable to such income)		
Net gain on sale of investments-carried at fair value through Profit or Loss (net of fair valuation gains/loss upto previous year) "	24.83	18.12
Gain on fair valuation of Investments (Net)	42.62	35.63
(d) Other gain		
Claims received (net of expenses)	1.17	1.16
Provisions no longer required written back	5.52	6.62
Subsidy from Government	26.43	27.58
Net gain on disposal of property, plant and equipment	5.35	0.69
Foreign exchange fluctuation gain (net)	58.78	41.09
Others	19.48	26.34
	385.26	**188.16**

30 Cost of materials consumed

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cotton	3,885.19	2,558.65
Manmade fibre	800.13	496.60
Yarn	61.24	11.12
Fabric	48.98	17.43
Others	0.99	0.85
	4,796.53	**3,084.65**

31 Purchases of Stock-in-trade:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Yarn	0.40	1.85
Others	0.03	0.41
	0.43	**2.26**

Notes to Standalone Financial Statement

for the year ended March 31, 2022

(All amounts in crores, unless otherwise stated)

32 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the beginning of the year		
Work-in-progress	168.47	169.91
Finished goods	472.19	538.02
	640.66	**707.93**
Inventories at the end of the year		
Work-in-progress	247.17	168.47
Finished goods	791.30	472.19
	1,038.47	**640.66**
	(397.81)	**67.27**

33 Employee benefits expense *

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages	660.32	529.92
Contribution to provident and other funds	48.22	39.70
Staff welfare expenses	5.39	5.04
	713.93	**574.66**

* Also refer note 47

34 Finance costs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense*	80.88	98.60
Other borrowing costs	18.65	14.18
	99.53	**112.78**

*Interest expense is net of interest reimbursement of ₹ 12.59 crores (March 31, 2021 - ₹ 14.41 crores) under Technology upgradation fund scheme (TUF) and ₹ 29.73 crores (March 31, 2021 - ₹ 29.73 crores) under Madhya Pradesh state interest reimbursement on term loan.

35 Other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Power and fuel**	739.65	583.93
Consumption of stores and spare parts	49.30	33.96
Packing materials and charges	113.43	78.29
Dyes and Chemical consumed	250.25	154.32
Rent	1.35	2.30
Repairs and maintenance to buildings	32.58	19.69

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

35 Other expenses (Contd..)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Repairs and maintenance to machinery	224.91	161.61
Insurance	15.10	14.22
Rates and taxes	3.08	2.20
Auditors remuneration:		
- Audit fee	0.71	0.66
- Tax audit fee	0.08	0.09
- Reimbursement of expenses	0.01	0.01
- In other capacity (Certification Charges)	0.08	0.02
Bad debts written off	1.17	0.37
Allowances for doubtful trade receivables and advances (net)	14.99	-
Forwarding charges and octroi	265.75	147.88
Commission to selling agents	67.79	39.54
Assets written off	5.82	1.85
Charity, Donation and CSR activities (Also refer note 50)#	40.11	15.95
Cotton Hedging Derivative Loss	67.07	87.90
Other miscellaneous expenses*	117.67	85.53
	2,010.90	**1,430.32**

* Does not include any item of expenditure with a value of more than 1% of the revenue from operations.

During the year, the company paid ₹ 16.00 Crores (March 31, 2021 ₹ Nil) political contribution via Electoral Bond Scheme.

** Power & Fuel expense amount is net of Subsidy amounting ₹ 29.84 Crores (March 31,2021 ₹ 7.36 Crores)

36 Tax balances

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

36.1 Deferred tax liabilities (Net)

Particulars	Opening Balance	Recognised in profit or loss	Recognised in profit or loss	Closing Balance
2021-22				
Deferred tax assets				
Expenses deductible in future years	12.91	14.17	-	27.08
Provision for doubtful debts / advances	0.54	3.85	-	4.39
Others	0.03	(0.01)	-	0.02
	13.48	**18.01**	**-**	**31.49**
Deferred tax liabilities				
Property, plant and equipment and Intangible assets	(241.36)	(8.44)	-	(249.80)
Investment in bonds, mutual funds and equity instruments	(11.05)	4.39	(0.02)	(6.68)
Others	(3.55)	(1.24)	-	(4.79)
	(255.96)	**(5.29)**	**(0.02)**	**(261.27)**
Net deferred tax liabilities	**(242.48)**	**12.72**	**(0.02)**	**(229.78)**

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

36.1 Deferred tax liabilities (Net) (Contd..)

Particulars	Opening Balance (as earlier year published)	Effect of business combination	Opening Balance	Recognised in profit or loss	Recognised in OCI	Closing Balance
2020-21						
Deferred tax assets						
Expenses deductible in future years	11.93	0.50	12.43	0.48	-	12.91
Provision for doubtful debts / advances	0.54	-	0.54	-	-	0.54
MAT credit recoverable	-	0.44	0.44	(0.44)	-	-
Others	-	-	-	0.03	-	0.03
	12.47	0.94	13.41	0.07	-	**13.48**
Deferred tax liabilities						
Property, plant and equipment and Intangible assets	(231.53)	(4.18)	(235.71)	(5.65)	-	(241.36)
Investment in bonds, mutual funds and equity instruments	(10.71)	-	(10.71)	(0.30)	(0.04)	(11.05)
Others	4.45	(0.05)	4.40	(7.95)	-	(3.55)
	(237.79)	**(4.23)**	**(242.02)**	**(13.90)**	**(0.04)**	**(255.96)**
Net deferred tax liabilities	**(225.32)**	**(3.30)**	**(228.61)**	**(13.83)**	**(0.04)**	**(242.48)**

Note: Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

36.2 Income tax recognised in profit or loss

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax		
In respect of the current year	521.03	103.49
Deferred tax		
In respect of the current year	(12.72)	13.83
Total income tax expense recognised	**508.31**	**117.32**

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	2,185.75	484.06
Tax at the Indian Tax Rate of 25.168%% (2021-22 : 25.168 %)	550.11	121.83
Differential tax rate on capital gain on sale of investments/mark to market gain on investment	(1.14)	3.79
Effect of indexation benefit on value of investment	(9.96)	(7.74)
Deductions u/s 80JJAA/80M	(45.81)	(2.00)
Effect of expenses considered as not deductible in determining taxable profit	10.09	4.12
Others	5.02	(2.68)
	508.31	**117.32**

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

36.3 Income tax recognised in other comprehensive income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Arising on income and expenses recognised in other comprehensive income		
Net fair value gain on investment in equity shares at FVTOCI	0.02	0.04
Remeasurement of defined benefit obligation	2.17	1.50
Total income tax recognised in other comprehensive income	**2.19**	**1.54**

37 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

37.1 Capital Management

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through optimization of debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in note no.18 and offset by cash and bank balances) and total equity of the Company. The Company is not subject to any externally exposed capital requirements.

The capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants which otherwise would permit the banks to immediately call loans and borrowings. In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company's gearing ratio was as follows:

The following table provides detail of the debt and equity at the end of the reporting year:

Particulars	As at March 31, 2022	As at March 31, 2021
Debt	1,980.31	2,131.81
Cash & cash equivalents	62.06	36.05
Net Debt	**1,918.25**	**2,095.76**
Total Equity	**7,539.12**	**6,138.55**
Net debt to equity ratio	**0.25**	**0.34**

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

37 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd..)

37.2 Financial instruments by category

Particulars	As at March 31, 2022				As at March 31, 2021			
	FVTPL	Fair Value (Derivative Instruments)	Amortised Cost#	FVTOCI	FVTPL	Fair Value (Derivative Instruments)	Amortised Cost#	FVTOCI
Financial Assets								
Investments*	1,345.71	-	-	2.22	701.10	-	-	2.14
Trade Receivables	-	-	1,310.68	-	-	-	1,023.54	-
Cash and cash equivalents	-	-	62.06	-	-	-	36.05	-
Bank balances other than above	-	-	53.89	-	-	-	35.27	-
Loans	-	-	2.87	-	-	-	2.62	-
Other financial assets	-	17.94	279.66	-	-	17.86	204.84	-
	1,345.71	**17.94**	**1,709.16**	**2.22**	**701.10**	**17.86**	**1,302.32**	**2.14**

Particulars	As at March 31, 2022			As at March 31, 2021		
	FVTPL	Fair Value (Derivative Instruments)	Amortised Cost#	FVTPL	Fair Value (Derivative Instruments)	Amortised Cost#
Financial Liabilities						
Borrowings (including current maturity of term loan)	-	-	1,980.31	-	-	2,131.81
Trade Payables	-	-	348.61	-	-	258.02
Other financial liabilities	-	63.19	248.60	-	2.07	164.74
Lease Liability			0.17			0.16
	-	**63.19**	**2,577.69**	**-**	**2.07**	**2,554.73**

Carrying value of the financial assets and financial liabilities designated at amortised cost approximates its fair value.

* Investment value excludes investment in subsidiaries/Associates of ₹ 109.95 crores (March 31, 2021: ₹ 109.95 crores) which are shown at cost in balance sheet as per Ind AS 27 "Separate Financial Statements".

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	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in mutual funds/bonds/preference shares	366.70	979.00	-	1,345.70
Investments in unquoted equity instruments	-	-	2.22	2.22
Foreign currency / commodity forward contracts	-	17.94	-	17.94
	366.70	**996.94**	**2.22**	**1,365.86**
Financial Liabilities				
Foreign currency / commodity future/option contracts	63.19	-	-	63.19
	63.19	**-**	**-**	**63.19**

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

37 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd..)

As at March 31, 2021	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in mutual funds/bonds/preference shares	21.00	675.81	-	696.81
Investments in quoted equity instruments	4.29	-	-	4.29
Investments in unquoted equity instruments	-	-	2.14	2.14
Foreign currency / commodity forward contracts	-	17.86	-	17.86
	25.29	**693.67**	**2.14**	**721.10**
Financial Liabilities				
Foreign currency / commodity future/option contracts	2.07	-	-	2.07
	2.07	**-**	**-**	**2.07**

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.

Sensitivity of Level 3 financial instruments are insignificant

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 March 31, 2022

(All amounts in crores, unless otherwise stated)

37 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd..)

Reconciliation of Level 3 fair value measurements

Particulars	Unlisted equity instruments
As at April 1, 2020	**1.97**
Purchases	-
Gain / (loss) recognised in OCI/Profit/Loss	0.17
As at March 31, 2021	**2.14**
Purchases	-
Gain / (loss) recognised in OCI/Profit/Loss	0.08
As at March 31, 2022	**2.22**

37.3 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).

The Company seeks to minimize the effects of these risk by using derivate financial instruments to hedge risk exposure. The issue of financial derivatives is governed by the Company's policy approved by the board of directors.

The principal financial assets of the Company include loans, trade and other receivables, and cash and bank balances that derive directly from its operations. The principal financial liabilities of the Company, include loans and borrowings, trade and other payables and the main purpose of these financial liabilities is to finance the day to day operations of the Company.

This note explains the risks which the Company is exposed to and policies and framework adopted by the Company to manage these risks.

37.3.1 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.

A. Foreign Currency Risk Management

The Company operates internationally and business is transacted in several currencies. The export sales of Company comprise around 50% (2020-21 - 48%) of the total sales of the Company, Further the Company also imports certain assets and material from outside India. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the Company is exposed to foreign currency risk and the results of the Company may be affected as the rupee appreciates/ depreciates against foreign currencies. Foreign exchange risk arises from the future probable transactions and recognized assets and liabilities denominated in a currency other than Company's functional currency.

The Company measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency risk by appropriately hedging the transactions. The Company uses a combination of derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

37 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd..)

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods expressed in foreign currency (amount in crores) are as follows:

As at March 31, 2022	USD	EUR	CHF	JPY
Financial assets				
Trade receivables	10.48	0.50	-	-
Others	0.59	-	-	-
Foreign exchange derivative contracts*	(34.50)	(1.09)	-	-
Net exposure to foreign currency risk (assets)	**-**	**-**	**-**	**-**
Financial liabilities				
Trade payables	0.01	0.15	0.03	0.89
Borrowings	0.60	-	-	-
Interest accrued on ECB	0.00	-	-	-
Foreign exchange derivative contracts*	(7.75)	(0.48)		
Net exposure to foreign currency risk (liabilities)	**-**	**-**	**0.03**	**0.89**
Net exposure to foreign currency risk (net)	**-**	**-**	**0.03**	**0.89**

As at March 31, 2021	USD	EUR	CHF	JPY
Financial assets				
Trade receivables	7.69	0.42	-	-
Foreign exchange derivative contracts*	(20.40)	(0.67)	-	-
Net exposure to foreign currency risk (assets)	**-**	**-**	**-**	**-**
Financial liabilities				
Trade payables and other financial liabilities	0.07	0.07	0.01	2.94
Borrowings	0.60	-	-	-
Interest accrued on ECB	0.00	-	-	-
Foreign exchange derivative contracts*	(2.20)	(0.40)	(0.09)	-
Net exposure to foreign currency risk (liabilities)	**-**	**-**	**-**	**2.94**
Net exposure to foreign currency risk (net)	**-**	**-**	**-**	**2.94**

*Excess derivative contracts are against pending purchase order/sales order shipment

Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 10 % increase and decrease in the ₹ against the relevant foreign currency. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for 10% change in foreign currency rates. A positive number below indicates an increase in profit before tax or vice-versa.

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	₹ strengthens by 10%	₹ weakens by 10%	₹ strengthens by 10%	₹ weakens by 10%
Impact on (profit) /loss for the year				
USD	-	-	-	-
EUR	-	-	-	-
CHF	0.25	(0.25)	-	-
JPY	0.06	(0.06)	0.19	(0.19)

Notes to Standalone Financial Statement

for the year ended March 31, 2022

(All amounts in crores, unless otherwise stated)

37 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd..)

Foreign exchange derivative contracts

The Company uses derivative financial instruments exclusively for hedging financial risks that arise from its commercial business or financing activities. The Company's Corporate Treasury team measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency cash flows by appropriately hedging the transactions. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. All identified exposures are managed as per the policy duly approved by the Board of Directors.

The following table details the foreign currency derivative contracts outstanding at the end of the reporting period:

Outstanding Contracts*	No of Deals		Foreign Currency (FCY Crores)		Nominal Amount (₹ Crores)	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
USD / INR Buy forward	94	39	6.79	1.32	514.80	87.00
USD / INR Buy Option	3	5	0.96	0.94	72.49	43.87
USD / INR Sell forward	266	243	24.75	13.60	1,875.56	867.80
USD / INR Sell Option	46	93	9.75	6.80	738.86	433.83
EUR / USD /INR Buy forward	1	9	0.08	0.14	6.55	12.13
EUR / USD/ INR Buy Option	2	4	0.40	0.26	34.05	22.39
EUR / INR Sell forward	15	13	1.09	0.67	91.68	57.79
CHF/INR Buy Forward		1		0.09		7.25
Fair value assets					17.94	17.86
Fair value liabilities					-	-

* Sensitivity on the above derivative contracts in respect of foreign currency exposure is insignificant

B. Interest Rate Risk Management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

37 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd..)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	**Year ended March 31, 2022**	**Year ended March 31, 2021**
	₹ If loans interest rate decreases by 1 %	**₹ If loans interest rate decreases by 1 %**
Increase in profit before tax by	19.80	21.32

In case of increase in interest rate by above mentioned percentage, there would be a comparable impact on the profit before tax as mentioned above would be negative.

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 ₹ 0.11 crores (March 31, 2021: increase / decrease by ₹ 0.11 crores) 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 ₹ 13.46 crores (March 31, 2021 by ₹ 6.97 crores) as a result of the changes in fair value of mutual fund investments.

D. Commodity Price Risk Management

The Company uses commodity derivative instruments to manage its price risk exposures on inventory of cotton. Commodity derivatives are used primarily as risk mangement tool to safeguard price risk exposure on inventory of cotton. Company employs specific financial instruments namely future and option contracts for hedging its price risk related to commodity.

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

37 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd..)

37.3.2 Credit Risk Management

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured. Credit risk on cash and bank balances is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. Investments primarily include investment in liquid mutual fund units, bonds, fixed maturity plan etc. issued by institutions having proven track record. The Company's credit risk in case of all other financial instruments is negligible.

The Company assesses the credit risk based on external credit ratings assigned by credit rating agencies. The Company also assesses the creditworthiness of the customers internally to whom goods are sold on credit terms in the normal course of business. The credit limit of each customer is defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to overseas customers are generally covered by letters of credit.

The impairment analysis is performed on client to client basis for the debtors that are past due at the end of each reporting date. The Company has not considered an allowance for doubtful debts in case of trade receivables that are past due but there has not been a significant change in the credit quality and the amounts are still considered recoverable.

The following is the detail of revenues generated from top five customers of the Company:

Particulars	As at March 31, 2022	As at March 31, 2021
Revenue from top five customers	876.91	560.63
% of total sales of products	9.34%	9.46%

Financial assets for which loss allowance is measured:

Particulars	As at March 31, 2022	As at March 31, 2021
Loans - Non-current	0.95	1.32
Loans - Current	1.92	1.30
Other financial assets - Non-current	154.28	173.98
Other financial assets - Current	143.32	48.72
Trade receivables	1,310.68	1,023.54
	1,611.15	**1,248.86**

Particulars	
Loss allowance is as follows:-	
As at April 01, 2020	**2.37**
Provided during the year	-
Reversed during the year	-
As at March 31, 2021	**2.37**
Reversed during the year	(0.55)
Provided during the year	15.54
As at March 31, 2022	**17.36**

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

37 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd..)

37.3.3 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:

As at March 31, 2022	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
Financial Assets					
Investments	493.59	49.85	602.41	312.03	1,457.87
Trade Receivables	1,310.68	-	-	-	1,310.68
Cash and cash equivalents	62.06	-	-	-	62.06
Bank balances other than above	53.89	-	-	-	53.89
Loans	1.92	0.78	0.17	-	2.87
Other financial assets	297.61	-	-	-	297.61
	2,219.75	**50.63**	**602.58**	**312.03**	**3,184.98**
Financial liabilities					
Borrowings	1,059.25	770.26	150.79	-	1,980.30
Trade payables	348.60	-	-	-	348.60
Lease liabilitiy (undiscounted)	-	-	-	8.42	8.42
Other financial liabilities	306.39	5.40	-	-	311.79
	1,714.24	**775.66**	**150.79**	**8.42**	**2,649.11**

As at March 31, 2021	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
Financial Assets					
Investments	318.90	121.77	50.00	322.53	813.20
Trade Receivables	1,023.54	-	-	-	1,023.54
Cash and cash equivalents	36.05	-	-	-	36.05
Bank balances other than above	35.27	-	-	-	35.27
Loans	1.30	1.11	0.17	-	2.57
Other financial assets	48.72	-	-	-	48.72
	1,463.78	**122.88**	**50.17**	**322.53**	**1,959.35**
Financial liabilities					
Borrowings	835.21	706.52	590.09	-	2,131.82
Trade payables	258.03	-	-	-	258.03
Lease liabilitiy (undiscounted)	-	-	-	8.42	8.42
Other financial liabilities	164.00	2.81	-	-	166.81
	1,257.24	**709.33**	**590.09**	**8.42**	**2,565.08**

Notes to Standalone Financial Statement

for the year ended March 31, 2022

(All amounts in crores, unless otherwise stated)

38 CONTINGENT LIABILITIES AND COMMITMENTS

a. Claims against the Company not acknowledged as debts:

Particulars	As at March 31, 2022	As at March 31, 2021
Sales tax, excise duty, etc*	6.78	6.10
Income-tax**	281.13	273.01
Others***	4.40	7.00

* Amount deposited ₹ 0.56 crore (March 31, 2021 : ₹ 0.65 crore)

** Amount deposited ₹ 175.26 crore (March 31, 2021 : ₹ 117.90 crore)

*** Amount deposited ₹ 0.70 crore (March 31, 2021 : ₹ 3.30 crore)

b. Liability on account of bank guarantees and letter of credit of ₹ 531.19 crores (March 31, 2021: ₹ 369.85 crores)

c. The amounts shown above represents the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately or relate to a present obligations that arise from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate cannot be made. The Company has been advised that it has strong legal positions against such disputes.

d. The Payment of Bonus (Amendment) Act 2015, notified on December 31, 2015, had revised the thresholds for coverage of employee eligible for Bonus and also enhanced the ceiling limits for computation of bonus retrospectively from April 1, 2014. Based on legal opinion, the Company has filed a writ petition in Hon'ble High Court of Punjab & Haryana contesting its retrospective applicability and the said jurisdictional High Court has granted stay on its retrospective operation. In view thereof, the Company has not provided differential bonus pertaining to the period from April 1, 2014 to March 31, 2015 amounting to ₹ 8.21 crores. However, the Company has provided/paid bonus w.e.f. April 1, 2015 according to the amended provisions of the Payment of Bonus (Amendment) Act 2015.

e. The Hon'ble Supreme Court in a ruling during the year 2019 had passed a judgement on the definition and scope of 'Basic Wages' under the Employees' Provident Funds and Miscellaneous Provision Act, 1952. Pending issuance of guidelines by the regulatory authorities on the application of this ruling, the impact on the Company, if any, cannot be ascertained. The Company will update its provision, on receiving further clarity on this subject matter.

f. Capital and other commitments

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Estimated Amount of contracts remaining to be executed on capital account & not provided for (net of advance)	626.15	412.59
(ii) Exports obligations under Export Promotion Capital Goods (EPCG) scheme*	32.52	1,177.93

* Company is availing benefit under EPCG Scheme for import of capital goods and spare parts against obligation to export six times of the duty saved. Total Duty to be saved/saved against licences outstanding as at March 31, 2022 is ₹ 560.07 crores (March 31, 2021 ₹ 438.40 crores). Export obligation on such licences outstanding as at year end is disclosed above.

(iii) The Company has other commitments, for purchases / sales orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits in normal course of business. The Company does not have any long term contracts including derivative contracts for which there will be any material foreseeable losses.

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

39 The details of dues of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Forum where Dispute is pending	Period to which the amount relates (various years covering the period)	Amount* (₹ Crores)	Amount unpaid (₹ In Crores)
Central Excise Laws	Excise Duty	CESTAT	FY 2007-08 to FY 2010-11	0.67	0.65
		High Court	2016-17, 2017-18 and 2020-21	3.77	3.58
		Upto Commissioner (Appeals)	FY 2011-12 to FY 2013-14, FY 2017-18 to FY 2018-19	0.61	0.59
Service Tax Laws	Service Tax	CESTAT	FY 2008-09	0.11	0.11
Sales Tax Laws	Central sales tax	Appellate Board	FY 2009-10	0.06	0.06
	State sales tax	Appellate Board	FY 2010-11 to FY 2012-13	0.17	0.08
		Upto Commissioner (Appeals)	FY 2014-15 to FY 2017-18	0.07	0.05
Goods and Service Tax Laws	Goods and Service Tax Laws	Upto Commissioner (Appeals)	FY 2017-18 to FY 2020-21	1.32	1.10
Provident Fund	Provident Fund	Upto Commissioner (Appeals)	FY 2015-16	0.27	0.16
Municipality Corporation Act	Octroi	High Court	FY 1996-97	0.15	0.15
Property tax	Property Tax	High Court	FY 2015-16	1.40	0.70
Land Acquisition Act	Enhancement of compensation for Industrial Land	Collector Land Acquisition	FY 1991-92	1.47	1.47
National Green Tribunal	National Green Tribunal	High Court	FY 2020-21	1.38	1.38
Income-tax Laws	Income-tax	ITAT	AY 2014-15, AY 2015-16	37.37	-
Income-tax Laws	Income-tax	CIT (Appeals)	AY 2016-17 to AY 2019-20	251.52	113.62

* amount as per dispute/as per demand orders including interest and penalty wherever quantified in the Order.

The following matters, which has been excluded from the above table, have been decided in the favour of the Company, but the department has preferred appeal at higher level. The details are given below:-

Name of the Statute	Nature of the Dues	Forum where Dispute is pending	Period to which the amount relates (various years covering the period)	Amount Involved * (₹ In Crores)
Income-tax Laws	Income-tax	Income-tax Appellate Tribunal (ITAT)	AY 2014-15 AY 2015-16	83.52
		High Court	AY 2001-02 to AY 2007-08	26.83

* amount as per dispute/as per demand orders including interest and penalty wherever quantified in the Order.

Notes to Standalone Financial Statement

for the year ended March 31, 2022

(All amounts in crores, unless otherwise stated)

40(a) Mahavir Share Trust (""Trust"") is holding 5,32,911 equity shares (March 31, 2021: 5,32,911 nos.) of ₹ 10 each of Vardhman Special Steels Limited which were allotted to it in the capacity of a shareholder of the Company by virtue of 'Scheme of Arrangement & Demerger' entered into by the Company, Vardhman Special Steels Limited and their respective shareholders and creditors.

As the aforesaid shares are held by Trust (Mahavir Share trust) on behalf of the Company and Company not being registered owner of shares, the cost of these shares is not reflected in investments but same has been valued at cost as reflected in other current asset.

40(b) The detail of the amount recoverable from Mahavir Share Trust as at the close of the year is as under:

Particulars	As at March 31, 2022	As at March 31, 2021
Cost of shares of Vardhman Special Steels Limited	4.64	4.64
Other recoverable	0.01	0.01
	4.65	**4.65**

41 SEGMENT INFORMATION

The Company is primarily in the business of manufacturing, purchase and sale of textiles. 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.

Entity Wide Disclosure

Revenue from Operations	For the year ended March, 31 2022	For the year ended March, 31 2021
Domestic	4,714.91	3,084.22
Overseas	4,671.19	2,842.01
	9,386.10	**5,926.23**
Non Current Segment Assets		
- Within India	4,958.63	4,280.34
- Outside India	-	-
	4,958.63	**4,280.34**

Domestic information includes sales and services to customers located in India.

Overseas information includes sales and services rendered to customers located outside India.

Non-current segment assets includes property, plant and equipments, capital work in progress, intangible assets and other non current assets.

No single customer contributed 10% or more to the company's revenue for both the financial years 2021-22 and 2020-21.

Notes to Standalone Financial Statement

for the year ended March 31, 2022

(All amounts in crores, unless otherwise stated)

42 EARNINGS PER SHARE

Particulars	For the year ended March, 31 2022	For the year ended March, 31 2021*
Basic earnings per share (INR)	58.16	12.75
Diluted earnings per share (INR)	**58.00**	**12.67**
Profit attributable to the equity holders of the Company used in calculating basic earning per share	1,677.44	366.74
Weighted average number of equity shares for the purpose of basic earning per share (numbers)	28,84,27,765	28,76,45,400
Profit attributable to the equity holders of the Company used in calculating dilutive earning per share	1,677.44	366.74
Weighted average number of equity shares for the purpose of dilutive earning per share (numbers)	28,92,19,774	28,94,26,819

*During the current year, the equity shares of the Company have been sub-divided from existing face value of ₹ 10/- per equity shares into 5 equity shares having face value of ₹ 2 per equity share based on approval by the shareholders through their Postal Ballot dated 11th March, 2022 . The Record Date for effecting this sub-division of equity share was March 26, 2022. Accordingly, basic and diluted earnings per equity share for previous year have been computed on the basis of number of equity shares after sub-division.

43 Trade Payables 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	29.98	14.33
- 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	-	-

44 Leases

The Company has lease contracts for various Lands, Godowns, Guest Houses, Office premises. Leases of Office Premises,guest Houses,Godowns have lease term ranging from 11 months to 30 years and leases of land have lease terms of 99 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options. The Company also has certain leases of office premises and guest houses with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

Notes to Standalone Financial Statement

for the year ended March 31, 2022

(All amounts in crores, unless otherwise stated)

44 Leases (Contd..)

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2022:

Particulars	Land	Building	Total
Balance as on April 01, 2020	8.75	0.01	8.76
Addition	-	-	-
Deletion	-	-	-
Depreciation/Amortisation	(0.13)	-	(0.13)
Balance as on March 31, 2021	**8.62**	**0.01**	**8.63**
Addition	-	-	-
Deletion	-	-	-
Depreciation/Amortisation	(0.13)	-	(0.13)
Balance as on March 31, 2022	**8.49**	**0.01**	**8.50**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the break up of current and non current lease liabilities as at March 31, 2022:

Particulars	As at March 31, 2022	As at March 31, 2021
Current Lease Liabilities	-	-
Non-Current Lease Liabilities	0.17	0.16
Total	**0.17**	**0.16**

Following is the movement in lease liabilities during year ended March 31, 2022

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning	0.16	0.15
Finance cost accrued during the period	0.01	0.01
Payment of Lease Liabilities	-	-
Balance at the end	**0.17**	**0.16**

The table below provide details regarding the contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis:

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	-	-
One to five years	-	-
More than five years	8.42	8.42
Total	**8.42**	**8.42**

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

44 Leases (Contd..)

The following are the amounts recognised in statement of profit and loss:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation Expenses on Right to use Assets	0.13	0.13
Interest expense on lease liabilities	-	-
Expense relating to short-term leases (included in other expenses)	0.71	1.07
Total Amount Recognised in Profit and Loss	**0.84**	**1.20**

45 Share based payments - Employee Share option plan of the Company

(i) Detail of employee share option of the Company: The Company has a share option scheme for senior employees of the Company. In accordance with the terms of the plan as approved by shareholders, eligible employees may be granted options to purchase equity shares. Each employee share option convert into one equity share of the Company on exercise. Exercise price payable by the recipient is determined as per scheme. The options when allotted carry rights to dividend and voting power at par with other equity shares. Options may be exercised at the time of vesting to the date of their expiry.

(ii) The number of options granted is in accordance with employee stock option scheme approved by the shareholders and is subject to approval by the remuneration committee. The scheme rewards senior employees to the extent of Company's and the individual's achievement judged against both qualitative and quantitative criteria.

(iii) The following share payments arrangement is in existence during the period.

Option Detail	Number	Grant Date	Grant Date	Exercise Price	Fair value of option at grant date
Vardhman Employee Stock Option 2016	6,04,500	15th Nov-16	2 years from the date of respective vesting	815/-	352
	3,000	9th Feb-17		815/-	352
	6,500	10th May-17		815/-	352
	6,14,000				

Details of vesting

Vesting period from grant date	Vesting schedule
On completion of 12 months	10%
On completion of 24 months	20%
On completion of 36 months	20%
On completion of 48 months	20%
On completion of 60 months	30%

(iv) During the current year, the grant of ₹ 1,40,850 equity shares having face value of ₹ 10 per share (FY 2020-21 - 99,300 equity shares) was due and granted. Further 2,10,250 shares having face value of ₹ 10 per share (FY 2020-21 43,800 shares) have been exercised during the year.

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

45 Share based payments - Employee Share option plan of the Company (Contd..)

(v) Fair value of options/shares granted in the year

Call option value per option unit using Black Scholes Method is ₹ 427.63. The following inputs have been used for computing the fair value:

Inputs into the model	Particulars
Grant date share price (₹)	1,056.60
Exercise price (₹)	815.00
Expected volatility	33.78%
Option life	2 years
Dividend yield	1.92%
Risk free Interest Rate	6.31%

(vi) Movement of share options*

Particulars	2021-22		2020-21	
	Number of options	Weighted Average Exercise price	Number of options	Weighted Average Exercise price
Balance at beginning of year	2,90,050	-	4,02,400	-
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	(2,10,250)	815	(43,800)	815
Lapsed during the year	(10,700)	-	(68,550)	-
Options arising on share split from ₹ 10 to ₹ 2 per share(refer note 16.8)	2,76,400	-	-	-
Balance at end of year	**3,45,500**	**-**	**2,90,050**	**-**

(vii) Share options exercised during the year

Particulars	Allotment	Allotment date	Share price at exercise date
Granted as per para (iii) above			
	68,900	06-Apr-21	815
	29,800	06-Jul-21	815
	27,100	04-Oct-21	815
	84,450	03-Jan-22	815
	2,10,250		

(viii) Amount accounted for in profit and loss for Employee stock options is ₹ 0.84 crores (FY 2020-21 2.16 crores).

*Refer Note 16.8 also.

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

46 RELATED PARTY TRANSACTIONS

46.1 Description of related parties

Subsidiaries

Vardhman Acrylics Limited
VTL Investments Limited

Associates

Vardhman Yarns and Threads Limited
Vardhman Spinning and General Mills Limited
Vardhman Special Steels Limited

Relatives of KMP

Ms. Soumya Jain
Ms. Sagrika Jain
Mrs. Shakun Oswal

Post Employment Benefit Plans Trust

Mahavir Employees Gratuity Fund Trust
Mahavir Superannuation Scheme
VMT Gratuity Fund Trust
VMT Superannuation Scheme

Key management personnel (KMP)

Mr. S.P. Oswal, Chairman and Managing Director
Mrs. Suchita Jain, Vice Chairperson & Joint Managing Director
Mr. Neeraj Jain, Joint Managing Director
Mr. Rajeev Thapar, Chief Financial Officer
Mr. Sanjay Gupta, Company Secretary
Mr. Sachit Jain (Non-Executive Director)
Mr. D.L. Sharma (Non-Executive Director) (upto September 10,2020)
Mr. Prafull Anubhai (Independent Director)
Mr. Ashok Kumar Kundra (Independent Director)
Dr. Subash Khanchand Bijlani (Independent Director)
Mr. Devendra Bhushan Jain (Independent Director) (upto November 7, 2020)
Mr. Rajender Mohan Malla (Independent Director) (upto September 25, 2020)
Dr. Parampal Singh (Independent Director)
Mrs. Harpreet Kaur Kang (Independent Director)
Mr. Udeypaul Singh Gill (Independent Director) (w.e.f. 22.01.2022)

Enterprises over which KMP have significant influence

Vardhman Holdings Limited
Vardhman Apparels Limited
Smt. Banarso Devi Oswal Public Charitable Trust
Sri Aurobindo Socio Economic and Management Research Institute
Adhiswar Enterprises LLP
Devakar Investment and Trading Company Private Limited
Santon Finance and Investment Company Limited
Flamingo Finance and Investment Company Limited
Ramaniya Finance and Investment Company Limited
Mahavir Spinning Mills Private Limited
Northern Trading Company
Amber Syndicate
Paras Syndicate
Eastern Trading Company
Mahavir Traders

46.2 Transactions with related parties

Particulars	For the year ended March, 31 2022	For the year ended March, 31 2021
Sale /processing of goods to:#		
Subsidiaries	0.07	0.07
Associates	1.16	0.32
Enterprises over which KMP have significant influence	45.06	68.87
	46.29	**69.26**

Notes to Standalone Financial Statement

for the year ended March 31, 2022

(All amounts in crores, unless otherwise stated)

46 RELATED PARTY TRANSACTIONS (Contd..)

Particulars	For the year ended March, 31 2022	For the year ended March, 31 2021
Purchase/processing of goods from:#		
Subsidiaries	79.09	78.50
Associates	13.04	6.10
	92.13	**84.60**
Sale of RoDTEP/MEIS License		
Subsidiaries	1.95	0.63
Associates	1.02	0.69
	2.97	1.32
Sales of property, plant & equipment to:#		
Associates	0.06	-
	0.06	**-**
Rent paid**		
Associates	0.00	0.00
Enterprises over which KMP have significant influence	0.11	0.13
	0.11	**0.13**
Rent received **		
Associates	0.26	0.25
	0.26	**0.25**
Dividend paid		
Subsidiaries	5.17	-
KMP	4.35	-
Realtives of KMP	0.79	-
Enterprises over which KMP have significant influence	177.30	
	187.61	**-**
Dividend received		
Subsidiaries	167.13	-
Associates	8.98	5.64
	176.11	**5.64**
Interest paid		
Subsidiaries	0.22	-
	0.22	**-**
Reimbursement of expenses received from		
Subsidiaries	0.01	-
Associates	0.01	0.01
	0.02	**0.01**
Reimbursement of expenses paid		
Subsidiaries	0.00	-
Associates	0.37	0.08
Enterprises over which KMP have significant influence	0.00	-
	0.37	**0.08**
Recovery of Common Expenses incurred **		
Subsidiaries	0.76	0.76
Associates	4.84	4.31
	5.60	**5.07**

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

46 RELATED PARTY TRANSACTIONS (Contd..)

Particulars	For the year ended March, 31 2022	For the year ended March, 31 2021
Payment against licence agreement**		
Enterprises over which KMP have significant influence	1.51	0.94
	1.51	**0.94**
Donations/ CSR payments to		
Enterprises over which KMP have significant influence	11.22	7.82
	11.22	**7.82**
Salary paid to		
Relatives of KMP	0.17	0.14
	0.17	**0.14**
Loan received from		
Subsidiaries	25.00	-
	25.00	**-**
Loan paid back to		
Subsidiaries	25.00	-
	25.00	**-**
Contribution to post employment benefit plans		
Post Employment Benefit Plans Trust	-	9.07
	-	**9.07**
Withdrawl from post employment benefit plans		
Post Employment Benefit Plans Trust	1.97	-
	1.97	**-**

46.3 Outstanding Balances:

Particulars	As at March 31, 2022	As at March 31, 2021
Receivables		
Associates	-	0.03
Enterprises over which KMP have significant influence	0.01	0.01
Post Employment Benefit Plans Trusts	3.38	1.34
	3.39	**1.38**
Payables		
Associates	1.15	1.01
Enterprises over which KMP have significant influence	0.07	0.97
	1.22	**1.98**
Equity Investment outstanding		
Subsidiaries	57.19	57.19
Associates	52.77	52.77
	109.96	**109.96**

Notes to Standalone Financial Statement

for the year ended March 31, 2022

(All amounts in crores, unless otherwise stated)

46 RELATED PARTY TRANSACTIONS (Contd..)

46.4 Key management personnel compensation

Particulars	For the year ended March, 31 2022	For the year ended March, 31 2021
Compensation*	51.69	14.91
	51.69	**14.91**

* excluding provision for employee benefits, employee stock options but includes sitting fees paid / payable to non executive directors. Perquisites values are considered as per the provisions of Income tax act, 1961.

** Transaction are exclusive of Taxes

Gross of Indirect Taxes

47 EMPLOYEE BENEFITS

47.1 Defined contribution plans:

Amounts recognized in the statement of profit and loss are as under:

Particulars	For the year ended March, 31 2022	For the year ended March, 31 2021
Superannuation fund	-	0.00
National Pension Scheme	2.53	1.64
Provident fund administered through Regional Provident Fund Commissioner	36.20	30.09
Employees' State Insurance Corporation	8.04	6.72
Other funds	1.45	1.25
	48.22	**39.70**

The expenses incurred on account of the above defined contribution plans have been included in Note 33 "Employee Benefits Expenses" under the head "Contribution to provident and other funds"

47.2 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 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.

(i) 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.

Notes to Standalone Financial Statement

for the year ended March 31, 2022

(All amounts in crores, unless otherwise stated)

47 EMPLOYEE BENEFITS (Contd..)

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.

(ii) 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	26.68	27.17
Mortality Rates	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 valuation 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.

(iii) 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	For the year ended March 31, 2021
Current Service cost	11.37	10.89
Net interest expenses	(0.09)	0.67
	11.28	**11.56**

The current service cost, past service cost and the net interest expenses for the year are included in Note 33 "Employee Benefits Expenses" under the head "Salaries and Wages".

Notes to Standalone Financial Statement

for the year ended March 31, 2022

(All amounts in crores, unless otherwise stated)

47 EMPLOYEE BENEFITS (Contd..)

(iv) Amounts recognised in Other Comprehensive Income:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Actuarial gain/(losses) arising for the year on asset	3.40	4.03
Actuarial gain/(losses) arising from changes in financial assumptions	2.95	(0.07)
Actuarial gain/(losses) arising from changes in demographic assumptions	-	-
Actuarial gain/(losses) arising from changes in experience adjustments	2.28	2.13
	8.63	**6.09**

(v) The amount included in balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Present value of funded defined benefit obligation	85.42	81.32
Fair Value of Plan Assets	88.80	82.66
Net assets / (liability)	**3.38**	**1.34**

(vi) Movements in the present value of defined benefit obligation are as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening defined benefit obligation	81.32	75.06
Current Service Cost	11.37	10.89
Transfer to group company	-	(0.13)
Interest Cost	5.52	5.10
Actuarial (gain)/losses arising from changes in financial assumptions	(2.95)	0.07
Actuarial gain/(losses) arising from changes in demographic assumptions	-	-
Actuarial (gain)/losses arising from changes in experience adjustments	(2.28)	(2.13)
Benefits paid	(7.56)	(7.54)
Closing defined benefit obligation	**85.42**	**81.32**

(vii) Movements in the fair value of plan assets are as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening fair value of plan assets	82.66	65.23
Return on plan assets (excluding amounts included in net interest expenses)	9.01	8.45
Transfer to Group Company	-	(0.13)
Contributions from/ (withdrawal by) employer	(2.00)	9.11
Benefits paid	(0.87)	(0.00)
Closing fair value of plan assets	**88.80**	**82.66**

Plan assets comprises of mutual fund, Government of India securities and bank balances. The average duration of the defined benefit obligation is 13.96 years (2021: 13.81 years). The Company expects to make a contribution of ₹ 13.42 crores (March 31, 2021: ₹ 12.87 crores) to the defined benefit plans during the next financial year.

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

47 EMPLOYEE BENEFITS (Contd..)

(viii) 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
Discount Rate		
0.50% Increase	(3.69)	(3.59)
0.50% decrease	4.00	3.90
Future Salary increase	-	
0.50% Increase	3.89	3.80
0.50% decrease	(3.62)	(3.54)

(ix) Maturity Profile of Defined Benefit Obligation

	Year	Amount
a)	0 to 1 Year	9.21
b)	1 to 2 Year	5.70
c)	2 to 3 Year	4.47
d)	3 to 4 Year	5.29
e)	4 to 5 Year	5.00
f)	5 to 6 Year	4.88
g)	6 Year onwards	50.87

47.3 Other long term employee benefit

(i) Amount recognised in profit and loss in note no. 33 "Employee benefit expense" under the head "Salaries and Wages" towards leave liability is ₹ 5.12 crore (March 31, 2021 : ₹ 5.48 crore)

(ii) Amount taken to balance sheet

Particulars	2021-22	2020-21
Current	2.77	2.62
Non Current	15.98	16.38

48 Note : Scheme of Amalgamation

Pursuant to the Scheme of Amalgamation (‘Scheme’) under the provisions of Section 230 to 232 of the Companies Act, 2013, for amalgamation of two of its wholly owned subsidiaries viz. VMT Spinning Company Limited and Vardhman Nisshinbo Garments Company Limited (together referred to as “transferor companies”), with Vardhman Textiles Limited (“Transferee Company” or “the Company”) as approved by the National Company Law Tribunal, Chandigarh ('NCLT') vide its order dated March 30, 2022 with the appointed date of April 01, 2020, all the assets, liabilities, reserves and surplus of the transferor companies have been transferred to and vested in the Company with effect from April 01, 2020 at their carrying values. The Company had filed the certified copy of the NCLT order with the respective Registrar of Companies ('ROC') on May 14, 2022. Accordingly the Scheme became effective from May 14, 2022 w.e.f. the appointed date, i.e. April 01, 2020. The effect of the scheme was given in the standalone Financial Statements for the year ended March 31, 2022 as follows:

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

48 Note : Scheme of Amalgamation (Contd..)

a) Pursuant to the Scheme, the amalgamation has been accounted for in accordance with principles laid down in Appendix C to the Indian Accounting Standard 103 "Business Combinations" along with Ind-AS Transition Facilitation group (ITFG) bulletin 9 and all the assets, liabilities (net of inter-company loans and balances) and reserves of the transferor companies have been accounted in the books of the Transferee Company at the carrying value as appearing in the consolidated financial statement of the transferee company.

b) The employees of transferor companies have been transferred to the transferee company on their existing terms of employment with respective companies.

c) All contingent liabilities of transferor companies have been transferred to the transferee company w.e.f from the Appointed Date i.e. 1st April 2020.

d) Detailed breakup of assets and liabilities (before inter-company elimination) taken over as at April 01, 2020 is as follows:

Particulars	VMT Spinning Company Limited	Vardhman Nisshinbo Garments Company Limited
Non-current assets	51.30	22.72
Current assets	120.96	37.10
Total (a)	**172.26**	**59.82**
Non-current Liabilities	3.59	8.45
Current liabilities	34.42	45.30
Total (b)	**38.01**	**53.75**
Net assets / (liabilities) acquired on amalgamation (a) - (b) = (c)	**134.25**	**6.07**

e) The operation of transferor companies were carried on by them in trust on behalf of the tranferree company for the period comencing from the Appointed Date till the Effective Date i.e. May 14, 2022 and as such the operations of transferor companies for the period April 1, 2020 to March 31, 2022 has been merged with the transferree Company and intercompany transactions and balances have been eliminated.

f) The standalone financial statements for the year ended March 31, 2021 have been restated to give effect to the amalgamation. Consequent to this restatement, the profit after tax for the year ended March 31, 2021 is higher by ₹ 16.33 crores and other comprehensive income for the year ended March 31, 2021 is higher by ₹ 0.17 crores.

g) Other Equity of the transferor companies (net of adjustments to give effect of merger) transferred as at April 01, 2020 are as given below:

Particulars	VMT Spinning Company Limited	Vardhman Nisshinbo Garments Company Limited	Total
Capital redemption reserve	6.00	-	6.00
General reserve	24.91	-	24.91
Retained earnings	63.71	(5.49)	58.22
Capital reserve	-	0.40	0.40
Total	**94.62**	**(5.09)**	**89.53**

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

49 Assets pledged as security:

Particulars	As at March 31, 2022	As at March 31, 2021
Current assets		
Financial assets		
Trade receivables	1,310.68	1,023.54
Non-financial assets		
Inventory	2,806.67	2,735.59
Total current assets pledged as security	**4,117.35**	**3,759.13**
Non-current assets		
Property, plant & equipment	3,425.75	3,457.51
Total non-current assets pledged as security	**3,425.75**	**3,457.51**
Total assets pledged as security	**7,543.10**	**7,216.64**

50 Corporate Social Responsibility:

Particulars	As at March 31, 2022	As at March 31, 2021
a. Amount required to be spent by the company during the year	12.71	14.51
b. Amount of expenditure incurred*	3.06	8.74
c. Shortfall at the end of the year**	9.65	5.77
d. Total of previous years shortfall	1.31	-
Total shortfall at year end	**10.96**	**5.77**
e. Related party transactions:		
(i) Banarso Devi Oswal Public Charitable trust	0.09	5.31
(ii) Sri Aurobindo Socio Economic and Management Research Institute	0.27	1.35
f. Movement of provision:		
- Opening	5.50	-
- Provision created during the year:	9.65	5.50
- Spent during the year	(4.46)	-
- Closing	**10.69**	**5.50**

***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 pretains to "Ongoing/ Multilayer Projects" approved by CSR committee which will be spent in coming years.

Details of Deposit in Unspent CSR Account:

As per requirements of Section 135(5) of The Companies Act, 2013, ₹ 9.65 crores is deposited in special account (Unspent CSR Account) on April 29, 2022 related to shortfall for financial year 2021-22 which will be spent in coming years. Also, ₹ 5.77 crores was deposited in Unspent CSR Account on April 29, 2021 related to shortfall for financial year 2020-21 out of which ₹ 4.46 crores have been spent during the current year and ₹ 1.31 crores is lying in the bank account which will be spent in coming years.

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

51 There has been no delay in transferring amount, required to be transferred, to the investor education and investor fund (IEPF) by the Company during the year.

52 On account of COVID-19 pandemic the Company has made assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventories and trade receivables as at the date of the balance sheet. The Company has considered internal and external sources of information for making said assessment. Basis the evaluation of the current estimates, the Company expects to recover the carrying amount of these assets and no material adjustments is required in the financial statements. 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 any significant impact of these changes would be recognized in the financial statements as and when these material changes to economic condition arise.

53 Other statutory information:

(i) 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).

(ii) The company has not been declared as wilful defaulter by any bank or financial Institution or other lender.

(iii) 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.

(iv) 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).

(v) 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 person(s) or entity(ies), including foreign entities (""Intermediaries"") with the understanding (whether recorded in writing or otherwise) that the Intermediary shall lend or invest in party identified by or on behalf of the company (Ultimate Beneficiaries).

(vi) 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.

(vii) During the financial year, the Company has not traded or invested in Crypto currency or Virtual Currency.

(viii) The company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(ix) The Company has availed facilities from banks on the basis of security of current assets. The company has filed statements of current assets with banks which are in agreement with the books of accounts and there are no material discrepancies.

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

54 Ratios:

Particulars	Numerator	Denominator	Year ended March 31, 2022	Year ended March 31, 2021	%age change	Remarks
(a) Current Ratio	Current Assets	Current Liabilities	3.04	3.55	-14.28%	-
(b) Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.26	0.35	-24.36%	-
(c) Debt-service coverage ratio	Earnings available for debt service: = Net profit after taxes + Depreciation/ amortizations + finance cost	Debt Service: = Finance cost & lease payments + Scheduled principal repayments of Long term Debt	3.79	2.11	79.35%	Refer note 1
(d) Return on equity ratio	Net profits after taxes	Average shareholder's equity	24.53%	6.16%	298.09%	Refer note 1
(e) Inventory turnover ratio	Revenue from operations	Average Inventory	3.39	2.24	51.30%	Refer note 2
(f) Trade receivables turnover ratio	Revenue from operations	Average Trade receivables	8.04	6.54	22.93%	-
(g) Trade payables turnover ratio	Total purchases	Average Trade payables	14.44	12.80	12.76%	-
(h) Net Capital turnover ratio	Revenue from operations	Working Capital = Current Assets - Current Liabilities	2.49	1.73	44.31%	Refer note 2
(i) Net Profit ratio	Net profits after taxes	Revenue from operations	17.87%	6.19%	188.79%	Refer note 1
(j) Return on capital employed	Earnings before interest and taxes	Capital Employed	23.44%	7.01%	234.34%	Refer note 1
(k) Return on investment	Investment Income	Average Investments	20.25%	8.45%	139.59%	Refer note 1

Remarks for more than 25 % change in ratios of FY 2021-22 as compared to FY 2020-21:

1. This ratio has increased mainly on account of increase in operational profits and investment income.

2. This ratio has increased mainly on account of incresase in revenue from operations.

Notes to Standalone Financial Statement

for the year ended March 31, 2022
(All amounts in crores, unless otherwise stated)

55 Reclassification done in current year balance sheet, to the figures of previous year, as per Schedule III Amendments:

Particulars	Amount as on year ended 31 March 2021	Presented as, in financial of year ended 31 March 2021.	Reclassified as, in financial of year ended 31 March 2022.	Remarks
Current maturities of non-current borrowings	283.94	Other financial liabilities - Current	Current Financial liabilities - Borrowings	Reduction in Other financial liabilities (Current) by ₹ 283.94 crores and equivalent addition in Current Financial liabilities- Borrowings for the figures of year ended 31 March 2021.

56 The Code on Social Security 2020 has been notified in the Official Gazette on 29th September 2020. The effective date from which the changes are applicable is yet to be notified . Impact if any of the change will be assessed and accounted in the period in which said Code becomes effective .

For and on behalf of the Board of Directors

Sanjay Gupta
Company Secretary
Membership No:-4935

Rajeev Thapar
Chief Financial Officer

Suchita Jain
Vice Chairperson and
Joint Managing Director
DIN:00746471

S.P. Oswal
Chairman and Managing
Director
DIN: 00121737

Place : Ludhiana
Date: May 21, 2022

Independent Auditor's Report

To
The Members of
Vardhman Textiles Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Vardhman Textiles Limited ("the Parent"/"the Holding Company") and its subsidiaries, (the Parent /the Holding Company and its subsidiaries together referred to as "the Group") which includes the Group's share of profit in its associates, which comprise the Consolidated Balance Sheet as at 31st March 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated 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, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries and associates referred to in the Other Matters section below, 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 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 consolidated state of affairs of the Group as at 31 March 2022, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity 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 specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associates 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 consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, 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 of the current period. 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. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Uncertain income-tax positions-Refer to Notes 2.13, 2.24.7 and 38 to the consolidated financial statement** The Parent has material uncertain income tax positions including matters under dispute relating to Income Taxes. These matters involve significant management judgement to determine the possible outcome of these disputes.	**Principal audit procedures:** • Obtained an understanding of and performed testing of design, implementation and operating effectiveness of the control established by the Parent with regard to uncertain income tax positions. • We obtained details of complete income tax matters from the Parent's internal tax experts during the year ended March 31, 2022.

Sr. No.	Key Audit Matter	Auditor's Response
		• We involved our internal direct tax experts to challenge the management's underlying assumptions in estimating the tax provisions and possible outcome of the disputes. Our internal direct tax experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions relating to Income Taxes. • Assessed the adequacy of the disclosures made in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Business Responsibility Report, Director's Report including annexures to the Director's Report and Corporate Governance Report, 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, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and associates, is traced from their financial statements audited by the other auditors.

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 Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation 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 changes in equity of the Group including its Associates in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 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 financial 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 Parent 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 the 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 ability of the Group and its associates 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 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 Group and 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 entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the 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 consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 consolidated financial statements.

We communicate with those charged with governance of the Parent Company and such other entities 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.

Other Matters

a) We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of Rs.

357.32 crores as at 31st March, 2022, total revenues of Rs. 343.48 Crores and net cash outflows amounting to Rs. 16.78 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 39.69 crores for the year ended 31st March, 2022, as considered in the consolidated financial statements, in respect of three associates whose financial statements have not been audited by us. 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 subsidiaries and associates, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above 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 and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries and associates referred to in the Other Matters section above we report, to the extent applicable 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 consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated 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 of the Parent Company as on 31st March, 2022 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on 31st 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 over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent company, subsidiary companies and associate companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

   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, as amended,

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates- Refer to Note 38(a) to the consolidated Ind AS financial statements;

ii) the Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts – Refer to Note 38(f) to the consolidated Ind AS financial statements.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company and its subsidiary companies and associate companies incorporated in India - Refer to Note 49 to the consolidated Ind AS financial statements.

iv) (a) The respective Managements of the Parent and its subsidiaries and 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 subsidiaries and associates respectively that, to the best of their knowledge and belief, as disclosed in Note 52(v) to the consolidated financial statements, 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 Parent or any of such subsidiaries and 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 Parent or any of such subsidiaries and associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Parent and its subsidiaries and 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 subsidiaries and associates respectively that, to the best of their knowledge and belief, as disclosed in note 52(vi) to the consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries and associates from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries and 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 performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and 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 Parent and its associates which are companies incorporated in India, whose financial statements have been audited under the Act, during the year is in accordance with section 123 of the Act, as applicable. Also, the interim dividend declared and paid by the Parent and its subsidiaries and associates which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, during the year and until the date of this report is in compliance with section 123 of the Act.

As stated in note 54 to the consolidated financial statements, the Board of Directors of the associate company incorporated in India, whose financial statements have been audited under the Act, where applicable, have proposed final dividend for the year which is subject to the approval of the members of such associate at the ensuing respective Annual General Meetings. The amount of Such dividend proposed is in accordance with section 123 of the Act, as applicable.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent/, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rajesh Kumar Agarwal
(Partner)
(Membership No. 105546)
(UDIN: 22105546AJISGV9815)

Place: Gurugram
Date: May 21, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF VARDHMAN TEXTILES LIMITED

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of Vardhman Textiles Limited (hereinafter referred to as "Parent"), its subsidiary companies and its associate companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies and its associate companies, 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 respective Companies 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 (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 the respective 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies and its associate companies, which are companies incorporated in India, 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") issued by the Institute of Chartered Accountants of India 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. 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 judgement, 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 and other auditors of the subsidiary companies and its associate companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies and its associate companies, which are companies incorporated in India.

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 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 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 financial statements.

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.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and its associate companies, which are companies incorporated in India, have, 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 March 31, 2022, based on the criteria for internal financial control over financial reporting established by the respective companies 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two subsidiary companies and three associate companies which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rajesh Kumar Agarwal
Partner
(Membership No. 105546)
(UDIN: 22105546AJISGV9815)

Place: Gurugram
Date : May 21, 2022

Consolidated Balance Sheet

as at March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3A	3,469.99	3,504.35
(b) Right-of-Use Asset	43	19.68	19.96
(c) Capital work-in-progress	3A	241.21	77.96
(d) Other intangible assets	3B	1.89	2.26
(e) Goodwill	4	2.46	2.46
(f) Financial assets			
(i) Investment in associates	5A	159.96	129.31
(ii) Investments	5B	910.73	437.55
(iii) Loans	6A	0.95	1.37
(iv) Others financial assets	6B	154.53	173.98
(g) Other non-current assets	7	162.44	65.53
Total Non-current assets		**5,123.84**	**4,414.73**
Current assets			
(a) Inventories	8	2,882.29	2,796.05
(b) Financial assets			
(i) Investments	9	620.37	507.67
(ii) Trade receivables	10	1,321.24	1,038.62
(iii) Cash and cash equivalents	11	66.63	92.64
(iv) Bank balances other than above	11A	55.08	118.86
(v) Loans	12	2.09	1.34
(vi) Other financial assets	13	143.51	54.76
(c) Other current assets	15	763.88	592.12
(d) Assets held-for-sale	15A	0.17	0.15
Total Current assets		**5,855.26**	**5,202.21**
TOTAL ASSETS		**10,979.10**	**9,616.94**
Equity and Liabilities			
EQUITY			
(a) Equity share capital	16	56.84	56.56
(b) Other equity	17	7,646.92	6,411.70
Equity attributable to the owners of the Company		**7,703.76**	**6,468.26**
(c) Non-controlling interests		137.54	133.20
Total Equity		**7,841.30**	**6,601.46**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	921.06	1,296.60
(ii) Lease Liability	19A	0.17	0.16
(iii) Other financial liabilities	19	5.41	2.81
(b) Provisions	20	15.98	16.96
(c) Deferred tax liabilities (Net)	21	249.06	257.35
(d) Other non-current liabilities	22	16.42	17.83
Total Non-current liabilities		**1,208.10**	**1,591.71**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	1,061.97	835.57
(ii) Trade payables	24		
(a) total outstanding dues of micro enterprises and small enterprise		31.15	14.72
(b) total outstanding dues of trade payables other than micro enterprises and small enterprises		364.42	284.54
(iii) Other financial liabilities	25	312.18	169.80
(b) Other current liabilities	27	111.38	84.11
(c) Provisions	26	3.33	2.70
(d) Current tax liabilities (net)	14	45.27	32.33
Total Current liabilities		**1,929.70**	**1,423.77**
TOTAL EQUITY AND LIABILITIES		**10,979.10**	**9,616.94**
See accompanying notes to the consolidated financial statements	1 - 57		

In terms of our report attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

For and on behalf of the Board of Directors

Rajesh Kumar Agarwal
Partner

Sanjay Gupta
Company Secretary
Membership No:-4935

Rajeev Thapar
Chief Financial Officer

Suchita Jain
Vice Chairperson and Joint Managing Director
DIN:00746471

S.P. Oswal
Chairman and Managing Director
DIN: 00121737

Place : Gurugram
Date: May 21, 2022

Place : Ludhiana
Date: May 21, 2022

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

	Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I	Revenue from operations	28	9,622.34	6,139.87
II	Other income	29	224.51	201.56
III	**Total Income (I+II)**		**9,846.85**	**6,341.43**
IV	**Expenses :**			
	Cost of materials consumed	30	4,964.04	3,188.63
	Purchases of stock-in-trade	31	2.33	5.13
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	32	(405.66)	66.70
	Employee benefits expense	33	729.06	590.11
	Finance costs	34	99.72	113.32
	Depreciation and amortization	3A, 3B & 43	367.51	363.81
	Other expenses	35	2,058.66	1,475.46
	Total Expenses		**7,815.66**	**5,803.16**
V	**Profit before tax (III-IV)**		**2,031.19**	**538.27**
VI	Share of profit of associates		39.69	20.63
VII	**Profit before tax (V+VI)**		**2,070.88**	**558.90**
VIII	**Tax expense:**	36		
	Current tax		527.96	118.75
	Deferred tax		(8.31)	13.24
IX	**Profit for the year (VII-VIII)**		**1,551.23**	**426.91**
X	**Other Comprehensive Income**	17		
	Items that will not be reclassified to profit or loss			
	(a) (i) Remeasurements of the defined benefits plans		8.84	6.29
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(2.23)	(1.55)
	(b) (i) Equity instruments through other comprehensive income		0.21	0.05
	(ii) Income taxes relating to items that will not be reclassified to profit or loss		(0.02)	(0.04)
XI	**Total other comprehensive income**		**6.80**	**4.75**
XII	**Total comprehensive income for the year (IX+XI)**		**1,558.03**	**431.66**
	Profit attributable to:			
	- Owners of the Company		1,546.89	414.35
	- Non-controlling interests		4.34	12.56
			1,551.23	**426.91**
	Other Comprehensive Income attributable to:			
	- Owners of the Company		6.78	4.60
	- Non-controlling interests		0.02	0.15
			6.80	**4.75**
	Total Comprehensive Income attributable to:			
	- Owners of the Company		1,553.67	418.95
	- Non-controlling interests		4.36	12.71
			1,558.03	**431.66**
	Earnings per equity share (amount in ₹)	41		
	(1) Basic		54.58	14.67
	(2) Diluted		54.42	14.56
	See accompanying notes to the consolidated financial statements	1 - 57		

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors

Rajesh Kumar Agarwal
Partner

Sanjay Gupta
Company Secretary
Membership No:-4935

Rajeev Thapar
Chief Financial Officer

Suchita Jain
Vice Chairperson and
Joint Managing Director
DIN:00746471

S.P. Oswal
Chairman and Managing
Director
DIN: 00121737

Place : Gurugram
Date: May 21, 2022

Place : Ludhiana
Date: May 21, 2022

Consolidated Cash Flow Statement

for the year ended March 31, 2022
(All amounts in ₹ Crores, unless otherwise stated)

	Particulars	year ended March 31, 2022	year ended March 31, 2021
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	2,070.88	558.90
	Adjustments for:		
	Share of profit of associates	(39.69)	(20.63)
	Finance costs	80.70	98.98
	Fair valuation gain on investment	(46.24)	(40.97)
	Subsidy from Government	(1.74)	(27.58)
	Interest income	(27.13)	(34.41)
	Dividend on current investments	(0.10)	(0.01)
	Net gain on sale / discarding of property, plant and equipment	(5.39)	(0.69)
	(Profit)/Loss on sale of Investments (Net)	(32.15)	(22.69)
	Provision no longer required written back(Net)	(5.91)	(6.90)
	Asset written off	5.82	1.92
	Bad debt written off	1.30	0.51
	Allowances for doubtful trade receivables and advances	14.99	-
	Depreciation and amortisation expense	367.51	363.81
	Share options outstanding account	0.84	2.15
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets :-		
	Trade receivables	(298.91)	(218.13)
	Inventories	(86.24)	(115.00)
	Loans	(0.33)	1.59
	Other assets (Current)	(171.76)	(96.49)
	Other assets (Non-current)	(42.80)	(3.59)
	Others financial assets (Current)	(93.03)	(33.17)
	Others financial assets (Non Current)	25.94	(107.65)
	Adjustments for increase / (decrease) in operating liabilities :-		
	Trade payables and other liabilities	102.21	(51.05)
	Provisions (Non Current)	(0.98)	0.79
	Provisions (Current)	0.63	0.08
	Others financial liabilities (Current)	105.74	(46.58)
	Others financial liabilities (Non-Current)	2.61	(1.16)
	Other liabilities (Non-current)	0.25	0.42
	Other liabilities (Current)	34.80	11.50
	Cash generated from operations	**1,961.83**	**213.95**
	Income taxes paid	(517.25)	(46.27)
	Net cash generated by operating activities	**1,444.58**	**167.68**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of investments	(1,104.27)	(743.81)
	Proceeds from sale of investments	615.63	892.83
	Interest received	24.91	22.88
	Payment for purchase of property, plant and equipment, capital work in progress and other intangible assets	(519.07)	(243.02)
	Bank balances not considered as cash and cash equivalents	63.78	(53.82)
	Proceeds from disposal of property, plant and equipment	10.69	3.39
	Dividend on associates, other investments	9.14	5.65
	Net cash used in investing activities	**(899.19)**	**(115.89)**

Consolidated Cash Flow Statement

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	year ended March 31, 2022	year ended March 31, 2021
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from equity share capital/share application	12.82	9.19
Proceeds from borrowings (non-current)	87.95	325.00
(Repayment) of borrowings (non-current)	(282.28)	(228.23)
Proceeds/ (Repayment) of borrowings (current)	45.21	(185.28)
Dividends on equity share capital paid	(349.15)	(0.29)
Finance costs paid	(85.95)	(94.39)
Net cash generated/(used) in financing activities	**(571.40)**	**(174.00)**
Net increase / (decrease) in cash and cash equivalents	**(26.01)**	**(122.21)**
Cash and cash equivalents at the beginning of the year	92.64	214.85
Cash and cash equivalents at the end of the year	**66.63**	**92.64**

*There are no non cash changes arising from financing activities

See accompanying notes to the consolidated financial statements 1 - 57

In terms of our report attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

For and on behalf of the Board of Directors

Rajesh Kumar Agarwal
Partner

Sanjay Gupta
Company Secretary
Membership No:-4935

Rajeev Thapar
Chief Financial Officer

Suchita Jain
Vice Chairperson and Joint Managing Director
DIN:00746471

S.P. Oswal
Chairman and Managing Director
DIN: 00121737

Place : Gurugram
Date: May 21, 2022

Place : Ludhiana
Date: May 21, 2022

Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

a. Equity share capital

Particulars	Amount
Balance as at April 01, 2020	56.52
Issue of equity shares under employee stock option plan (Refer note 44)	0.04
Balance as at March 31, 2021	**56.56**
Issue of equity shares under employee stock option plan (Refer note 44)	0.21
Addition due to sale of shares by Subsidiary	0.07
Balance as at March 31, 2022	**56.84**

b. Other equity

Particulars	Share application money pending allotment	Reserves and Surplus								Item of other comprehensive income	Total
		Capital reserve	Statutory Reserve u/s 45 IC of RBI	Capital redemption reserve	Security premium	Debenture redemption reserve	Share options outstanding account	General reserve	Retained earnings	Equity instrument through other comprehensive income	
Balance as at April 1, 2020	**-**	**0.40**	**9.20**	**40.43**	**13.57**	**57.62**	**14.71**	**1,455.27**	**4,388.36**	**1.74**	**5,981.30**
Profit for the year	-	-	-	-	-	-	-	-	414.35	-	414.35
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	4.74	0.01	4.75
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**419.09**	**0.01**	**419.10**
Share Application Money received under employee stock options.	5.62	-	-	-	-	-	-	-	-	-	5.62
Employee stock options accrued/(Lapsed) during April-March 2021 (Refer note 44)	-	-	-	-	-	-	2.15	-	-	-	2.15
Securities premium on shares under Employee stock options	-	-	-	-	5.36	-	-	-	-	-	5.36
Transfer to equity shares due to issue of employee stock options (Refer note 44)	-	-	-	-	-	-	(1.83)	-	-	-	(1.83)
Transfer from Employee Stock Options accounts to General Reserve	-	-	-	-	-	-	(2.65)	2.65	-	-	-
Transfer to Statutory Reserve under 45-IC of RBI Act	-	-	0.64	-	-	-	-	-	(0.64)	-	-
Balance as at March 31, 2021	**5.62**	**0.40**	**9.84**	**40.43**	**18.93**	**57.62**	**12.38**	**1,457.92**	**4,806.81**	**1.75**	**6,411.70**

Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

b. Other equity (Contd..)

Particulars	Share application money pending allotment	Reserves and Surplus								Item of other comprehensive income	Total
		Capital reserve	Statutory Reserve u/s 45 IC of RBI	Capital redemption reserve	Security premium	Debenture redemption reserve	Share options outstanding account	General reserve	Retained earnings	Equity instrument through other comprehensive income	
Profit for the year	-	-	-	-	-	-	-	-	1,546.89	-	1,546.89
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	6.61	0.19	6.80
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,553.50**	**0.19**	**1,553.69**
Share Application Money received under employee stock options.	1.30	-	-	-	-	-	-	-	-	-	1.30
Final Equity Dividend for the financial year 2020-21 (Amount ₹ 17.50 per share)	-	-	-	-	-	-	-	-	(99.15)	-	(99.15)
Interim Dividend paid during the year (Amount ₹ 34 per share)	-	-	-	-	-	-	-	-	(251.32)	-	(251.32)
Employee stock options accrued/(Lapsed) during April to March 2022 (Refer note 44)	-	-	-	-	-	-	0.84	-	-	-	0.84
Transfer to equity shares due to issue of employee stock options (Refer note 44)	(5.62)	-	-	-	-	-	(8.79)	-	-	-	(14.41)
Transfer from Employee Stock Options accounts to General Reserve	-	-	-	-	-	-	(0.45)	0.45	-	-	-
Securities premium on shares under Employee stock options	-	-	-	-	25.72	-	-	-	-	-	25.72
Transfer to Statutory Reserve under 45-IC of RBI Act	-	-	3.99	-	-	-	-	-	(3.99)	-	-
Gain on sale of shares by Subsidiary	-	-	-	-	-	-	-	-	18.55	-	18.55
Balance as at March 31, 2022	**1.30**	**0.40**	**13.83**	**40.43**	**44.65**	**57.62**	**3.98**	**1,458.37**	**6,024.40**	**1.94**	**7,646.92**

See accompanying notes to the consolidated financial statements 1 - 57

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors

Rajesh Kumar Agarwal
Partner

Sanjay Gupta
Company Secretary
Membership No:-4935

Rajeev Thapar
Chief Financial Officer

Suchita Jain
Vice Chairperson and
Joint Managing Director
DIN:00746471

S.P. Oswal
Chairman and Managing
Director
DIN: 00121737

Place : Gurugram
Date: May 21, 2022

Place : Ludhiana
Date: May 21, 2022

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

1 GENERAL INFORMATION

Vardhman Textiles Limited (""the Parent Company"") is a public Company, which was incorporated under the provisions of the Companies Act, 1956 on October 8, 1973 and has its registered office at Chandigarh Road, Ludhiana. The name of the Company at its incorporation was Mahavir Spinning Mills Limited and subsequently changed to Vardhman Textiles Limited on September 5, 2006. The Company is engaged in manufacturing of cotton yarn, synthetic yarn, woven fabric and Garments. The Company is listed on two stock exchanges i.e. at National Stock Exchange and at Bombay Stock Exchange.

The consolidated financial statements were approved for issue in accordance with a resolution of the directors on May 21, 2022.

2 SIGNIFICANT ACCOUNTING POLICIES, SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS AND APPLICABLITY OF NEW AND REVSIED IND AS

2.1 Statement of compliance

These consolidated 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 Rule3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

2.2 Basis of preparation and presentation

The consolidated financial statements of the company, its subsidiaries and its associates (together ""the Group"") 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 Group 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 116, 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.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- **Level 2** inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** inputs are unobservable inputs for the asset or liability.

2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company’s voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Company's accounting policies.

All intra Company's assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.4 Changes in the Company's ownership interests in existing subsidiaries

Changes in the Company’s ownership interests in subsidiaries that do not result in the Company's losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Company’s interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.5 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

2.6 Investment in associates

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the

Notes to Consolidated Financial Statement

for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Company's share of the profit or loss and other comprehensive income of the associate . Distributions received from an associate reduce the carrying amount of the investment. When the Company's share of losses of an associate exceeds the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate , any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Company determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Company's investment in an associate.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date when the investment ceases to be an associate , or when the investment is classified as held for sale. When the Company retains an interest in the former associate and the retained interest is a financial asset, the Company measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Company accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Company reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

When a group entity transacts with an associate of the Company, profits and losses resulting from the transactions with the associate are recognised in the Company's consolidated financial statements only to the extent of interests in the associate that are not related to the Company.

2.7 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amount disclosed as revenue are net of returns, rebates, goods & services tax and value added taxes.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Notes to Consolidated Financial Statement

for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

Revenue recognised from major business activities:

2.7.1 Sale of goods:

Revenue from sale of goods is recognised as and when the Group satisfies performance obligations by transferring control of the promised goods to its customers.

2.7.2 Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

2.7.3 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 Group 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 Group and the amount of income can be measured reliably. Interest income is accrued on a time proportion 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.

2.7.4 Rental income

The Group's policy for recognition of revenue from operating leases is point 2.22.

2.8 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants recoverable upto financial year 2017-18 are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

As per the amendment in Ind-AS 20 "Government Grants" w.e.f April 1, 2018, the Group has opted to present the grant received/receivable after April 01,2018 related to assets as deduction from the carrying value of such specific assets.

2.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

2.10 Foreign currencies

In preparing the financial statements of the Group, transactions in currencies other than the entity’s functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.11 Employee benefits

2.11.1 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

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

(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 Group 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 Group'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.

2.11.2 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.

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 Group in respect of services provided by employees up to the reporting date.

2.12 Share-based payment arrangements

Share-based payment transactions of the Company

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note no. 44.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled share options outstanding account.

2.13 Taxation

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

2.13.1 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 Group'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, using the tax rates that have been enacted or substantively enacted by the Balance Sheet.

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

2.13.2 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 Group 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 Group 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.

2.13.3 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.

2.13.4 Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The Group applies significant judgement in identifying uncertainties over income tax treatments.

2.14 Property, plant and equipment (PPE)

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.

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

Notes to Consolidated Financial Statement

for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

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.

The Group has elected to continue with the carrying value of all its PPE recognised as on April 1, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as on transition date.

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 ₹ 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	3 - 60 years
Plant and Equipment	5 - 40 years
Furniture and Fixtures & Office Equipment	3- 10 years
Vehicles	8 - 10 years

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. 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 Group 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.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2.15 Intangible assets

2.15.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The Group has elected to continue with the carrying value of all its PPE recognised as on April 1, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as on transition date.

2.15.2 De-recognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Notes to Consolidated Financial Statement

for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

2.15.3 Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Computer softwares	6 years
Contribution to Common effluent treatment plant (CETP)	5 years
Right to use power lines	5 Years

2.16 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group 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 Group 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.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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.

2.17 Inventories

Inventories are valued at cost or net realizable value, whichever is lower. The cost in respect of the various items of inventory is computed as under:

In case of raw materials at weighted average cost plus direct expenses. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

In case of stores and spares at weighted average cost plus direct expenses. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

In case of work in progress at raw material cost plus conversion costs depending upon the stage of completion.

In case of finished goods at raw material cost plus conversion costs, packing cost, non recoverable indirect taxes (if applicable) and other overheads incurred to bring the goods to their present location and condition.

In case of by-products at estimated realizable value

Net realizable value is the estimated selling price in ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.18 Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group 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

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

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 on 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.

2.19 Financial instruments

Financial assets and financial liabilities are recognised when Group 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.

2.19.1 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

2.19.1.1 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

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.

2.19.1.2 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.

Notes to Consolidated Financial Statement

for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

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

On initial recognition, the Group 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 Group 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 Group'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.

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

Investments in equity instruments are classified as at FVTPL, unless the Group 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 Group 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 Group'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.

2.19.1.5 Impairment of financial assets

The Group 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 Group in accordance with the contract and all the cash flows that the Group 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 Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call

Notes to Consolidated Financial Statement

for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

and similar options) through the expected life of that financial instrument.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group 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 Group 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 18, the Group 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, the Group has used a practical expedient as permitted under Ind AS 109. The Group follows simplified approach for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL's 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.

2.19.1.6 Derecognition of financial assets

The Group 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 Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group 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 Group retains an option to repurchase part of a transferred asset), the Group 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.

2.19.1.7 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss.

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

2.19.2 Financial liabilities

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

2.19.2.1 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 Group 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 Group 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.

2.19.2.2 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.

2.19.2.3 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group'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.

2.19.3 Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks and to manage its exposure to imported raw material price risk including foreign exchange forward contracts and commodities future contracts. Further details of derivative financial instruments are disclosed in note 37.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

2.19.4 Equity instrument

Equity instrument are any contract that evidences a residual interest in the assets of an equity after deducting all of its liabilities.

Debt or equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

The equity shares of the Company held by it through a trust are presented as deduction from total equity, until they are cancelled or sold.

2.20 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). 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.

2.21 Segment Reporting

Based on the guiding principles laid down in Indian Accounting Standards (Ind-AS)-108 "Segment Reporting" the Managing Director of the Company is the Chief Operating Decision maker (CODM) and the purposes of resource allocation and assessment of segment performance of the business is a segregated in the segment below:-

- Textiles
- Fibre

2.22 Leases

The Group as Lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Group as a lessor

Leases for which the Group 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 Group 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.

2.23 Assets held for sale

The Company classifies non current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

2.24 Significant accounting judgements, estimates and assumptions

In the application of the Group'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.

Notes to Consolidated Financial Statement

for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

2.24.1 Significant influence over associates

Note 45 describe the entities as associates of the Company as the Company owns:-

a. in Vardhman Special Steels Limited (VSSL):-	24.87 percent ownership interest
b. in Vardhman Spinning and General Mills Limited(VSGM):-	50.00 percent ownership interest
c. in Vardhman Yarns and Threads Limited(VYTL):-	11.00 percent ownership interest

The group has significant influence in over VSSL and VSGM associates above by the virtue of ownership interest. However in case of VYTL significant influence is not only by the virtue of ownership interest but also due to contractual right to appoint managing director and no significant business decisions relating to debts restructuring and business restructuring in the above said associate can be implemented without prior approval of the Company.

2.24.2 Key sources of uncertainty

In the application of the Group accounting policies, the management of the Group 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 Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

2.24.3 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.

2.24.4 Useful lives of depreciable tangible assets and intangible 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 Group.

2.24.5 Fair Value measurements and valuation processes

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

In estimating the fair value of an asset or liability, the Group uses market-observable data to the extent is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The Chief financial officer works closely with the qualified external valuers to establish appropriate valuation techniques and inputs to the model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in notes 37.

Notes to Consolidated Financial Statement

for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

2.24.6 Contingent Liability

In ordinary course of business, the Group faces claims by various parties. The Group annually assesses such claims and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Group 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 Group provides disclosures in the financial statements but does not record a liability in its financial statements unless the loss becomes probable.

2.24.7 Income Tax

The Group's tax jurisdiction is India. Significant judgements are involved in determining the provision for income taxes including judgement on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

2.24.8 Inventory

Management has carefully estimated the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by market driven changes.

2.25 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 themost 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 Group will evaluate the same to give effect to them as required by law

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

3A Property, plant and equipment and capital work-in-progress

Particulars	As at March 31, 2022	As at March 31, 2021
Carrying amount of		
Freehold land	116.42	103.88
Buildings	1,015.69	996.32
Plant and equipment	2,304.15	2,372.86
Furniture and fixtures	9.19	9.20
Vehicles	9.75	7.05
Office equipment	14.79	15.04
Total Property, plant and equipment	**3,469.99**	**3,504.35**
Capital work-in-progress	241.21	77.96
	3,711.20	**3,582.31**

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Cost or Deemed Cost							
Balance at April 01, 2020	**102.96**	**1,122.37**	**3,743.68**	**14.87**	**15.29**	**53.15**	**5,052.33**
Addition	0.94	69.64	201.09	1.94	0.68	3.80	278.10
Disposal/Adjustment	(0.01)	(1.64)	(5.05)	(0.10)	(0.86)	(0.36)	(8.02)
Balance at March 31, 2021	**103.88**	**1,190.37**	**3,939.72**	**16.72**	**15.11**	**56.59**	**5,322.41**
Addition	13.18	61.16	256.92	1.76	4.55	5.72	343.29
Disposal/Adjustment	(0.64)	(0.27)	(21.32)	(0.10)	(0.95)	(0.70)	(23.98)
Balance at March 31, 2022	**116.42**	**1,251.26**	**4,175.32**	**18.38**	**18.71**	**61.61**	**5,641.72**
Accumulated depreciation							
Balance at April 01, 2020	**-**	**155.25**	**1,255.85**	**5.89**	**6.71**	**35.40**	**1,459.09**
Depreciation	-	39.13	313.39	1.68	1.78	6.40	362.38
Disposal/Adjustment	-	(0.33)	(2.36)	(0.04)	(0.42)	(0.26)	(3.40)
Balance at March 31, 2021	**-**	**194.05**	**1,566.88**	**7.53**	**8.06**	**41.55**	**1,818.07**
Depreciation	-	41.56	315.73	1.71	1.71	5.82	366.53
Disposal/Adjustment	-	(0.04)	(11.42)	(0.04)	(0.81)	(0.55)	(12.86)
Balance at March 31, 2022	**-**	**235.57**	**1,871.19**	**9.20**	**8.96**	**46.82**	**2,171.74**
Carrying amount							
Balance at April 01, 2020	**102.96**	**967.12**	**2,487.85**	**8.99**	**8.58**	**17.75**	**3,593.24**
Addition	0.94	69.64	201.09	1.94	0.68	3.80	278.10
Disposal/Adjustment	(0.01)	(1.30)	(2.70)	(0.06)	(0.44)	(0.11)	(4.61)
Depreciation	-	(39.13)	(313.39)	(1.68)	(1.78)	(6.40)	(362.38)
Balance at March 31, 2021	**103.88**	**996.32**	**2,372.86**	**9.20**	**7.05**	**15.04**	**3,504.35**
Addition	13.18	61.16	256.92	1.76	4.55	5.72	343.29
Disposal/Adjustment	(0.64)	(0.23)	(9.90)	(0.06)	(0.14)	(0.15)	(11.12)
Depreciation	-	(41.56)	(315.73)	(1.71)	(1.71)	(5.82)	(366.53)
Balance at March 31, 2022	**116.42**	**1,015.69**	**2,304.15**	**9.19**	**9.75**	**14.79**	**3,469.99**

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

3A Property, plant and equipment and capital work-in-progress (Contd..)

Notes on property, plant and equipment

1 Refer to note 18 for information on property, plant and equipment pledged as security by the Group.

2 The Company has availed benefit under Export Promotion Capital Goods (EPCG) scheme amounting to ₹ 17.82 Crore (FY 2020-21 7.11 Crores) (related to non cenvatable portion of total duty saved) for financial year 2021-22, such benefit is related to Property, Plant and Equipment and Capital work in progress.

3 Buildings includes ₹ 2.48 crores (March 31, 2021: ₹ 2.48 crores) cost of residential flats at Mandideep, the land cost of which has not been excluded from this cost. The depreciation for the year has been taken on the entire cost.

4 As per the amendment in Ind-AS 20 "Government Grants" w.e.f April 1, 2018, the Company has opted to present the grant related to assets as deduction from the carrying value of such specific assets. For financial year 2021-22 such amount deducted from Property, Plant and Equipment is ₹ Nil Crores (Financial year 2020-21 ₹ Nil).

5 Borrowing cost capitalised during the year ₹ Nil (March 31, 2021 Nil)

6 Also refer Note 2.14 for option used by the Group to use carrying value of previous GAAP as deemed cost as on April 1, 2015.

7 Capital-work-in progress (CWIP) ageing schedule:

Projects in progress	Amount in CWIP for a period of:				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31-03-2022	240.01	1.00	0.20	-	241.21
As at 31-03-2021	71.05	6.91	-	-	77.96

Projects temporarily suspended	Amount in CWIP for a period of:				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31-03-2022	-	-	-	-	-
As at 31-03-2021	0.00	-	-	-	0.00

8 There are no overdue or cost overrun projects compared to its original plan on the above mentioned reporting dates.

3B Other intangible assets

Particulars	As at March 31, 2022	As at March 31, 2021
Carrying amount of		
Computer softwares	1.87	2.23
Contribution to CETP	-	-
Right to use power lines	0.02	0.03
	1.89	**2.26**

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

3B Other intangible assets (Contd..)

Particulars	Computer softwares	Contribution to CETP	Right to use power lines	Total
Cost or Deemed Cost				
Balance as at April 01, 2020	**13.28**	**0.63**	**4.56**	**18.47**
Addition	0.95	-	-	0.95
Disposal	-	-	-	-
Balance as at March 31, 2021	**14.24**	**0.63**	**4.56**	**19.43**
Addition	0.32	-	-	0.32
Disposal	-	-	-	-
Balance as at March 31, 2022	**14.56**	**0.63**	**4.56**	**19.75**
Accumulated amortisation				
Balance as at April 01, 2020	**11.39**	**0.63**	**4.51**	**16.54**
Amortization expenses	(1.14)	-	-	(1.14)
Disposal	-	-	-	-
Balance as at March 31, 2021	**10.25**	**0.63**	**4.51**	**15.40**
Amortization expenses	(0.68)	-	(0.01)	(0.69)
Disposal	-	-	-	0.01
Balance as at March 31, 2022	**9.57**	**0.63**	**4.50**	**14.71**
Carrying amount				
Balance as at April 01, 2020	**2.42**	**-**	**0.03**	**2.45**
Addition	0.95	-	-	0.95
Amortisation expenses	(1.14)	-	-	(1.14)
Balance as at March 31, 2021	**2.23**	**-**	**0.03**	**2.26**
Addition	0.32	-	-	0.32
Amortisation expenses	(0.68)	-	(0.01)	(0.69)
Balance as at March 31, 2022	**1.87**	**-**	**0.02**	**1.89**

Note: These intangible assets are not internally generated

Also refer Note 2.15.1 for option used by the Group to use carrying value of previous GAAP as deemed cost as on April 1, 2015.

4 Goodwill*

Particulars	As at March 31, 2022	As at March 31, 2021
Deemed Cost	2.46	2.46
Additions	-	-
Disposal	-	-
Carrying Value at the end	2.46	2.46
* Refer note 2.5		
Allocation of goodwill to cash generating units (CGU):		
Goodwill has been allocated for impairment testing purposes to the following cash generating units:		
Vardhman Acrylics Limited	2.46	2.46
	2.46	**2.46**

Vardhman Acrylics Limited

No indications for impairment. No impairment losses have been recognised.

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

5A Investments in Associates**

Particulars	As at March 31, 2022	As at March 31, 2021
I TRADE INVESTMENTS (at cost/carrying value)		
Financial assets carried at cost		
a. Break up of equity investments in associates (carrying amount determined using equity method of accounting)		
(i) Investment in Associates		
Quoted		
1,00,86,333 (March 31, 2021: 1,00,86,333) Equity shares of ₹ 10/- each fully paid up of Vardhman Special Steels Limited	85.85	62.27
Unquoted		
62,69,699 (March 31, 2021: 62,69,699) Equity shares of ₹ 10/- each fully paid up of Vardhman Yarns & Threads Limited	74.03	66.96
25,000 (March 31, 2021 : 25,000) Equity shares of ₹ 10/- each fully paid-up of Vardhman Spinning and General Mills Limited	0.08	0.08
Total 5A	**159.96**	**129.31**

5B Other Investments (Non-Current)

Particulars	As at March 31, 2022	As at March 31, 2021
II Financial assets measured at fair value through other comprehensive income		
(i) Investment in equity instruments (unquoted)		
41,000 (March 31, 2021: 41,000) Equity-Shares of ₹ 10/- each fully paid-up of Shivalik Solid Waste Management Limited (Section 25 Company)	0.13	0.11
1,40,625 (March 31, 2021: 1,40,625) Equity shares of ₹ 10/- each fully paid-up of Nimbua Greenfield (Punjab) Limited of Rs 10/- each fully paid up	1.89	1.84
2,225 (March 31, 2021: 2,225) Equity shares of ₹ 10/- each fully paid-up of Devakar Investment & Trading Company Private Limited	0.20	0.20
16,47,525 (March 31, 2021: 16,47,525) Equity Shares of ₹ 10/- each fully paid up of Narmada Clean Tech Limited.	2.80	2.67
Other Investments:-		
III Financial assets measured at fair value through Profit and loss		
(i) Investment in Bonds/ Preference shares/ Debentures/Mutual Funds (quoted)		
*** 6,660 (March 31, 2021 :6,660) 17.38% Non-convertible redeemable cumulative preference shares of ₹ 7,500/- each fully paid of IL&FS Financial Services Limited	-	-
*** 820 (March 31, 2021 820) 16.46% Non Convertible Redeemable cumulative Preference Shares of ₹ 7,500/- each fully paid of IL & FS Financial Services Limited.	-	-
*** 10,000 (March 31, 2021:10,000) 16.46% Non-convertible redeemable cumulative preference shares of ₹ 7,500/- each fully paid of IL&FS Financial Services Limited	-	-
4,80,963 (March 31, 2021: NIL) units of ₹ 1000/- each of Bharat Bond ETF - April 2031	51.78	-
9,24,143 (March 31, 2021:9,24,143) units of ₹ 1000/- each of BHARAT Bond ETF - April 2030 -Growth	111.18	104.83
4,77,412 (March 31, 2021: Nil) units of ₹ 1000/- each of Bharat Bond ETF - April 2025	51.76	-

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

5B Other Investments (Non-Current) (Contd..)

Particulars	As at March 31, 2022	As at March 31, 2021
7,45,44,342.813 (March 31, 2021 :4,99,97,500.125) units of ₹ 10/- each of Edelweiss NIFTY PSU Bond Plus SDL Index Fund - 2026 - Direct Plan Growth - P6D1	80.06	50.54
1,25,00,000 (March 31, 2021: NIL) units of ₹ 10/ each of Nippon India Fixed Horizon Fund - XLIII - Series 1 - Direct plan growth	25.73	-
24,998,750 (March 31, 2021: 24,998,750) Units of ₹ 10/- each of Edelweiss NIFTY PSU Bond Plus SDL Index Fund - 2026 Direct Plan Growth	26.85	25.27
246,634 (31 March 2021: 246,634) Units of ₹ 1000/- each of Edelweiss Bharat Bond ETF 2025	26.74	25.26
3,49,98,250.087 (March 31, 2021 : NIL) units of ₹ 10/- each of Kotak FMP Series 292 - Direct Growth	36.13	-
4,99,97,500.12 (March 31, 2021: NIL) units of ₹ 10/- each SBI Fixed Maturity Plan (FMP) - Series 49 (1823 Days) - Direct Growth	51.42	-
* Nil (March 31, 2021: 3,24,12,364) units of ₹ 10/- each of Kotak FMP Series 254 - 1250 Days -Direct Plan - Growth	-	40.21
* Nil (March 31, 2021: 6,50,00,000) units of ₹ 10/- each of Kotak FMP Series 251 - 1265 Days -Direct Plan - Growth	-	81.56
24998750.062 (March 31, 2021: NIL) Units of ₹ 10/- each of SBI Fixed Maturity Plan (FMP) - Series 46 (1850 Days) Direct Growth	26.13	-
4,99,97,500.125 (March 31, 2021: 4,99,97,500.125) units of ₹ 10/- each of SBI FMP Series 41 - 1498 Days -Direct Growth	52.96	50.00
2,99,98,500.075 (March 31, 2021: 2,99,98,500.075) units of ₹ 10/- each of SBI FMP Series 42 - 1857 Days -Direct Growth	31.86	30.00
3,49,27,229.892 (March 31, 2021:2,50,00,000.100) units of ₹ 10/- each of IDFC Gilt 2027 Index Fund Direct Plan- Growth	36.90	25.07
1,25,00,000 (March 31, 2021: NIL) units of ₹ 100/- each of Nippon India ETF Nifty SDL - 2026 Maturity	135.08	-
46,00,000 (March 31, 2021: NIL) units of ₹ 100/- each of Nippon India ETF Nifty CPSE Bond plus SDL 2024	49.85	-
24,998,750.062 (March 31, 2021:NIL) units of ₹ 10/- each of Aditya Birla Sunlife Fixed Term Plan Series-TI (1837 Days) -Direct Growth	26.06	-
3,47,10,500.042 (March 31, 2021: NIL) units of ₹ 10/- each of SBI CPSE Bond Plus SDL Sep 2026- 50:50 Index fund direct growth	35.15	-
4,98,39,012.067 (March 31, 2021: NIL) units of ₹ 10/- each of Edelweiss CRISIL PSU Plus SDL 50:50 Oct 2025 Index Fund - Direct Plan Growth - P5D1	50.07	-
Total 5B	**910.73**	**437.55**
1. Aggregate book value of quoted investments	991.57	495.01
2. Aggregate Market Value of quoted investments	1,135.78	572.18
3. Aggregate carrying value of unquoted investments	79.12	71.85

* Investments having maturity period of less than 12 months from March 31, 2022 i.e. the balance sheet date have been reclassified as ' Current Investment' during the year.

** Refer note 37

*** Investment in preference shares of IL&FS group companies aggregating to ₹ 26.13 crores. 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 ₹ NIL (FY 20-21 ₹ NIL) as FVTPL adjustment.

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

6A Loans (Non Current)

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assets at amortized cost		
(unsecured considered good unless otherwise stated)		
Loan to employees	0.95	1.37
	0.95	**1.37**

6B Other Financial Assets (Non Current)*

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assets at amortized cost		
(unsecured considered good unless otherwise stated)		
Fixed Deposits with banks more than twelve months maturity	133.11	169.72
Earmarked Deposits with banks**	10.88	-
Interest Receivable	9.81	3.32
Other Recoverable	0.73	0.94
	154.53	**173.98**

* Refer note 37

** Earmarked deposits of '₹ 10.88 crores pledged with government authorities, banks and others.

7 Other Non Current Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Non Financial Assets at amortized cost		
(unsecured considered good unless otherwise stated)		
Capital advances	74.18	20.07
Other Recoverable	34.86	-
Balance with government authorities	6.64	6.18
Prepaid (Deferred) Expense for employee benefit	0.20	0.10
Prepaid expenses-others	1.39	1.69
Security deposits	45.17	37.49
	162.44	**65.53**

8 Inventories

Particulars	As at March 31, 2022	As at March 31, 2021
(at cost or net realisable value, whichever is lower)		
Raw materials*	1,597.87	1,984.03
Work-in-progress	253.41	171.20
Finished Goods	801.83	480.11
Stores and Spares*	230.41	165.91
Less: Unrealised profit on consolidation	(1.23)	(5.21)
	2,882.29	**2,796.05**

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

8 Inventories (Contd..)

Particulars	As at March 31, 2022	As at March 31, 2021
*above items include goods in transit as per below		
Raw materials	79.80	4.94
Stores and Spares	18.07	14.07
	97.87	**19.01**

(i) The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹ 4,964.04 Crores (March 31, 2021: ₹ 3,188.63 Crores)

(ii) Refer to Note 18(a) and 23 for information on inventories pledged as security by the Group.

(iii) The method of valuation of inventories has been stated in note 2.17.

9 Other Investments (Current)**

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assets measured at fair value through Profit and loss		
(i) Investment in Liquid Funds (Quoted)		
Nil (31 March 2021: 5,739,341) Units of ₹ 10/- each of IDFC Arbitrage Fund - Growth (Direct Plan)	-	15.36
1,41,533.22 (31 March 2021: 1,81,429) Units of ₹ 1000/- each of SBI Liquid Fund Direct Growth	47.17	58.45
NIL (March 31,2021: 62,656.588) units of ₹ 1000/-each of SBI Overnight Fund Direct Growth	-	21.00
Nil (March 31,2021 2,23,66,201) Units of ₹ 10- each of DSP Liquidity Fund Direct Growth D798	-	6.56
5,476,236 (31 March 2021: 10,185,882) Units of ₹ 10/- each of Kotak Equity Arbitrage Fund- Direct Growth	17.34	30.84
# Nil (31 March 2021: 4,819,695) Units of ₹ 10/- each of ICICI Equity Arbitrage Fund - Direct Growth	-	13.52
14,87,98,853.156 (March 31, 2021 : NIL) units of ₹ 10/- each of TATA Arbitrage Fund-Direct-plan-growth	178.35	-
6,25,17,584.106 (March 31, 2021: NIL) units of ₹ 10/- each of Axis Arbitrage Fund-Direct-Growth	101.20	-
8,390,939 (March 31, 2021: Nil) Units of ₹ 10/- each of L&T Arbitrage Opportunities Fund - Direct Plan - Growth	13.63	-
1,53,56,596.24 (March 31, 2021: Nil) units of ₹ 10 each of Kotak Equity Arbitrage fund Direct Growth (Previous year: Nil)	48.63	-
3,81,80,603.379 (March 31, 2021: NIL) units of ₹ 10/- each of Nippon India Arbitrage Fund- Direct growth plan- growth option.	87.16	-
(ii) Investment in Debt Funds/ Monthly Income Plans/ Debentures/ Bonds/ Preference shares/Fixed Maturity Plans (Quoted)		
# NIL (March 31, 2021 :5,00,00,000) units of ₹ 10/- each of Kotak FMP Series 216 Direct-Growth	-	63.80

Notes to Consolidated Financial Statement

for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

9 Other Investments (Current)** (Contd..)

Particulars	As at March 31, 2022	As at March 31, 2021
# NIL (March 31, 2021:4,00,00,000) units of ₹ 10/- each of Aditya Birla Sunlife Fixed Term Plan Series-PI (1140 Days) -Direct Growth	-	50.32
# NIL (March 31, 2021: 2,50,00,000) units of ₹ 10/- each of HDFC FMP 1158 Days Direct Growth	-	31.48
# NIL (March 31, 2021: 1,50,00,000) units of ₹ 10/- each of UTI Fixed Term Income Fund Series XXIV-XIV (1831 Days)Direct Growth Plan	-	21.87
# NIL (March 31, 2021: 5,00,00,000)units of ₹ 10/- each of SBI Debt Fund Series C - 10 (1150 DAYS) Direct Growth	-	62.97
# NIL (March 31, 2021 : 5,00,00,000) units of ₹ 10/- each of ICICI Prudential Fixed Maturity Plan Series 82-1203 days Plan K-Direct Plan Cumulative	-	63.17
# Nil (31 March 2021: 26,000,000) Units of ₹ 10/- each of HDFC FMP1150D March 2018 (1) Direct Growth Series -39	-	32.62
# Nil (31 March 2021: 25,000,000) Units of ₹ 10/- each of SBI SDFC C - 16 (1100 Days) Direct Growth	-	31.42
# 3,24,12,364 (March 31, 2021: Nil) units of ₹ 10/- each of Kotak FMP Series 254 - 1250 Days -Direct Plan - Growth	41.94	-
# 6,50,00,000 (March 31, 2021: Nil) units of ₹ 10/- each of Kotak FMP Series 251 - 1265 Days -Direct Plan - Growth	84.95	-
(iii) Investment in equity share (quoted)		
NIL(March 31, 2021 :5,30,000) Equity shares of ₹ 1 /- each fully paid up of Welspun India Limited	-	4.29
	620.37	**507.67**
1. Aggregate book value of quoted investments	620.37	507.67
2. Aggregate market value of quoted investments	620.37	507.67
3. Aggregate carrying value of unquoted investments	-	-

Investments having maturity period of less than 12 months from March 31, 2022 i.e. the balance sheet date have been reclassified as ' Current Investment' during the year.

** Refer note 37

10 Trade receivables*

Particulars	As at March 31, 2022	As at March 31, 2021
Receivable from related parties (Refer Note 45)		
- Unsecured, considered good	-	-
Receivable from others		
- Secured, considered good	-	-
- Unsecured Secured good	1,321.24	1,038.62
- Significant increase in Credit risk	17.19	2.42
- Credit impaired	-	-
Less: Allowances for doubtful trade receivables	(17.19)	(2.42)
	1,321.24	**1,038.62**

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

10 Trade receivables* (Contd..)

(i) The credit period allowed on sales generally vary, on case to case basis, business to business, based on market conditions, maximum credit period allowed is 45 days (2020-21 - 45 days) in case of domestic yarn and 90 days (2020-21 - 90 days) in case of domestic fabric and garments. In case of exports, maximum credit period of 120 days (2020-21 - 120 days) against letter of credit is provided.

(ii) There are no major customers that represent more than 10% of total balances of trade receivables.

(iii) Ageing of provision of doubtful trade receivables

Particulars	Expected Credit Loss	
	As at March 31, 2022	As at March 31, 2021
Less than 180 days	15.32	-
More than 180 days	1.87	2.42
	17.19	**2.42**

(iv) Age of Receivables:

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Undisputed Trade receivables – considered good		
Less than 6 months	1,316.16	1,023.13
6 months to 1 year	1.69	9.72
1 to 2 years	1.40	3.58
2 to 3 years	0.41	0.27
More than 3 years	0.43	0.64
	1,320.09	**1,037.34**
(b) Undisputed Trade Receivables – which have significant increase in credit risk		
Less than 6 months	0.41	-
6 months to 1 year	8.28	0.08
1 to 2 years	6.03	0.57
2 to 3 years	0.51	-
More than 3 years	0.28	0.09
	15.51	**0.74**
(c) Disputed Trade receivables – considered good		
Less than 6 months	-	-
6 months to 1 year	-	-
1 to 2 years	-	0.00
2 to 3 years	0.00	0.03
More than 3 years	1.15	1.25
	1.15	**1.28**
(d) Disputed Trade Receivables – which have significant increase in credit risk		
Less than 6 months	-	-
6 months to 1 year	-	-
1 to 2 years	0.25	0.25
2 to 3 years	-	1.39
More than 3 years	1.43	0.04
	1.68	**1.68**

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

10 Trade receivables* (Contd..)

(v) Movement in expected credit loss allowance

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	2.42	2.45
Reversal of provision during year	(0.55)	(0.03)
Provision provided during the year	15.32	(0.00)
Balance at the end of the year	**17.19**	**2.42**

(vi) The concentration of credit risk is limited due to the fact that customer base is large and unrelated.

* Refer note 37

11 Cash and cash equivalents#

For the purpose of financial statements cash and cash equivalents include cash on hand and bank balances. Cash and cash equivalent at the end of reporting period can be reconciled to the related items in balance sheet as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
a) Balances with banks		
- In current accounts	64.06	40.95
- In deposit accounts with maturity upto three months	0.40	50.86
b) Cheques on hand	2.01	0.65
c) Cash on hand	0.16	0.18
	66.63	**92.64**

#Refer note 37

11A Bank Balances other than Cash and cash equivalents#

Particulars	As at March 31, 2022	As at March 31, 2021
a) Other bank balances		
- Earmarked balances with banks*	18.95	5.55
- Deposits with more than twelve months maturity	133.11	169.72
- Deposits with more than three months but less than twelve months maturity	47.01	113.31
	199.07	**288.58**
Less: Amounts disclosed as other financial non current assets (Refer note 6B)	143.99	169.72
	55.08	**118.86**

* Earmarked balances with banks includes ₹ 4.50 crores (March 31, 2021: ₹ 3.16 crores) pertaining to dividend accounts with banks and ₹ 12.89 crore (March 31, 2021:Rs 2.39 crore) pledged with government authorities, banks and others. Also includes ₹ 1.56 crores (March 31, 2021: ₹ Nil) pertaining to balances in unspent CSR accounts.

Refer note 37

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

12 Loans (Current)#

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assets at amortized cost		
(Unsecured and considered good), unless otherwise stated		
Loan to employees	2.09	1.34
	2.09	**1.34**

Refer note 37

13 Other financial assets (Current)**

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assets at amortized cost		
(Unsecured and considered good), unless otherwise stated		
Recoverable from related parties (Refer Note 45)	0.01	0.04
Interest receivables	4.80	9.07
Claims receivable	0.05	3.08
Other Recoverable	120.73	25.02
Financial assets at Fair value through Profit and loss		
Derivative Financial Instruments*	17.92	17.55
	143.51	**54.76**

* The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risk including foreign exchange forward contracts. For further details of derivative financial instruments refer note 37

**Refer note 37

14 Current tax

Particulars	As at March 31, 2022	As at March 31, 2021
Current tax liabilities (net)		
Income-tax payable (net)	45.27	32.33

15 Other current assets

Particulars	As at March 31, 2022	As at March 31, 2021
(unsecured considered good, unless otherwise stated)		
Amount recoverable from Mahavir Share Trust in respect of shares held in Trust (Refer note 39)	4.65	4.65
Advances to suppliers		
- Considered good	191.49	113.39
- Doubtful	-	0.04
Less: Doubtful advances	-	(0.04)
	191.49	**113.39**

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

15 Other current assets (Contd..)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with government authorities	289.25	271.79
Prepaid (Deferred) Expense for employee benefit	0.17	0.17
Gratuity Trust	3.90	2.37
Prepaid expenses others	7.02	7.75
Other recoverables :		
- Considered good	267.40	192.00
- Doubtful	0.23	0.01
Less: Allowances for Doubtful other recoverables	(0.23)	(0.01)
	267.40	**192.00**
	763.88	**592.12**

15A Assets Held for sale

Particulars	As at March 31, 2022	As at March 31, 2021
Land held for Sale	0.16	0.15
Vehicle held for Sale	0.01	-
	0.17	**0.15**

The company intends to dispose off a parcel of freehold land and a vehicle it no longer utilises in the next 12 months. No impairment loss was recognised on reclassification of the assets as held for sale as at March 31, 2022 as the company expects that sale consideration less costs to sell is higher than the carrying amount. Also the company had received advance of ₹ 1.51 Crore (March 31,2021 ₹ 1.50 Crore) shown in other current liabilities (Refer Note.27) against sale of these assets.

16 Equity share capital

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised share capital:		
45,00,00,000 equity shares of ₹ 2 each (March 31, 2021: 9,00,00,000 equity shares of ₹ 10 each)	90.00	90.00
1,00,00,000 redeemable cumulative preference shares of ₹ 10 each (March 31, 2021: 1,00,00,000 redeemable cumulative preference shares of ₹ 10 each)	10.00	10.00
	100.00	**100.00**
Issued, subscribed and fully paid up share capital comprises:		
28,42,02,305 equity shares of ₹ 2 each (March 31, 2021: 5,65,59,087 equity shares of ₹ 10 each)	56.84	56.56
	56.84	**56.56**

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

16 Equity share capital (Contd..)

16.1 Rights, preference and restriction attached to equity shares

The Parent Company has one class of equity shares having a par value of ₹ 2/- 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 Parent Company the holders of equity shares will be entitled to receive any of the remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

16.2 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.

16.3 As per Employee Stock Options Scheme 2016, senior employees of the Parent Company were offered 6,14,000 options (for details refer note 44). The vesting for due options began from financial year 2016-17 and 1,40,850 options/shares (99,300 options/ shares 2020-21) vested during the year 2021-22. Out of these, 2,10,250 shares/options of FV ₹ 10 per share (FY 2020-21 43,800 shares/options) have been exercised. Share options granted under Company's employee share option plan carry right to dividend and voting rights at par with other equity holders.

16.4 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	5,65,59,087	56.56	5,65,15,287	56.52
Add:- Issue of equity shares under employee stock option plan (Refer note 44)	2,10,250	0.21	43,800	0.04
Addition due to sale of shares held by Subsidiary	71,124	0.07	-	-
Equity shares arising on share split from ₹ 10 to ₹ 2 per share (Refer note 16.8 below)	22,73,61,844	-	-	-
Balance as at the end of the year	**28,42,02,305**	**56.84**	**5,65,59,087**	**56.56**

16.5 Details of shares held by the holding Company

There is no holding / ultimate holding Company of the Company

16.6 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
Devakar Investment and Trading Company Private Limited	3,16,87,790	11.15%	63,37,564	11.21%
Adishwar Enterprises LLP	5,15,94,315	18.15%	1,03,18,863	18.24%
Vardhman Holdings Limited	7,95,02,475	27.97%	1,58,95,095	28.10%
HDFC Trustee Company Ltd	2,34,93,615	8.27%	34,97,558	6.18%

Notes to Consolidated Financial Statement

for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

16 Equity share capital (Contd..)

16.7 Details of Shares held by promoters at the end of the year

Promoter Name	As at March 31, 2022			As at March 31, 2021		
	Number of shares	%of total shares	% Change during the year	No. of Shares	%of total shares	% Change during the year
Vardhman Holdings Limited	7,95,02,475	27.97%	-0.13%	1,58,95,095	28.10%	0.94%
Adishwar Enterprises LLP	5,15,94,315	18.15%	-0.09%	1,03,18,863	18.24%	-0.01%
Devakar Investment & Trading Company Private Limited	3,16,87,790	11.15%	-0.06%	63,37,564	11.21%	0.17%
Shri Paul Oswal	29,87,955	1.05%	-0.01%	5,97,591	1.06%	0.00%
Flamingo Finance & Investment Company Limited	26,64,795	0.94%	0.00%	5,32,959	0.94%	0.00%
Santon Finance & Investment Company Limited	22,81,650	0.80%	0.00%	4,56,330	0.81%	0.00%
Ramaniya Finance & Investment Company Limited	21,21,170	0.75%	0.00%	4,24,234	0.75%	0.00%
Suchita Jain	12,22,120	0.43%	0.00%	2,44,424	0.43%	0.00%
Shakun Oswal	6,93,075	0.24%	0.00%	1,38,615	0.25%	0.00%
Shri Paul Oswal, Partner, Paras Syndicate	5,74,875	0.20%	0.00%	1,14,975	0.20%	0.00%
Shri Paul Oswal, Partner, Northern Trading Company	5,63,295	0.20%	0.00%	1,12,659	0.20%	0.00%
Mahavir Spinning Mills Private Limited	4,94,720	0.17%	0.00%	98,944	0.17%	0.00%
Shri Paul Oswal, Partner, Amber Syndicate	3,89,240	0.14%	0.00%	77,848	0.14%	0.00%
Shakun Oswal, Partner, Eastern Trading Company	2,66,430	0.09%	0.00%	53,286	0.09%	0.00%
Soumya Jain	41,015	0.01%	0.00%	8,203	0.01%	0.00%
Sagrika Jain	34,925	0.01%	0.00%	6,985	0.01%	0.00%
Sachit Jain	-	0.00%	0.00%	-	0.00%	0.00%

16.8 During the current year, the equity shares of the Parent Company have been sub-divided from existing face value of ₹ 10/- per equity shares into 5 equity shares having face value of ₹ 2 per equity share based on approval by the shareholders through their Postal Ballot dated 11th March, 2022 . The Record Date for effecting this sub-division of equity share was March 26, 2022.

17 Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
Share application money pending allotment	1.30	5.62
Capital reserve	0.40	0.40
Statutory Reserve	13.83	9.84
Capital redemption reserve	40.43	40.43
Security premium	44.65	18.93
Debenture redemption reserve	57.62	57.62
Share options outstanding account	3.98	12.38
General reserve	1,458.37	1,457.92
Retained earnings	6,024.40	4,806.81
Equity instrument through other comprehensive income	1.94	1.75
	7,646.92	**6,411.70**

Notes to Consolidated Financial Statement

for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

17 Other equity (Contd..)

Particulars	Share application money pending allotment	Reserves and Surplus								Item of other comprehensive income	Total
		Capital reserve	Statutory Reserve U/s 45 IC of RBI	Capital redemption reserve	Security premium	Debenture redemption reserve	Share options outstanding account	General reserve	Retained earnings	Equity instrument through other comprehensive income	
Balance at April 01, 2020	**-**	**0.40**	**9.20**	**40.43**	**13.57**	**57.62**	**14.71**	**1,455.27**	**4,388.36**	**1.74**	**5,981.30**
Profit for the year	-	-	-	-	-	-	-	-	414.35	-	414.35
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	4.74	0.01	4.75
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**419.09**	**0.01**	**419.10**
Share Application Money received under employee stock options.	5.62	-	-	-	-	-	-	-	-	-	5.62
Employee stock options accrued/(Lapsed) during April-March 2021 (Refer note 44)	-	-	-	-	-	-	2.15	-	-	-	2.15
Securities premium on shares under Employee stock options	-	-	-	-	5.36	-	-	-	-	-	5.36
Transfer to equity shares due to issue of employee stock options (Refer note 44)	-	-	-	-	-	-	(1.83)	-	-	-	(1.83)
Transfer from Employee Stock Options accounts to General Reserve	-	-	-	-	-	-	(2.65)	2.65	-	-	-
Transfer to Statutory Reserve under 45-IC of RBI Act	-	-	0.64	-	-	-	-	-	(0.64)	-	-
Balance at March 31, 2021	**5.62**	**0.40**	**9.84**	**40.43**	**18.93**	**57.62**	**12.38**	**1,457.92**	**4,806.81**	**1.75**	**6,411.70**

Notes to Consolidated Financial Statement

for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

17 Other equity (Contd..)

Particulars	Share application money pending allotment	Reserves and Surplus								Item of other comprehensive income	Total
		Capital reserve	Statutory Reserve U/s 45 IC of RBI	Capital redemption reserve	Security premium	Debenture redemption reserve	Share options outstanding account	General reserve	Retained earnings	Equity instrument through other comprehensive income	
Profit for the year	-	-	-	-	-	-	-	-	1,546.89	-	1,546.89
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	6.61	0.19	6.80
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,553.50**	**0.19**	**1,553.69**
Share Application Money received under employee stock options.	1.30	-	-	-	-	-	-	-	-	-	1.30
Final Equity Dividend for the financial year 2020-21 (Amount ₹ 17.50 per share)	-	-	-						(99.15)		(99.15)
Interim Dividend paid during the year (Amount ₹ 34 per share)	-	-	-						(251.32)		(251.32)
Employee stock options accrued/(Lapsed) during FY 2021-22 (Refer note 44)	-	-	-	-	-	-	0.84	-	-	-	0.84
Transfer to equity shares due to issue of employee stock options (Refer note 44)	(5.62)	-	-	-	-	-	(8.79)	-	-	-	(14.41)
Transfer from Employee Stock Options accounts to General Reserve	-	-	-	-	-	-	(0.45)	0.45	-	-	-
Securities premium on shares under Employee stock options					25.72						25.72
Transfer to Statutory Reserve under 45-IC of RBI Act	-	-	3.99	-	-	-	-	-	(3.99)	-	-
Adjustment for gain on sale of shares by Subsidiary	-	-	-	-	-	-	-	-	18.55	-	18.55
Balance at March 31, 2022	**1.30**	**0.40**	**13.83**	**40.43**	**44.65**	**57.62**	**3.98**	**1,458.37**	**6,024.40**	**1.94**	**7,646.92**

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

17 Other equity (Contd..)

a. Share application money pending allotment

It represents money received from senior employees under the Company's employee share option scheme.

b. Capital reserve

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

c. Statutory reserve

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 of VTL Investments Limited.

d. Capital redemption reserve

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

e. Securities premium

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

f. Debenture redemption reserve

The Company has issued non convertible debentures in Financial Year 2017-18 and as per the provisions of the Companies Act, 2013 , it was required to create debenture redemption reserve out of the profits available for payment of dividend.The company has discontinued creation of DRR as per MCA notification no.464 dated August 16,2019.

g. Share options outstanding account

Company has approved employee share option scheme under which equity shares of Company are alloted to eligible employees as per the terms and conditions contained in the scheme. The amount is recognised based on the value of equity-settled share-based payments.

h. 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.

i. Retained earnings

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

j. 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.

Notes to Consolidated Financial Statement

for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

18 Borrowings (Non Current)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured - at amortised cost		
Term loans		
**From banks*	991.41	1,035.74
Less: Current maturities (refer note-23)	265.35	133.94
	726.06	**901.80**
Debentures		
Series B 7.69% 1500 Debentures of ₹ 10,00,000/-each	-	150.00
Series C 7.75% 1998 Debentures of ₹ 10,00,000/-each	199.80	199.80
6.83% 1950 Debentures of ₹ 10,00,000/- each	195.00	195.00
Less: Current maturities (refer note-23)	199.80	150.00
	195.00	**394.80**
Total	**921.06**	**1,296.60**

* Net of unamortized processing charges: March 31, 2022: ₹ 1.03 crores (March 31, 2021 : ₹ 1.08 crores)

** Includes External Commercial borrowing from Citi bank amounting ₹ 45.48 Crores (March 31,2021 ₹ 43.87 Crores)

(a) Term loans from banks are secured as follows:-

(1). 1st pari passu charge :-Hypothecation of entire fixed assets of the Company (both present and future) including equitable mortgage.

(2). 2nd pari passu charge:-Hypothecation of stocks of raw material, stock in process and finished goods, receivables/ book debts and other current assets (both present and future).

(b) The Parent Company had issued secured, rated listed Redeemable Non-convertible Debentures (NCDs) aggregating to ₹ 195.00 Crores for cash at par on private placement basis on June 1, 2020. The NCD's are listed at the Bombay Stock Exchange of India (BSE) and repayable at the end of 36 months from the date of allotment and have a yield of 6.83% per annum payable on 01-June on annual basis.

CRISIL has assigned a rating of AA+ with Stable outlook to the said NCDs of the Company on November 23, 2021. The NCDs are secured by way of a first pari passu charge over the immovable and movable fixed assets of the Company and it should have fixed asset cover of more than 1.25 times of outstanding amount of NCDs.The Fixed Asset coverage ratio as on March 31, 2022 is 2.47 times and Asset cover as on March 31, 2022 is 2.43 times.

(c) The Parent Company had also issued secured, rated listed Redeemable Non-convertible Debentures (NCDs) aggregating to ₹ 499.80 crores for cash at par on private placement basis on September 8, 2017. The NCDs are listed at the Bombay Stock Exchange of India (BSE) and comprise of three series repayable in third, fourth and fifth years and have an overall yield of 7.69% per annum. During the previous year 1,500 7.59% Series A NCDs of ₹ 10 lacs each amounting to ₹ 150 Cr were redeemed on 08-September 2020 and during the current year 1,500 7.69% Series B NCDs of ₹ 10 lacs each amounting to ₹ 150 Crores were redeemed on 08-September 2021.

CRISIL has assigned a rating of AA+ with Stable outlook to the said NCDs of the Company on November 23, 2021. These NCDs are secured by way of a first pari passu charge over the immovable and movable fixed assets of the Company and it should have fixed asset cover of more than 1.05 times of outstanding amount of NCDs.The Fixed Asset coverage ratio as on March 31, 2022 is 2.47 times and Asset cover as on March 31, 2022 is 2.43 times.

(d) There have been no breach of covenants mentioned in the loan agreements during the reporting years.

Notes to Consolidated Financial Statement

for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

18 Borrowings (Non Current)

18 (e) Terms of repayment of loan/debentures

Loan Category	Frequency of principal repayments	Interest rate	Repayments during				Total
			FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-28	
Term loans	Quarterly Payments	5.25% to 7.65%	263.82	31.71	32.34	89.10	416.97
Term loans	Bullet Payment	5.35% to 7.25%	1.53	2.16	463.58	62.72	529.99
*ECB Loan	Bullet Payment	3M libor + 65 Bps	-	15.16	30.32	-	45.48
7.75% Series C Non-convertible debentures	Yearly	7.75%	199.80	-		-	199.80
6.83% Non-convertible debentures	Bullet Payments	6.83%	-	195.00	-	-	195.00
			465.15	**244.03**	**526.24**	**151.82**	**1,387.24**

18 (f) Also refer note 37 for fair value disclosures.

18 (g) For specific purpose borrowings from banks, company has utilized the funds for specific purpose for which it was taken.

* External commercial borrowing from Citi bank for capital expenditure is repayable in 3 equal instalments beginning from end of 54 months, 57 months and 60 months carries an interest rate of 3M Libor plus spread of 0.65%.

19 Other financial liabilities (Non Current)*

Particulars	As at March 31, 2022	As at March 31, 2021
Financial liabilities at amortized cost		
Retention money	5.41	2.81
	5.41	**2.81**

*Refer note 37

19A Lease liabilities (Non Current)*

Particulars	As at March 31, 2022	As at March 31, 2021
Financial liabilities at amortized cost		
Lease Liability	0.17	0.16
	0.17	**0.16**

* Refer Note:-43

Notes to Consolidated Financial Statement

for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

20 Provisions (Non Current)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits :		
- Leave (Refer note 46)	15.98	16.32
- Gratuity	-	0.64
	15.98	**16.96**

The provision for employee benefit include annual leave and vested long service leave entitlement accrued of employees.

21 Deferred tax liabilities (net)*

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities	280.97	272.17
	280.97	**272.17**
Deferred tax assets	31.91	14.82
	31.91	**14.82**
Net Deffered Tax Liability	**249.06**	**257.35**

* Refer note 36

22 Other non-current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Income for Capital subsidy	14.79	16.45
Due to employees	0.32	0.09
Other	1.31	1.29
Total	**16.42**	**17.83**

23 Borrowings (Current)*

Particulars	As at March 31, 2022	As at March 31, 2021
Loans repayment on demand		
- From banks (secured at amortised cost)	596.82	551.63
Total	**596.82**	**551.63**
Current Maturities of Long term borrowings		
- From banks	265.35	133.94
- From Debentures	199.80	150.00
Total	**465.15**	**283.94**
Total Borrowings	**1,061.97**	**835.57**

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

23 Borrowings (Current)* (Contd..)

a. Details of security for working capital borrowings

Working capital borrowings from banks are secured as follows:-

(1) 1st pari passu charge :-Hypothecation of stocks of raw material, stock in process and finished goods, receivables/ book debts and other current assets (both present and future).

(2) 2nd pari passu charge:-Hypothecation of entire fixed assets of the company (both present and future) including equitable mortgage.

b. Includes Nil (March 31, 2021: Nil) for commercial paper issued by the Company. The maximum amount outstanding during the year is ₹ 600 crores (including interest) (FY 2020-21: ₹ 450.00 crores (including interest)).

*Refer Note 37

24 Trade payables*

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payables (refer note 42)		
- Total outstanding dues of micro enterprises and small enterprises	31.15	14.72
- Total outstanding dues of other than micro enterprises and small enterprises	363.27	282.92
Due to related parties (Refer Note 45)	1.15	1.62
Total	**395.57**	**299.26**
Ageing of Trade payables:		
(i) MSME:		
Less than 1 year	31.15	14.72
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	31.15	**14.72**
(ii) Others:		
Less than 1 year	341.26	257.46
1-2 years	7.45	14.26
2-3 years	4.80	3.29
More than 3 years	10.91	9.53
	364.42	**284.54**

* Refer Note 37

25 Other financial liabilities (Current)**

Particulars	As at March 31, 2022	As at March 31, 2021
Financial liabilities at amortized cost		
Interest accrued but not due on borrowings	24.78	30.02
Other payables		
- Retention money	5.24	9.54

Notes to Consolidated Financial Statement

for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

25 Other financial liabilities (Current)** (Contd..)

Particulars	As at March 31, 2022	As at March 31, 2021
- Security deposits	5.43	2.09
- Expense payable	45.10	28.32
- Payables for purchase of fixed assets		
- Total outstanding dues of micro enterprises and small enterprises	1.28	0.10
- Total outstanding dues of other than micro enterprises and small enterprises	57.68	16.96
- Due to employees	109.48	80.70
Financial liabilities at Fair value through Profit and loss		
Derivative Financial Instruments*	63.19	2.07
Total	**312.18**	**169.80**

* This includes net mark to market loss of 63.19 Crores (March 31, 2021 : 2.07) on commodities traded through commodities exchange. The Group has taken future and option contracts to hedge against fluctuation of cotton prices during the year and has booked mark to market loss on these contracts in head other expenses (Refer note no 35).

**Refer note 37

26 Provisions (Current)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits : (Refer note 46)		
Leave	3.33	2.70
	3.33	**2.70**

27 Other current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory remittances*	38.35	20.36
Deferred Income for Capital subsidy	1.72	1.80
Unpaid dividends **	4.50	3.16
Gratuity	-	0.02
Advances from customers (Contract Liability)#	60.69	45.19
Other Liabilities	4.61	12.08
Advance against Sale of Property, Plant and Equipment	1.51	1.50
Total	**111.38**	**84.11**

* Statutory remittances includes contribution to provident fund and employee state insurance corporation, tax deducted/collected at source, goods and service tax etc.

** Unpaid dividends do not include any amount due and outstanding required to be credited to the Investors' Education and Protection Fund.

Advance from customers is recognised when payment is received before the related performance is satisfied

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
As at beginning of the year	45.19	37.10
Less:-Recognised as revenue	(45.19)	(37.10)
Add:- Advances received during the year related to closing balance	60.69	45.19
As at end of the year	**60.69**	**45.19**

28 Revenue from operations

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of products (Net of Rebate & Discount)	9,398.35	6,060.61
Sale of services	3.23	2.67
Other operating revenues :		
- Export benefits*	184.54	59.34
- Others	36.22	17.25
	9,622.34	**6,139.87**

Ind AS 115 'Revenue from Contracts with customers' outlines a single comprehensive control based model for revenue recognition The Group had not applied any significant judgements in applying the revenue recognition criteria. The disclosure requirements as per Ind As 115 given below:-

 # The following is an analysis of the companies revenue from its products and services

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of Yarn	6,082.43	4,009.55
Sale of Fabric	3,023.79	1,812.38
Acrylic Fibre	222.59	213.02
Service income	3.23	2.67
Sale of Garments	86.45	33.90
Others (Sale of scrap and others)	19.31	9.01
	9,437.80	**6,080.53**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
The following is analysis on the Companies revenue disaggregates on the basis of timing of revenue recognition.		
- At point of time	9,437.80	6,080.53
- Over the period	-	-
The contract price of sale of products co-inside with the revenue from operations.		
* Export benefits are in the nature of government grants covering following benefits		
(a) RoDTEP/MEIS #	110.81	7.52
(b) Duty drawback benefits	73.73	51.82
	184.54	**59.34**

#'The new scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) was introduced by Ministry of Commerce and Industry vide notification dated August 17, 2021 for eligible exported goods. Accordingly the Group has recognised in current year the benefit of RoDTEP e-Scrips of ₹ 19.69 crores pertaining to eligible export sales for the period from January 1, 2021 to March 31, 2021.

Notes to Consolidated Financial Statement

for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

29 Other income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Interest income		
Interest income	27.13	34.41
Interest income on employee loans	0.10	-
(b) Dividend income		
Dividend income from investments- carried at fair value through Profit or Loss	0.10	0.01
(c) Other Non Operating Income (Net of Expenses directly attributable to such income)		
Net gain on sale of investments-carried at fair value through Profit or Loss (net of reversal of fair valuation on disposal of investment)	32.15	22.69
Gain on fair valuation of Investments	46.24	40.97
(d) Other gain		
Claims received (net of expenses)	1.24	1.23
Provisions no longer required written back	5.91	6.90
Subsidy from Government	26.43	27.58
Net gain on disposal of property, plant and equipment	5.39	0.69
Foreign Exchange Fluctuation Gain (Net)	60.75	40.54
Others	19.07	26.54
	224.51	**201.56**

30 Cost of materials consumed

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cotton	3,885.32	2,558.40
Manmade fibre	730.87	432.29
Yarn	61.24	11.11
Fabric	48.98	17.42
Acrylonitrile - Consumption	215.02	151.27
Others	22.61	18.13
	4,964.04	**3,188.63**

31 Purchases of Stock-in-trade:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Yarn	0.40	1.85
Others	1.93	3.28
	2.33	**5.13**

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

32 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the beginning of the year*		
Work-in-progress	170.85	171.00
Finished goods	478.31	544.86
	649.16	**715.86**
Inventories at the end of the year*		
Work-in-progress	253.22	170.85
Finished goods	801.60	478.31
	1054.82	**649.16**
	(405.66)	**66.70**

*Net of stock reserve

33 Employee benefits expense *

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages	674.31	544.22
Contribution to provident and other funds	49.10	40.51
Staff welfare expenses	5.65	5.38
	729.06	**590.11**

* Also refer note 46

34 Finance costs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense*	80.70	98.98
Other borrowing costs	19.02	14.34
	99.72	**113.32**

*Interest expense is net of interest reimbursement of ₹ 12.59 crores (March 31, 2021 - ₹ 14.41 crores) under Technology upgradation fund scheme (TUF) and ₹ 29.73 crores (March 31, 2021 - ₹ 29.73 crores) under Madhya Pradesh state interest reimbursement on term loan.

35 Other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Power and fuel**	762.46	606.63
Consumption of stores and spare parts	49.78	32.16
Packing materials and charges	113.95	78.86
Dyes and Chemical consumed	252.52	155.90
Rent	1.35	2.30
Repairs and maintenance to buildings	33.21	20.41
Repairs and maintenance to machinery	229.96	165.05

Notes to Consolidated Financial Statement

for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

35 Other expenses (Contd..)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Insurance	15.45	14.48
Rates and taxes	6.44	5.22
Auditors remuneration:		
- Audit fee	0.73	0.68
- Tax audit fee	0.09	0.10
- Reimbursement of expenses	0.01	0.01
- In other capacity	0.08	0.03
Bad debts written off	1.30	0.51
Allowances for doubtful trade receivables and advances	14.99	-
Forwarding charges and octroi	271.66	155.04
Commission to selling agents	67.79	39.54
Assets written off	5.82	1.92
Charity, Donation and CSR activities (Refer note 48)#	41.28	17.13
Cotton Hedging Derivative Loss	67.07	87.90
Other miscellaneous expenses#*	122.72	91.59
	2,058.66	**1,475.46**

* Does not include any item of expenditure with a value of more than 1% of the revenue from operations.

During the year, the company paid ₹ 16 Crores (March 31, 2021 ₹ Nil) political contribution via Electoral Bond Scheme.

** Power & Fuel expense amount is net of Subsidy amounting ₹ 29.84 Crores (March 31,2021 ₹ 7.36 Crores).

36 Tax balances

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

36.1 Deferred tax liabilities (Net)

Particulars	Opening Balance	MAT Credit Adjustment	Recognised in profit or loss	Recognised in OCI	Closing Balance
2021-22					
Deferred tax assets					
Expenses deductible in future years	13.30	-	14.17	-	27.47
Provision for doubtful debts / advances	0.55	-	3.85	-	4.40
MAT credit recoverable	3.86	-	(3.86)	-	-
Others	-	-	0.04	-	0.04
	17.71	**-**	**14.20**	**-**	**31.91**
Deferred tax liabilities					
Property, plant and equipment and Intangible assets	(248.92)	-	(7.72)	-	(256.64)
Investment in bonds, mutual funds and equity instruments	(14.39)	-	6.30	(0.02)	(8.11)
Tax on undistributed Profits	(8.56)	-	(2.89)	-	(11.45)
Others	(3.19)	-	(1.58)	-	(4.77)
	(275.06)	**-**	**(5.89)**	**(0.02)**	**(280.97)**
Net deferred tax liabilities	**(257.35)**	**-**	**8.31**	**(0.02)**	**(249.06)**

Notes to Consolidated Financial Statement

for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

36.1 Deferred tax liabilities (Net) (Contd..)

Particulars	Opening Balance	MAT Credit Adjustment	Recognised in profit or loss	Recognised in OCI	Closing Balance
2020-21					
Deferred tax assets					
Expenses deductible in future years	12.96	-	0.34	-	13.30
Provision for doubtful debts / advances	0.55	-	-	-	0.55
MAT credit recoverable	4.92	(0.62)	(0.44)	-	3.86
	18.43	**(0.62)**	**(0.10)**	**-**	**17.71**
Deferred tax liabilities					
Property, plant and equipment and Intangible assets	(244.16)	-	(4.76)	-	(248.92)
Investment in bonds, mutual funds and equity instruments	(13.49)	-	(0.90)	-	(14.39)
Tax on undistributed Profits	(8.68)	-	0.12	-	(8.56)
Others	4.41	-	(7.60)	-	(3.19)
	(261.92)	**-**	**(13.14)**	**-**	**(275.06)**
Net deferred tax liabilities	**(243.49)**	**(0.62)**	**(13.24)**	**-**	**(257.35)**

Note: Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

36.2 Income tax recognised in profit or loss

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax		
In respect of the current year	527.96	118.75
Deferred tax		
In respect of the current year	(8.31)	13.24
Total income tax expense recognised	**519.65**	**131.99**

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	2,070.88	558.90
Tax at the Indian Tax Rate of 25.168 %	521.20	140.66
Differential tax rate on capital gain on sale of investments	(4.72)	2.79
Effect of indexation benefit on value of investment	(11.87)	(7.74)
Deductions u/s 80IA/80IC/80JJAA	(2.82)	(2.00)
Effect of expenses that are not deductible in determining taxable profit	10.50	4.60
Effect of change in tax rate	3.93	(0.17)
Others	3.44	(6.15)
	519.65	**131.99**

Notes to Consolidated Financial Statement

for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

36.3 Income tax recognised in other comprehensive income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Arising on income and expenses recognised in other comprehensive income	2.25	1.59
Total income tax recognised in other comprehensive income	**2.25**	**1.59**

36.4 During the current year, Subsidiary Company (VTL Investments Limited) has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the group has recognised provision for taxation and re-measured its deferred tax liabilities basis the rate prescribed in the said section and the impact of re-measurement of deferred tax liabilities were recognised in current financial statements.

37 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

37.1 Capital Management

The Group manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through optimization of debt and equity balance. The capital structure of the Group consists of net debt (borrowings as detailed in note no.18 and offset by cash and bank balances) and total equity of the Group. The Group is not subject to any externally exposed capital requirements.

The capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants which otherwise would permit the banks to immediately call loans and borrowings. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital . The Group's gearing ratio was as follows:

The following table provides detail of the debt and equity at the end of the reporting year:

Particulars	As at March 31, 2022	As at March 31, 2021
Debt	1,983.03	2,132.17
Cash & cash equivalents	66.63	92.64
Net Debt	**1,916.40**	**2,039.53**
Total Equity	**7,703.76**	**6,468.26**
Net debt to equity ratio	**0.25**	**0.32**

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

37 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd..)

37.2 Financial instruments by category

Particulars	As at March 31, 2022				As at March 31, 2021			
	FVTPL	Fair Value (Derivative Instruments)	Amortised Cost#	FVTOCI	FVTPL	Fair Value (Derivative Instruments)	Amortised Cost#	FVTOCI
Financial Assets								
Investments	1,366.12	-	-	5.02	940.41	-	-	4.81
Trade Receivables	-	-	1,321.24	-	-	-	1,038.62	-
Cash and cash equivalents	-	-	66.63	-	-	-	92.64	-
Bank balances other than above	-	-	55.08	-	-	-	118.86	-
Loans	-	-	3.04	-	-	-	2.71	-
Other financial assets	-	17.92	280.13	-	-	17.55	211.19	-
	1,366.12	**17.92**	**1,726.12**	**5.02**	**940.41**	**17.55**	**1,464.02**	**4.81**

Particulars	As at March 31, 2022			As at March 31, 2021		
	FVTPL	Fair Value (Derivative Instruments)	Amortised Cost#	FVTPL	Fair Value (Derivative Instruments)	Amortised Cost#
Financial Liabilities						
Borrowings (including current maturity of term loan)	-	-	1,983.03	-	-	2,132.17
Trade Payables	-	-	395.56	-	-	299.26
Other financial liabilities	-	63.19	254.40	-	2.07	170.54
Lease Liability			0.17			0.16
	-	**63.19**	**2,633.16**	**-**	**2.07**	**2,602.13**

Carrying value of the financial assets and financial liabilities designated at amortised cost approximates its fair value.

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	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in mutual funds/bonds/preference shares	493.50	1,032.58	-	1,526.08
Foreign currency / commodity forward contracts		17.92		17.92
Quoted equity instruments	-	-	-	-
Unquoted equity instruments	-	-	5.02	5.02
	493.50	**1,050.50**	**5.02**	**1,549.02**
Financial Liabilities				
Foreign currency / commodity future/option/forward contracts	-	63.19	-	63.19
	-	**63.19**	**-**	**63.19**

Notes to Consolidated Financial Statement

for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

37 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd..)

As at March 31, 2021	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in mutual funds/bonds/preference shares	27.56	908.56	-	936.12
Foreign currency / commodity forward contracts		17.55		17.55
Quoted equity instruments	4.29	-	-	4.29
Unquoted equity instruments	-	-	4.81	4.81
	31.85	**926.11**	**4.81**	**962.77**
Financial Liabilities				
Foreign currency / commodity forward /future/option contracts	-	2.07	-	2.07
	-	**2.07**	**-**	**2.07**

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. This category consists of open ended mutual funds.

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. This level of hierarchy consists of over the counter (OTC) derivative contracts.

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.

Sensitivity of Level 3 financial instruments are insignificant

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.

Derivative contracts: The Group 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 Group'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 Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

37 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd..)

Reconciliation of Level 3 fair value measurements

Particulars	Unlisted equity instruments
As at April 01, 2020	**4.76**
Purchases	-
Gain / (loss) recognised in OCI	0.05
As at March 31, 2021	**4.81**
Purchases	-
Gain / (loss) recognised in OCI	0.21
As at March 31, 2022	**5.02**

37.3 Financial Risk Management

The Group's corporate treasury function provides services to the business, coordinates access to the financial markets, monitors and manages the financial risks relating to operations of the Group 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.

The Group seeks to minimize the effects of these risk by using derivate financial instruments to hedge risk exposure. The issue of financial derivatives is governed by the Group's policy approved by the board of directors.

The principal financial assets of the Group include loans, trade and other receivables, and cash and bank balances that derive directly from its operations. The principal financial liabilities of the Group, include loans and borrowings, trade and other payables and the main purpose of these financial liabilities is to finance the day to day operations of the Group.

This note explains the risks which the Group is exposed to and policies and framework adopted by the Group to manage these risks.

37.3.1 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.

A. Foreign Currency Risk Management

The Group operates internationally and business is transacted in several currencies. The export sales of Group comprise around 49 %(FY 2020-21 : 47%) of the total sales of the Group, Further the Group also imports certain assets and material from outside India. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the Group is exposed to foreign currency risk and the results of the Group may be affected as the rupee appreciates/ depreciates against foreign currencies. Foreign exchange risk arises from the future probable transactions and recognized assets and liabilities denominated in a currency other than Group's functional currency.

The Group measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency risk by appropriately hedging the transactions. The Group uses a combination of derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

37 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd..)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods expressed in ₹ crores, are as follows:

As at March 31, 2022	USD	EUR	CHF	JPY
Financial assets				
Trade receivables	10.48	0.50	-	-
others	0.59	-	-	-
Foreign exchange derivative contracts*	(34.5)	(1.09)	-	-
Net exposure to foreign currency risk (assets)	**-**	**-**	**-**	**-**
Financial liabilities				
Trade payables	0.57	0.15	0.03	0.89
Borrowings	0.60	0.00	-	-
Foreign exchange derivative contracts*	(8.31)	(0.48)	-	-
Net exposure to foreign currency risk (liabilities)	**-**	**-**	**0.03**	**0.89**
Net exposure to foreign currency risk (net)	**-**	**-**	**0.03**	**0.89**

As at March 31, 2021	USD	EUR	CHF	JPY
Financial assets				
Trade receivables	7.69	0.42	-	-
Foreign exchange derivative contracts*	(20.40)	(0.67)	-	-
Net exposure to foreign currency risk (assets)	**-**	**-**	**-**	**-**
Financial liabilities				
Trade payables and other financial liabilities	0.58	0.07	0.02	2.95
Borrowings	0.60	-	-	-
Foreign exchange derivative contracts*	(3.09)	(0.40)	(0.09)	-
Net exposure to foreign currency risk (liabilities)	**-**	**-**	**-**	**2.95**
Net exposure to foreign currency risk (net)	**-**	**-**	**-**	**2.95**

*Excess derivatives against pending purchase order/sales order shipment

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 10 % increase and decrease in the ₹ against the relevant foreign currency. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for 10% change in foreign currency rates. A positive number below indicates an increase in profit before tax or vice-versa.

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	₹ strengthens by 10%	₹ weakens by 10%	₹ strengthens by 10%	₹ weakens by 10%
Impact on (profit) /loss for the year				
CHF	0.25	(0.25)	-	-
JPY	0.06	(0.06)	0.21	(0.21)

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

37 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd..)

Foreign exchange derivative contracts

The Group uses derivative financial instruments exclusively for hedging financial risks that arise from its commercial business or financing activities. The Group's Corporate Treasury team measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency cash flows by appropriately hedging the transactions. When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. All identified exposures are managed as per the policy duly approved by the Board of Directors.

The following table details the foreign currency derivative contracts outstanding at the end of the reporting period:

Outstanding Contracts*	No of Deals		Foreign Currency (FCY Crores)		Nominal Amount (₹ Crores)	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
USD / INR Buy forward	106	48	7.77	2.15	588.95	148.20
USD / INR Buy Option	3	5	0.96	0.94	72.49	43.87
USD / INR Sell forward	266	243	24.75	13.60	1,875.56	868.28
USD / INR Sell Option	46	93	9.75	6.80	738.86	130.14
EUR / USD /INR Buy forward	1	9	0.08	0.14	6.55	12.13
EUR / USD/ INR Buy Option	2	5	0.40	0.26	34.05	22.50
EUR / INR Sell forward	15	13	1.09	0.67	91.68	57.79
JPY/INR Buy forward	1	-	0.36	-	0.22	-
CHF/INR Buy Forward	-	1	-	0.09	-	7.25
Fair value assets	-	-	-	-	17.92	17.55

* Sensitivity on the above derivative contracts in respect of foreign currency exposure is insignificant

B. Interest Rate Risk Management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

As the Group has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements. The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Notes to Consolidated Financial Statement

for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

37 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd..)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	₹ If loans interest rate decreases by 1 %	₹ If loans interest rate decreases by 1 %
Increase in profit before tax by	19.83	21.32

In case of increase in interest rate by above mentioned percentage, there would be a comparable impact on the profit before tax as mentioned above would be negative.

C. Security Price Risk Management

Exposure in equity

The Group is exposed to equity price risks arising from equity investments held by the Group 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 reporting period.

If the equity prices had been 5% higher / lower:

Other comprehensive income for the year ended March 31, 2022 would increase / decrease by ₹ 0.25 crore (for the year ended March 31, 2021: increase / decrease by ₹ 0.24 crore) as a result of the change in fair value of equity investment measured at FVTOCI.

Exposure in mutual funds

The Group 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 Group is exposed to price risk on such Investments.

Mutual fund price sensitivity analysis

The sensitivity analysis below have been determined based on Mutual Fund Investment at the end of the reporting period. If NAV has been 1% higher / lower:

Profit for year ended March 31, 2022 would increase / decrease by ₹ 13.46 crores (for the year ended March 31, 2021 by ₹ 9.45 crores) as a result of the changes in fair value of mutual fund investments.

D. Commodity Price Risk Management

The Group uses commodity derivative instruments to manage its price risk exposures on inventory of cotton. Commodity derivatives are used primarily as risk mangement tool to safeguard price risk exposure on inventory of cotton. Company employs specific financial instruments namely future and option contracts for hedging its price risk related to commodity.

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

37 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd..)

37.3.2 Credit Risk Management

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured. Credit risk on cash and bank balances is limited as the Group generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. Investments primarily include investment in liquid mutual fund units, bonds, fixed maturity plan etc. issued by institutions having proven track record. The Group's credit risk in case of all other financial instruments is negligible.

The Group assesses the credit risk based on external credit ratings assigned by credit rating agencies. The Group also assesses the creditworthiness of the customers internally to whom goods are sold on credit terms in the normal course of business. The credit limit of each customer is defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to overseas customers are generally covered by letters of credit.

The impairment analysis is performed on client to client basis for the debtors that are past due at the end of each reporting date. The Group has not considered an allowance for doubtful debts in case of trade receivables that are past due but there has not been a significant change in the credit quality and the amounts are still considered recoverable.

The following is the detail of revenues generated from top five customers of the Group:

Particulars	As at March 31, 2022	As at March 31, 2021
Revenue from top five customers	876.91	560.63
% of total sales of products	9.11%	9.68%

Financial assets for which loss allowance is measured:

Particulars	As at March 31, 2022	As at March 31, 2021
Loans - Non-current	0.95	1.37
Loans - Current	2.09	1.34
Other financial assets - Non-current	154.53	173.98
Other financial assets - Current	143.51	54.76
Trade receivables	1,321.24	1,038.62
	1,622.32	**1,270.07**

Particulars	
Loss Allowance is as follows:-	
As at April 01, 2020	**2.45**
Provided during the year	-
Reversed during the year	(0.03)
As at March 31, 2021	**2.42**
Provided during the year	15.54
Reversed during the year	(0.77)
As at March 31, 2022	**17.19**

Other than financial assets mentioned above, none of the Group's financial assets are either impaired, and there were no indications that defaults in payment obligations would occur.

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

37 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd..)

37.3.3 Liquidity Risk Management

The financial liabilities of the Group, other than derivatives, include loans and borrowings, trade and other payables. The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool. The Group 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 Group at the end of each reporting period:

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities:

As at March 31, 2022	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
Financial Assets					
Investments	620.37	49.85	656.00	364.83	1,691.05
Trade Receivables	1,321.24	-	-	-	1,321.24
Cash and cash equivalents	66.63	-	-	-	66.63
Bank balances other than above	55.08	-	-	-	55.08
Loans	2.09	0.95	-	-	3.04
Other financial assets	143.51	154.53	-	-	298.05
	2,208.92	**205.33**	**656.00**	**364.83**	**3,435.09**
Financial liabilities					
Borrowings	1,061.97	770.26	150.79	-	1,983.02
Trade payables	395.57	-	-	-	395.57
Lease Liabilities (undiscounted))	-	-	-	19.58	19.58
Other financial liabilities	312.18	5.41	-	-	317.59
	1,769.73	**775.67**	**150.79**	**19.58**	**2,715.77**

As at March 31, 2021	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
Financial Assets					
Investments	507.67	121.77	75.26	240.52	945.22
Trade Receivables	1,038.62	-	-	-	1,038.62
Cash and cash equivalents	92.64	-	-	-	92.64
Bank balances other than above	118.86	-	-	-	118.86
Loans	1.34	1.37	-	-	2.71
Other financial assets	54.76	173.98	-	-	228.74
	1,813.89	**297.12**	**75.26**	**240.52**	**2,426.79**
Financial liabilities					
Borrowings	835.57	706.52	590.09	-	2,132.18
Trade payables	299.26	-	-	-	299.26
Lease liabilitiy (undiscounted)	-	-	-	19.74	19.74
Other financial liabilities	322.61	-	-	-	322.61
	1,457.44	**706.52**	**590.09**	**19.74**	**2,773.79**

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

38 CONTINGENT LIABILITIES AND COMMITMENTS

a. Claims against the Group not acknowledged as debts:

Particulars	As at March 31, 2022	As at March 31, 2021
Sales tax, excise duty, etc*	7.20	6.56
Income-tax**	282.89	274.70
Others***	4.40	7.00

* Amount deposited ₹ 0.59 crores (2021 : ₹ 0.68 crore)

** Amount deposited ₹ 175.49 crores (2021 : ₹ 118.13 crore)

*** Amount deposited ₹ 0.70 crores (2021 : ₹ 3.30 crore)

b. Liability on account of bank guarantees and letter of credit of ₹ 548.31 crores (2021: ₹ 373.86 crores)

c. The amounts shown above represents the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Group or the claimants as the case may be and therefore cannot be predicted accurately or relate to present obligations that arise from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate cannot be made. The Group has been advised that it has strong legal positions against such disputes.

d. The Payment of Bonus (Amendment) Act 2015, notified on December 31, 2015, had revised the thresholds for coverage of employee eligible for Bonus and also enhanced the ceiling limits for computation of bonus retrospectively from April 1, 2014. Based on legal opinion, the Company has filed a writ petition in Hon'ble High Court of Punjab & Haryana contesting its retrospective applicability and the said jurisdictional High Court has granted stay on its retrospective operation. In view thereof, the Parent Company has not provided differential bonus pertaining to the period from April 1, 2014 to March 31, 2015 amounting to ₹ 8.21 crores. However, the Company has provided/paid bonus w.e.f. April 1, 2015 according to the amended provisions of the Payment of Bonus (Amendment) Act 2015.

e. The Hon'ble Supreme Court in a ruling during the year 2019 had passed a judgement on the definition and scope of 'Basic Wages' under the Employees' Provident Funds and Miscellaneous Provision Act, 1952. Pending issuance of guidelines by the regulatory authorities on the application of this ruling, the impact on the Group, if any, cannot be ascertained. The Group will update its provision, on receiving further clarity on this subject matter.

f. Capital and other commitments

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Estimated Amount of contracts remaining to be executed on capital account & not provided for (net of advance)	626.42	416.01
(ii) Export obligation under EPCG Scheme*	32.52	1,177.93

* Group is availing benefit under EPCG Scheme for import of capital goods and spare parts against obligation to export six times of the duty saved. Total Duty to be saved/saved against licences outstanding as at March 31, 2022 is ₹ 560.07 crores (March 31, 2021 ₹ 438.40 crores). Export obligation on such licences outstanding as at year end is disclosed above.

(iii) The Group has other commitments, for purchases / sales orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits in normal course of business. The Group does not have any long term contracts including derivative contracts for which there will be any material foreseeable losses.

g. Contingent Liability and Commitments in respect of our share in associates is ₹ 12.48 Crores (March 31,2021 ₹ 9.31 Crores)

Notes to Consolidated Financial Statement

for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

39(a) Mahavir Share Trust (""Trust"") is holding 5,32,911 equity shares (March 31, 2021: 5,32,911 nos.) of ₹ 10 each of Vardhman Special Steels Limited which were allotted to it in the capacity of a shareholder of the Company by virtue of 'Scheme of Arrangement & Demerger' entered into by the Company, Vardhman Special Steels Limited and their respective shareholders and creditors.

As the aforesaid shares are held by Trust (Mahavir Share trust) on behalf of the Company and Company not being registered owner of shares, the cost of these shares is not reflected in investments but same has been valued at cost as reflected in other current asset.

39(b) The detail of the amount recoverable from Mahavir Share Trust as at the close of the year is as under:

Particulars	As at March 31, 2022	As at March 31, 2021
Cost of shares of Vardhman Special Steels Limited	4.64	4.64
Other recoverable	0.01	0.01
	4.65	**4.65**

40 SEGMENT INFORMATION

The Group is primarily in the business of manufacturing, purchase and sale of textiles & fibre. The Managing Director of the Group, which has been identified as being the Chief Operating Decision Maker (CODM), evaluates the Group's performance, allocate resources based on the analysis of the various performance indicator of the group as textiles and fibre. Therefore, there are two reportable segments viz textiles and fibre.

Particulars	Textiles		Fibre		Total	
	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year
(i) Revenue						
Total Sales	9,386.10	5,926.23	303.33	280.19	9,689.43	6,206.42
Inter Segment Sales	-	-	(67.09)	(66.55)	(67.09)	(66.55)
External Sales	**9,386.10**	**5,926.23**	**236.24**	**213.64**	**9,622.34**	**6,139.87**
Other Income	117.65	107.64	3.19	15.22	120.84	122.86
Unallocated Other Income					103.67	78.70
Total Revenue	**9,503.75**	**6,033.87**	**239.43**	**228.86**	**9,846.85**	**6,341.43**
(ii) Result						
Segment results	2,144.46	568.07	4.39	43.06	2,148.85	611.13
Unallocated Corporate expenses/ (Income) (Net)					17.94	(40.46)
Operating profit					**2,130.91**	**651.59**
Finance cost					99.72	113.32
Income from Associates					39.69	20.63
Profit before tax					**2,070.88**	**558.90**
Provision for taxation						
Current tax and deferred tax					519.65	131.99
Profit after tax					**1,551.23**	**426.91**

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

40 SEGMENT INFORMATION (Contd..)

Particulars	Textiles		Fibre		Total	
	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year
(iii) Segment Assets and Liabilities						
Segment assets	8,672.57	7,867.03	143.95	127.08	8,816.52	7,994.11
Unallocated corporate assets					2,162.58	1,622.83
Total assets					**10,979.10**	**9,616.94**
Total equity and liabilities						
Equity (Share capital and other equity)					7,703.76	6,468.26
Non controlling interest					137.54	133.20
Segment Liabilities	705.41	493.88	55.46	49.19	760.87	543.07
Secured and unsecured loans					1,983.03	2,132.17
Unallocated Corporate Liabilities					144.84	82.89
Deferred Tax Liabilities					249.06	257.35
Total equity and liabilities					**10,979.10**	**9,616.94**
(iv) Capital expenditure					343.60	279.04
(v) Depreciation and Amortisation					363.33	359.15
Unallocated Corporate Depreciation and Amortisation					4.18	4.66
Total Depreciation					367.51	363.81

Geophraphical Information:

Particulars	For the year ended March, 31 2022	For the year ended March, 31 2021*
Segment Revenue-External Turnover		
- Within India	4,951.15	3,297.85
- Outside India	4,671.19	2,842.02
Total Revenue	**9,622.34**	**6,139.87**
Non-Current Segment Assets		
- Within India	5,123.84	4,414.72
- Outside India	-	-
	5,123.84	**4,414.72**

Segment Revenue and expenses:

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

Segment Assets and Liabilities

Segment assets include all operating assets used by a segment and consist principally of operating cash, trade receivables, inventories and property plant and equipment and intangible assets, net of allowances and provisions, which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities and do not include deferred income taxes. While most of the assets / liabilities can be directly attributed to individual segments, the carrying amount of certain assets / liabilities pertaining to two or more segments are allocated to the segments on a reasonable basis.

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

41 EARNINGS PER SHARE*

Particulars	For the year ended March, 31 2022	For the year ended March, 31 2021*
Basic earnings per share (INR)	54.58	14.67
Diluted earnings per share (INR)	54.42	14.56
Profit attributable to the equity holders of the Company used in calculating basic earning per share	1,546.89	414.35
Weighted average number of equity shares for the purpose of basic earning per share (numbers)	28,34,34,651	28,24,92,315
Profit attributable to the equity holders of the Company used in calculating dilutive earning per share	1,546.89	414.35
Weighted average number of equity shares for the purpose of dilutive earning per share (numbers)	28,42,26,660	28,46,30,815

*During the current year, the equity shares of the Company have been sub-divided from existing face value of ₹ 10/- per equity shares into 5 equity shares having face value of ₹ 2 per equity share based on approval by the shareholders through their Postal Ballot dated 11th March, 2022 . The Record Date for effecting this sub-division of equity share was March 26, 2022. Accordingly, basic and diluted earnings per equity share for previous year have been computed on the basis of number of equity shares after sub-division.

42 Trade Payable 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	As at March, 31 2022	As at March, 31 2021
Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year		
- Principal amount	31.15	14.72
- 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	-	-

43 Leases

The Group has lease contracts for various Lands, Godowns, Guest Houses, Office premises. Leases of Office Premises,guest Houses,Godowns have lease term ranging from 11 months to 30 years and leases of land have lease terms of 99 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options. The Group also has certain leases of office premises and guest houses with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

43 Leases (Contd..)

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 1.67 crore and a lease liability of ₹ 1.67 crore. Further, in respect of leases which were classified as operating leases, applying Ind AS 17, ₹ 18.85 crores has been reclassified from "Other Assets" to "Right of Use Asset". The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

Following are the changes in the carrying value of right of use (ROU) assets for the year ended March 31, 2022:

Particulars	**Land**	**Building**	**Total**
Balance as on April 01, 2020	20.23	0.01	20.24
Addition	-	-	-
Deletion	-	-	-
Depreciation	(0.28)	(0.00)	(0.28)
Balance as on March 31, 2021	**19.95**	**0.01**	**19.96**
Balance as on April 01, 2021	19.95	0.01	19.96
Addition	-	-	-
Deletion	-	-	-
Depreciation	(0.28)	(0.00)	(0.28)
Balance as on March 31, 2022	**19.67**	**0.01**	**19.68**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the break up of current and non current lease liabilities as at March 31, 2022:

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Current Lease Liabilities	-	-
Non-Current Lease Liabilities	0.17	0.16
Total	**0.17**	**0.16**

Following is the movement in lease liabilities during year ended March 31, 2022

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Balance at the beginning	0.16	0.15
Finance cost accrued during the period	0.01	0.01
Payment of Lease Liabilities	-	-
Balance at the end	**0.17**	**0.16**

The table below provide details regarding the contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis:

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Less than one year	0.15	0.15
One to five years	0.62	0.62
More than five years	18.81	18.97
Total	**19.58**	**19.74**

Notes to Consolidated Financial Statement

for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

43 Leases (Contd..)

The following are the amounts recognised in statement of profit and loss:

Particulars	For the year ended March, 31 2022	For the year ended March, 31 2021
Depreciation Expenses on Right to use Assets	0.28	0.28
Interest expense on lease liabilities	0.01	0.01
Expense relating to short-term leases (included in other expenses)	0.71	1.07
Total Amount Recognised in Profit and Loss	**1.00**	**1.36**

44 Share based payments - Employee Share option plan of the Company

(i) Detail of employee share option of the Company: The Company has a share option scheme for senior employees of the company. In accordance with the terms of the plan as approved by shareholders, eligible employees may be granted options to purchase equity shares. Each employee share option convert into one equity share of the company on exercise. Exercise price payable by the recipient is determined as per scheme. The options when allotted carry rights to dividend and voting power at par with other equity shares. Options may be exercised at the time of vesting to the date of their expiry.

(ii) The number of options granted is in accordance with employee stock option scheme approved by the shareholders and is subject to approval by the remuneration committee. The scheme rewards senior employees to the extent of Parent's and the individual's achievement judged against both qualitative and quantitative criteria.

(iii) The following share payments arrangement is in existence during the period.

Option Details	Number	Grant Date	Expiry Date	Exercise Price	Fair value of option at grant date
Vardhman Employee Stock Option 2016	6,04,500	15th Nov-16	2 years from the date of respective vesting	815/-	352
	3,000	9th Feb-17		815/-	352
	6,500	10th May-17		815/-	352
	6,14,000				

Details of vesting

Vesting period from grant date	Vesting schedule
On completion of 12 months	10%
On completion of 24 months	20%
On completion of 36 months	20%
On completion of 48 months	20%
On completion of 60 months	30%

(iv) During the current year, the grant of ₹ 1,40,850 equity shares having face value of ₹ 10 per share (FY 2020-21 - 99,300 equity shares) was due and granted. Further 2,10,250 shares having face value of ₹ 10 per share (FY 2020-21 43,800 shares) have been exercised during the year.

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

44 Share based payments - Employee Share option plan of the Company (Contd..)

(v) Fair value of options/shares granted in the year

Call option value per option unit using Black Scholes Method is ₹ 427.63. The following inputs have been used for computing the fair value:

Inputs into the model	Particulars
Grant date share price (₹)	1,056.60
Exercise price (₹)	815
Expected volatility	33.78%
Option life	2 years
Dividend yield	1.92%
Risk free Interest Rate	6.31%

(vi) Moment of share options

Particulars	2021-22		2020-21	
	Number of options	Weighted Average Exercise price	Number of options	Weighted Average Exercise price
Balance at beginning of year	2,90,050	-	4,02,400	-
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
*Exercised during the year	(2,10,250)	815	(43,800)	815
Expired during the year	(10,700)	-	(68,550)	-
Options arising on share split from ₹ 10 to ₹ 2 per share(refer note 16.8)	2,76,400	-	-	-
Balance at end of year	**3,45,500**	**-**	**2,90,050**	**-**

(vii) Share options exercised during the year

Particulars	Exercised	Exercise date	Share price at exercise date
Granted as per para (iii) above	68,900	06-Apr-21	815
	29,800	06-Jul-21	815
	27,100	04-Oct-21	815
	84,450	03-Jan-22	815
	2,10,250		

(viii) Amount accounted for in profit and loss for Employee stock options is ₹ 0.84 crores (FY 2020-21 2.16 crores).

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

45 RELATED PARTY TRANSACTIONS

45.1 Description of related parties

Associates

Vardhman Yarns and Threads Limited
Vardhman Spinning and General Mills Limited
Vardhman Special Steels Limited

Relative of KMP

Ms. Soumya Jain
Ms. Sagrika Jain
Mrs. Shakun Oswal

Post Employment Benefit Plans Trust

Mahavir Employee Gratuity Fund Trust
Mahavir Superannuation scheme
VAL Gratuity Trust Fund
VMT Gratuity Trust Fund
VAL Superannuation scheme
VMT Superannuation scheme

Key management personnel (KMP)

Mr. S.P. Oswal, Chairman and Managing Director
Mr. Sachit Jain, Non Executive Director
Mrs. Suchita Jain, Vice Chairperson & Joint Managing Director
Mr. Neeraj Jain, Joint Managing Director
Mr. B.K Choudhary, Managing Director
Mr. Rajeev Thapar, Chief Financial Officer
Mr.Vivek Gupta, Chief Financial Officer
Mr. Sanjay Gupta, Company Secretary
Mr. D.L. Sharma (Non-Executive Director) (upto 10.09.2020)
Mr.Satin Katyal, Company Secretary
Mr. Prafull Anubhai (Independent Director)
Mr. Ashok Kumar Kundra (Independent Director)
Dr. Subash Khanchand Bijlani (Independent Director)
Mr. Devendra Bhushan Jain (Independent Director) (upto 07.11.2020)
Dr. Parampal Singh (Independent Director)
Mrs. Harpreet Kaur Kang (Independent Director)
Ms. Apinder Sodhi (Independent Director)
Mr.Munish Chandra Gupta (Independent Director)
Mr. Sanjit Paul Singh (Independent Director)
Mr.Surinder Kumar Bansal (Independent Director)
Mr. Vikas Kumar, Non-Executive Director
Mr. Udeypaul Singh Gill (Independent Director) (w.e.f. 22.01.2022)
Mr. Rajender Mohan Malla (Independent Director) (upto 25.09.2020)

Enterprises over which KMP have significant influence

Vardhman Holdings Limited
Vardhman Apparels Limited
Smt. Banarso Devi Oswal Public Charitable Trust
Sri Aurobindo Socio Economic and Management Research Institute
Adhiswar Enterprises LLP
Devakar Investment and Trading Company Private Limited
Santon Finance and Investment Company Limited
Flamingo Finance and Investment Company Limited
Ramaniya Finance and Investment Company Limited
Mahavir Spinning Mills Private Limited
Northern Trading Company
Amber Syndicate
Paras Syndicate
Mahavir Traders
Eastern Trading Company

Notes to Consolidated Financial Statement

for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

45 RELATED PARTY TRANSACTIONS (Contd..)

45.2 Transactions with related parties

Particulars	For the year ended March, 31 2022	For the year ended March, 31 2021
Sale /processing of goods to:#		
Associates	1.16	0.51
Enterprises over which KMP have significant influence	45.06	70.48
	46.22	**70.99**
Purchase/processing of goods and utilities from:#		
Associates	13.04	7.02
	13.04	**7.02**
Sale of RoDTEP/MEIS License		
Associates	1.02	0.90
	1.02	**0.90**
Sales of property, plant & equipment to:#		
Associates	0.06	-
	0.06	**-**
Rent paid**		
Associates	0.00	0.00
Enterprises over which KMP have significant influence	0.11	0.13
	0.11	**0.13**
Rent received**		
Associates	0.26	0.25
	0.26	**0.25**
Dividend Paid		
KMP	4.35	-
Relatives of KMP	0.79	-
Enterprises over which KMP have significant influence	177.30	-
	182.44	**-**
Dividend received		
Associates	8.98	5.64
	8.98	**5.64**
Reimbursement of expenses received from		
Associates	0.01	0.01
	0.01	**0.01**
Reimbursement of expenses paid		
Associates	0.37	0.08
Enterprises over which KMP have significant influence	0.00	-
	0.37	**0.08**
Recovery of Common Expenses incurred **		
Associates	4.84	4.31
	4.84	**4.31**
Payment against licence agreement**		
Enterprises over which KMP have significant influence	1.63	1.22
	1.63	**1.22**
Donations/CSR to		
Enterprises over which KMP have significant influence	11.22	7.82
	11.22	**7.82**

Notes to Consolidated Financial Statement

for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

45 RELATED PARTY TRANSACTIONS (Contd..)

Particulars	For the year ended March, 31 2022	For the year ended March, 31 2021
Salary paid to		
Relatives of KMP	0.17	0.14
	0.17	**0.14**
Contribution to post employment benefit plans		
Post Employment Benefit Plans Trusts	-	9.07
(Refer Note 46)	**-**	**9.07**
Withdrawl from post employment benefit plans		
Post Employment Benefit Plans Trust	2.19	-
	2.19	**-**

45.3 Outstanding Balances:

Particulars	As at March, 31 2022	As at March, 31 2021
Receivables		
Associates	-	0.03
Enterprises over which KMP have significant influence	0.01	0.01
Post Employment Benefit Plans Trusts	3.78	2.37
	3.79	**2.41**
Payables		
Associates	1.15	1.62
Enterprises over which KMP have significant influence	0.07	0.98
	1.22	**2.60**

45.4 Key management personnel compensation

Particulars	For the year ended March, 31 2022	For the year ended March, 31 2021
Compensation*	53.28	16.80
	53.28	**16.80**

* excluding provision for employee benefits, employee stock options but includes sitting fees paid / payable to non executive directors. Perquisites values are considered as per the provisions of Income tax act, 1961.

** Transaction are exclusive of Taxes

Gross of Indirect Taxes

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

46 EMPLOYEE BENEFITS

46.1 Defined contribution plans:

Amounts recognized in the statement of profit and loss are as under:

Particulars	For the year ended March, 31 2022	For the year ended March, 31 2021
National pension Scheme	2.66	1.72
Superannuation fund	-	0.08
Provident fund administered through Regional Provident Fund Commissioner	36.93	30.16
Employees' State Insurance Corporation	8.04	6.79
Other Funds	1.47	1.76
	49.10	**40.51**

The expenses incurred on account of the above defined contribution plans have been included in Note 33 "Employee Benefits Expenses" under the head "Contribution to provident and other funds

46.2 Defined benefit plans

The Group 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 Group 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 Group on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972 or as per the Group's plan, whichever is more beneficial.

(i) These plans typically expose the Group 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 Group 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.

Notes to Consolidated Financial Statement

for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

46 EMPLOYEE BENEFITS (Contd..)

(ii) 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	24.05 years to 26.68 Years	24.28 years to 29.79 Years
Mortality Rates	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.

(iii) 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	For the year ended March 31, 2021
Current Service cost	11.57	11.10
Net interest expenses	(0.12)	0.65
	11.45	**11.75**

The current service cost, past service cost and the net interest expenses for the year are included in Note 33 "Employee Benefits Expenses" under the head "Salaries and Wages".

(iv) Amounts recognised in Other Comprehensive Income:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Actuarial gain/(losses) arising for the year on asset	3.48	4.19
Actuarial gain/(losses) arising from changes in financial assumptions	3.00	(0.07)
Actuarial gain/(losses) arising from changes in demographic assumptions	-	-
Actuarial gain/(losses) arising from changes in experience adjustments	2.36	2.17
	8.84	**6.29**

(v) 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 March 31, 2022	As at March 31, 2021
Present value of funded defined benefit obligation	87.37	82.62
Fair Value of Plan Assets	91.15	84.99
Net assets / (liability)	**3.78**	**2.37**
Unfunded Liability	-	0.66

Notes to Consolidated Financial Statement

for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

46 EMPLOYEE BENEFITS (Contd..)

(vi) Movements in the present value of defined benefit obligation are as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening defined benefit obligation	83.27	76.89
Current Service Cost	11.57	11.10
Interest Cost	5.65	5.23
Transfer to group company	-	(0.13)
Actuarial (gain)/losses arising from changes in financial assumptions	(3.00)	0.07
Actuarial gain/(losses) arising from changes in demographic assumptions	-	-
Actuarial (gain)/losses arising from changes in experience adjustments	(2.36)	(2.18)
Benefits paid	(7.76)	(7.71)
Closing defined benefit obligation	**87.37**	**83.27**

(vii) Movements in the fair value of plan assets are as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening fair value of plan assets	84.99	67.31
Return on plan assets (excluding amounts included in net interest expenses)	9.25	8.75
Transfer to Group Company	-	(0.13)
Contributions from/ (withdrawal by) employer	(2.22)	9.07
Benefits paid	(0.87)	(0.01)
Closing fair value of plan assets	**91.15**	**84.99**

Plan assets comprises of mutual fund, Government of India securities and bank balances. The average duration of the defined benefit obligation is 12.74 years to 13.96 years (March 31, 2021: 12.88 years to 14.70 years). The Group expects to make a contribution of ₹ 13.63 crores (March 31, 2021: ₹ 13.11 crores) to the defined benefit plans during the next financial year.

(viii) 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
Discount Rate		
0.50% Increase	(3.76)	(3.66)
0.50% decrease	4.07	3.97
Future Salary increase		
0.50% Increase	3.96	3.88
0.50% decrease	(3.69)	(3.62)

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

46 EMPLOYEE BENEFITS (Contd..)

(ix) Maturity Profile of Defined Benefit Obligation

	Year	Amount
a)	0 to 1 Year	9.39
b)	1 to 2 Year	5.81
c)	2 to 3 Year	4.68
d)	3 to 4 Year	5.46
e)	4 to 5 Year	5.11
f)	5 to 6 Year	5.02
g)	6 Year onwards	51.90

46.3 Other long term employee benefit

(i) Amount recognised in profit and loss in note no.33 "Employee benefit expense" under the head "Salaries and Wages" towards leave encashment is ₹ 5.24 crore (March 31, 2021 ₹ 5.62 crore)

(ii) Amount taken to balance sheet

Particulars	2021-22	2020-21
Current	3.33	2.70
Non Current	15.98	16.32

47 Assets pledged as security:

Particulars	As at March 31, 2022	As at March 31, 2021
Current assets		
Financial assets		
Trade receivables	1,310.68	1,038.62
Non-financial assets		
Inventory	2,806.67	2,796.05
Total current assets pledged as security	**4,117.35**	**3,834.67**
Non-current assets		
Property, plant & equipment	3,425.75	3,504.35
Total non-current assets pledged as security	**3,425.75**	**3,504.35**
Total assets pledged as security	**7,543.10**	**7,339.02**

48 Corporate Social Responsibility:

Particulars	As at March 31, 2022	As at March 31, 2021
a. Amount required to be spent by the group during the year,	13.54	15.42
b. Amount of expenditure incurred:*#	3.91	9.44
c. Shortfall at the end of the year**#	9.65	5.98
d. Total of previous years shortfall	1.31	-
e. Total shortfall	**10.96**	**5.98**

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

48 Corporate Social Responsibility: (Contd..)

Particulars	As at March 31, 2022	As at March 31, 2021
f. Related party transactions:		
(i) Banarso Devi Oswal Public Charitable trust	0.09	5.37
(ii) Sri Aurobindo Socio Economic and Management Research Institute	0.27	1.35
g. Movement of provision:		
- Opening	5.50	-
Add: Provision created during the year:	9.65	5.50
Less: Spent during the year	4.46	-
- Closing	**10.69**	**5.50**

***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 remaning unspent pertains to "Ongoing /Multiyear Projects" approved by CSR committee which will be spent in coming years.

During the current financial year, Vardhman Acrylics Limted (subsidiary company) had incurred an expenditure of ₹ 0.02 crores in excess amount required to be spent.

Details of Deposit in Unspent CSR Account:

As per requirements of Section 135(5) of The Companies Act, 2013, ₹ 5.98 crores was deposited in special account (Unspent CSR Account) on April 29, 2021 related to shortfall for financial year 2020-21 out of which ₹ 4.67 crores have been spent during the current year and ₹ 1.31 crores is lying in the bank account which will be spent in coming years. Also, ₹ 9.65 crores is deposited in Unspent CSR Account on April 29, 2022 related to shortfall for financial year 2021-22 which will be spent in coming years.

49 There has been no delay in transferring amounts, required to be transferred, to the investor education and protection fund (IEPF) by the parent and its subsidiary companies and associate companies.

50 On account of COVID-19 pandemic the Group has made assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventories and trade receivables as at the date of the balance sheet. The Group has considered internal and external sources of information for making said assessment. Basis the evaluation of the current estimates, the Group expects to recover the carrying amount of these assets and no material adjustments is required in the financial statements. Given the uncertainties associated with nature, condition and duration of COVID-19, the Group will closely monitor any material changes arising of the future economic conditions and any significant impact of these changes would be recognized in the financial statements as and when these material changes to economic condition arise.

51 Note : Scheme of Amalgamation

Pursuant to the Scheme of Amalgamation (‘Scheme’) under the provisions of Section 230 to 232 of the Companies Act, 2013, for amalgamation of two of its wholly owned subsidiaries viz. VMT Spinning Company Limited and Vardhman Nisshinbo Garments Company Limited (together referred to as “transferor companies”), with Vardhman Textiles Limited (“Transferee Company” or “the Company”) as approved by the National Company Law Tribunal, Chandigarh ('NCLT') vide its order dated March 30, 2022 with the appointed date of April 01, 2020, all the assets, liabilities, reserves and surplus of the transferor companies have been transferred to and vested in the Company with effect from April 01, 2020 at their carrying values. The Company had filed the certified copy of the

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

51 Note : Scheme of Amalgamation (Contd..)

NCLT order with the respective Registrar of Companies ('ROC') on May 14, 2022. Accordingly the Scheme became effective from May 14, 2022 w.e.f. the appointed date, i.e. April 01, 2020.

The amalgamation has been accounted for in accordance with principles laid down in Appendix C to the Indian Accounting Standard 103 "Business Combinations" along with Ind-AS Transition Facilitation group (ITFG) bulletin 9 and this does not have any material impact on the consolidated financial statements.

52 Other statutory information:

(i) No proceeding have been initiated or pending against the group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988).

(ii) The group has not been declared as wilful defaulter by any bank or financial Institution or other lender.

(iii) The group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(iv) 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).

(v) 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 parent company or any of such subsidiaries and 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 lend or invest in party identified by or on behalf of the company (Ultimate Beneficiaries).

(vi) No funds have been received by the parent company or any such subsidiaries and associates 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.

(vii) During the financial year, the group has not traded or invested in Crypto currency or Virtual Currency.

(viii) The group does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(ix) The group has availed facilities from banks on the basis of security of current assets. The group has filed statements of current assets with banks which are in agreement with the books of accounts and there are no material discrepancies.

53 Reclassification done in current year balance sheet, to the figures of previous year, as per Schedule III Amendments:

Particulars	Amount as on year ended 31 March 2021	Presented as, in financial of year ended 31 March 2021.	Reclassified as, in financial of year ended 31 March 2022.	Remarks
Current maturities of non-current borrowings	283.94	Other financial liabilities - Current	Current Financial liabilities - Borrowings	Reduction in Other financial liabilities (Current) by ₹ 283.94 crores and equivalent addition in Current Financial liabilities- Borrowings for the figures of year ended 31 March 2021.

Notes to Consolidated Financial Statement

for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

54 The Board of Directors of Associate Company (Vardhman Special Steels Limtied) have proposed final dividend of ₹3.50 per fully paid equity share amounting to ₹ 14.20 crores. The proposed final dividend is subject to the approval of the members of such Associate at the ensuing Annual General Meeting. The amount of such dividend proposed is in accordance with section 123 of the Act.

55 The Code on Social Security 2020 has been notified in the Official Gazette on 29th September 2020. The effective date from which the changes are applicable is yet to be notified . Impact if any of the change will be assessed and accounted in the period in which said Code becomes effective .

56 Interest in Other Entities

(a) The Consolidated Financial Statements present the Consolidated Accounts of Vardhman Textiles Limited with its following Subsidiaries & Associates.

Name of Company	Country of Incorporation	Activities	Proportion of Ownership of Interest	
			As at March 31, 2022	As at March 31, 2021
A. Subsidiaries				
(i) Vardhman Acrylics Limited	India	Manufacturing and sales of Fibre	70.83%	70.83%
(ii) VTL Investments Limited	India	Lending & Investing	100.00%	100.00%
b. Associates				
(i) Vardhman Yarns & Threads Limited	India	Manufacturing & Sales of Threads	11.00%	11.00%
(ii) Vardhman Spinning & General Mills Limited	India	Trading of Cotton & Manmade Fibre	50.00%	50.00%
(iii) Vardhman Special Steels Limited	India	Manufacturing and sales of Steels	24.87%	24.90%

(b) Summarized Financial Information

Particulars	Associates					
	Vardhman Yarns & Threads Limited		Vardhman Spinning & General Mills Limited		Vardhman Special Steels Limited	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
I. Assets						
(A) Non Current Assets	261.58	271.02	-	-	324.15	320.45
(B) Current Assets						
i) Cash & Cash Equivalent	21.94	12.72	0.17	0.02	0.27	2.34
ii) Others	490.56	428.90	-	0.18	596.46	479.94
Total Current Assets	512.50	441.62	0.17	0.20	596.73	482.28
Total Assets (A+B)	774.08	712.64	0.17	0.20	920.88	802.73

Notes to Consolidated Financial Statement

for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

56 Interest in Other Entities (Contd..)

Particulars	Associates					
	Vardhman Yarns & Threads Limited		Vardhman Spinning & General Mills Limited		Vardhman Special Steels Limited	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
II. Liabilities						
(A) Non Current Liabilities						
i) Financial Liabilities	4.82	8.05	-	-	79.91	110.91
ii) Non Financial Liabilities	4.49	7.60	-	-	23.12	1.95
Total Non Current Liabilities	9.31	15.65	-	-	103.04	112.87
(B) Current Liabilities						
i) Financial Liabilities	104.53	103.52	0.02		249.41	220.68
ii) Non Financial Liabilities	18.96	16.41	0.00	0.05	13.47	9.82
Total Current Liabilities	123.49	119.93	0.02	-	262.88	230.50
Total Liabilities (A+B)	132.80	135.57	0.02	0.05	365.92	343.37
Net Assets (I-II)	641.28	577.07	0.15	0.15	554.96	459.36

(c) Summarized Financial Information

Particulars	Associates					
	Vardhman Yarns & Threads Limited		Vardhman Spinning & General Mills Limited		Vardhman Special Steels Limited	
	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from Operations	1,010.63	703.77	0.00	0.01	1368.46	937.08
Profit Before Tax	175.48	113.20	0.00	0.00	158.34	66.38
Tax Expense	44.12	28.45	0.00	0.00	57.59	22.18
Profit after Tax	131.36	84.75	0.00	0.00	100.75	44.19
Other Comprehensive Income	1.25	1.32	-		0.19	0.63
Total Comprehensive Income	132.61	86.06	0.00	0.00	100.94	44.82
Depreciation & Amortisation	27.40	28.31	-	-	26.96	30.23
Interest Expense	2.17	3.98	0.00	0.00	17.28	19.71

Notes to Consolidated Financial Statement

for the year ended March 31, 2022
(All amounts in ₹ crores, unless otherwise stated)

56 Interest in Other Entities (Contd..)

(d) Movement of Investment in Associates using equity method

Particulars	Associates					
	Vardhman Yarns & Threads Limited		Vardhman Spinning & General Mills Limited		Vardhman Special Steels Limited	
	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
Investment as at the beginning of the Period	66.96	63.14	0.08	0.08	62.27	51.11
Add: Share of profit for the period	14.45	9.32	0.00	0.00	25.05	11.00
Add: Share of OCI for the period	0.14	0.14	-	-	0.05	0.16
Less: Dividend distributed during the period	(7.52)	(5.64)	-	-	(1.51)	-
Investment as at the end of the Period	74.03	66.96	0.08	0.08	85.86	62.27

57. For Disclosure mandated by Schedule III of Companies Act 2013, by way of additional information, refer below:

Name of Enterprise	For the year ended March 31,2022							
	Net Assets i.e total assets minus total liabilities		Share in Profit or Loss		Share in Other comprehensive income		Share in Total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Parent								
Vardhman Textiles Limited	96.15%	7,539.12	108.44%	1,677.44	96.19%	6.52	108.39%	1,683.96
Subsidiaries								
Indian								
Vardhman Acrylics Limited	2.71%	212.32	0.94%	14.56	4.35%	0.29	0.96%	14.85
VTL Investment Limited	0.70%	54.59	1.30%	20.18	0.00%	-	1.30%	20.18
Adjustment due to consolidation	(2.53%)	(197.99)	(13.14%)	(203.33)	(2.98%)	(0.20)	(13.10%)	(203.53)
Non Controlling Interest in subsidiaries	1.75%	137.54	(0.28%)	(4.34)	(0.28%)	(0.02)	(0.28%)	(4.36)
Associates (Investment as per the equity method)								
Indian								
Vardhman Special Steels Limited	1.09%	85.85	1.62%	25.05	0.69%	0.05	1.62%	25.10
Vardhman Spinning & General Mills Limited	0.00%	0.08	0.00%	0.00	0.00%	-	0.00%	0.00
Vardhman Yarns & Threads Limited	0.94%	74.03	0.93%	14.45	2.03%	0.14	0.94%	14.59
Less:- Investments in Associates	(0.67%)	(52.77)	0.00%	-			-	-
Add/Less:- Deferred Tax Liabilities on undistributed profits on associates	(0.15%)	(11.45)	0.19%	2.89		-	0.19%	2.89
Total	**100%**	**7,841.30**	**100%**	**1,546.89**	**100%**	**6.78**	**100%**	**1,553.67**

Notes to Consolidated Financial Statement

for the year ended March 31, 2022

(All amounts in ₹ crores, unless otherwise stated)

57. (Contd..)

For Disclosure mandated by Schedule III of Companies Act 2013, by way of additional information, refer below:

Name of Enterprise	For the year ended March 31,2021							
	Net Assets i.e total assets minus total liabilities		Share in Profit or Loss		Share in other comprehensive income		Share in Total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Parent								
Vardhman Textiles Limited	92.99%	6,138.55	88.51%	366.74	102.64%	4.72	88.66%	371.46
Subsidiaries								
Indian								
Vardhman Acrylics Limited	6.03%	398.37	10.36%	42.92	0.62%	0.03	10.25%	42.94
VTL Investment Limited	0.90%	59.65	0.83%	3.42		-	0.82%	3.42
Adjustment due to consolidation	(2.97%)	(196.30)	(1.57%)	(6.50)	(6.54%)	(0.30)	(1.59%)	(6.68)
Non Controlling Interest in subsidiaries	2.02%	133.20	(3.03%)	(12.56)	(3.26%)	(0.15)	(3.03%)	(12.71)
Associates (Investment as per the equity method)								
Indian								
Vardhman Special Steels Limited	0.94%	62.27	2.66%	11.00	3.40%	0.16	2.66%	11.16
Vardhman Spinning & General Mills Limited	0.00%	0.08	0.00%	0.00	0.00%	-	0.00%	0.00
Vardhman Yarns & Threads Limited	1.01%	66.96	2.25%	9.32	3.15%	0.14	2.26%	9.47
Less:- Investments in Associates	(0.80%)	(52.77)	0.00%	0.00			0.00%	-
Add/Less:- Deferred Tax Liabilities on undistributed profits on associates	(0.13%)	(8.56)	(0.03%)	(0.12)			(0.03%)	(0.12)
Total	**100%**	**6,601.46**	**100%**	**414.35**	**100.00%**	**4.60**	**100.00%**	**418.95**

For and on behalf of the Board of Directors

Sanjay Gupta
Company Secretary
Membership No:-4935

Rajeev Thapar
Chief Financial Officer

Suchita Jain
Vice Chairperson and Joint Managing Director
DIN:00746471

S.P. Oswal
Chairman and Managing Director
DIN: 00121737

Place : Ludhiana
Date: May 21, 2022

FORM AOC-1, PURSUANT TO SECTION 129(3) OF COMPANIES ACT, 2013 RELATING TO SUBSIDIARY COMPANIES

Part A

(₹ in crore)

Particular	VTL Investments Limited	Vardhman Acrylics Limited
	Current Year	Current Year
a) Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.
b) Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	N.A.	N.A.
c) Capital	4.00	80.36
d) Reserves	50.59	131.95
e) Total Assets	54.59	302.36
f) Total Liabilites	54.59	302.36
g) Details of investment (Except in case of investment in the subsidiaries)	53.36	134.03
h) Turnover (net)	25.52	303.33
i) Profit before taxation	25.18	17.43
j) Provision for taxation	5.25	2.87
k) Profit after Taxation	19.93	14.56
l) Proposed dividend(including tax thereon)	-	-
m) Total Comprehensive Incomefor the period	19.93	14.85
n) % of shareholding	100%	70.74%

STATEMENT PURSUANT TO SECTION 129 (3) OF THE COMPANIES ACT, 2013 RELATED TO ASSOCIATE COMPANIES AND JOINT VENTURES

Part B

Name of Associates	Vardhman Special Steels Limited
1. Latest audited Balance Sheet Date	31.03.2022
2. Shares of Associate held by the company on the year end	
No.	97,08,333
Amount of Investment in Associate	₹ 25.24 crore
Extend of Holding %	23.94%
3. Description of how there is significant influence	More than 20% shares of Vardhman Special Steels Limited are held by the Company.
4. Reason why the associate is not consolidated	…
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	₹ 132.86 crore
6. Profit / Loss for the year	₹ 100.94 crore
i. Considered in Consolidation	₹ 24.12 crore
ii. Not Considered in Consolidation	N.A.

Name of Associates	Vardhman Spinning & General Mills Limited
1. Latest audited Balance Sheet Date	31.03.2022
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	25,000
Amount of Investment in Associates/Joint Venture	₹ 0.03 crore
Extend of Holding %	50%
3. Description of how there is significant influence	More than 20% shares of Vardhman Spinning & General Mills Limited are held by the Company.
4. Reason why the associate/joint venture is not consolidated	-
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	₹ 0.07 crore
6. Profit / Loss for the year	₹ 0.0004 crore
i. Considered in Consolidation	₹ 0.0002 crore
ii. Not Considered in Consolidation	N.A.

Name of Associates	Vardhman Yarns and Threads Limited
1. Latest audited Balance Sheet Date	31.03.2022
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	62,69,699
Amount of Investment in Associates/Joint Venture	₹ 27.50 crore
Extend of Holding %	11.00%
3. Description of how there is significant influence	Joint Venture with American & Efird, Global LLC
4. Reason why the associate/joint venture is not consolidated	...
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	₹ 70.54 crore
6. Profit / Loss for the year	₹ 132.62 crore
i. Considered in Consolidation	₹ 14.59 crore
ii. Not Considered in Consolidation	N.A.

NOTICE

Notice is hereby given that the **49TH ANNUAL GENERAL MEETING** of Vardhman Textiles Limited will be held on Friday, the 30th day of September, 2022 at 10:15 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 31st March, 2022, together with Report of Board of Directors and Auditors thereon.

Item No. 2 – To re-appoint Mr. Neeraj Jain as a director liable to retire by rotation:

To appoint a Director in place of Mr. Neeraj Jain, (holding DIN No. 00340459), 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. 3 – To re-appoint M/s Deloitte Haskins & Sells, LLP, 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 Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s Deloitte Haskins & Sells, LLP, Chartered Accountants (Registration No. 117366W/ W-100018) ('Deloitte'), be and is hereby re-appointed as the Statutory Auditors of the Company for a second term of five (5) consecutive years starting from the conclusion of 49th Annual General Meeting till the conclusion of 54th Annual General Meeting of the Company, at such remuneration and reimbursement of out-of-pocket expenses and applicable taxes, as may be finalized from time to time by the Chairman & Managing Director of the Company."

SPECIAL BUSINESS:

Item No. 4 – To ratify remuneration payable to Cost Auditors for the financial year ending 31st March, 2023:

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 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Ramanath Iyer & Company, Cost Auditors, New Delhi appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2023, be paid the remuneration of ₹ 7,00,000/- plus out of pocket expenses and applicable taxes.

RESOLVED FURTHER THAT Mr. Shri Paul Oswal, Chairman & Managing Director and Mr. Sanjay Gupta, Company Secretary, be and are hereby severally authorized to do all acts and take all such steps as may be necessary or expedient to give effect to this resolution."

Item No. 5 – To approve revision in the remuneration of Mr. Neeraj Jain, Joint Managing Director 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** in furtherance to the resolution passed by Members in their 46th Annual General Meeting dated 30th September, 2019, in respect of appointment and remuneration payable to Mr. Neeraj Jain (DIN 00340459), Joint Managing Director and pursuant to the provisions of Sections 196, 197, 203 & Schedule V of the Companies Act, 2013 read with Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, approval of Members be and is hereby accorded to pay the following remuneration to Mr. Neeraj Jain w.e.f. 1st May, 2022 to 31st March, 2024:

S. NO.	REMUNERATION	DETAILS
I.	Basic Salary	Monthly salary within the range of ₹6,75,000/- to ₹8,00,000/- as may be decided by the Nomination and Remuneration Committee from time to time.

S. NO.	REMUNERATION	DETAILS
II.	Perquisites*	Perquisites including allowances in such form and to such extent as may be decided by the Nomination and Remuneration Committee subject to a ceiling annual basic annual salary. The perquisites may include, but are not limited to, house rent allowance, use of company's car with driver (for official and personal use), telephone expenses (for official and personal use), medical reimbursement, club fees, personal accident insurance, leave travel concession, gratuity, contribution to Provident Fund and Superannuation Fund and all other benefits as are applicable to senior employees of the Company (including but not limited to leave entitlement, encashment of leave, entitlement to housing and other loans in accordance with schemes of the Company).
III.	Profit Linked Incentives	As may be decided by the Nomination and Remuneration Committee subject to the ceiling of double the annual basic salary. The performance linked incentives to be calculated based on profits calculated at the end of financial year.

*The valuation of perquisites will be as per the Income Tax Rules, 1962, in cases where the same is otherwise not possible to be valued.

* In case of re-appointment, the appointee will be eligible for carry forward of unutilized amount of medical expenses entitlement of the current term to the next term subject to a maximum ceiling of six months basic salary.

Item No. 6 – To appoint Ms. Sagrika Jain as an Executive Director 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 196, 197 & Schedule V of Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, approval of Members be and is hereby accorded to appoint Ms. Sagrika Jain (DIN: 09694869) as an Executive Director of the Company for a term of three (3) consecutive years starting from 6th August, 2022 to 5th August, 2025.

RESOLVED FURTHER THAT Ms. Sagrika Jain shall be paid remuneration and other perquisites as per terms and conditions as detailed below:-

S. NO.	REMUNERATION	DETAILS
I.	Basic Salary	Monthly salary within the range of ₹3,12,500/- to ₹5,00,000/- as may be decided by the Nomination and Remuneration Committee from time to time.
II.	Perquisites*	Perquisites including allowances in such form and to such extent as may be decided by the Nomination and Remuneration Committee subject to a ceiling of annual basic salary. The perquisites may include, but are not limited to, house rent allowance, use of company's car with driver (for official and personal use), telephone expenses (for official and personal use), medical reimbursement, club fees, personal accident insurance, leave travel concession, gratuity, contribution to Provident Fund and Superannuation Fund and all other benefits as are applicable to senior employees of the Company (including but not limited to leave entitlement, encashment of leave, entitlement to housing and other loans in accordance with schemes of the Company).
III.	Profit Linked Incentives	As may be decided by the Nomination and Remuneration Committee subject to the ceiling of 100% of the annual basic salary. The performance linked incentives to be calculated based on profits calculated at the end of financial year.

*The valuation of perquisites will be as per the Income Tax Rules, 1962, in cases where the same is otherwise not possible to be valued.

*In case of re-appointment, the appointee will be eligible for carry forward of unutilized amount of medical expenses entitlement of the current term to the next term subject to a maximum ceiling of six months basic salary.

RESOLVED FURTHER THAT Mr. S.P. Oswal, Chairman & Managing Director and Mr. Sanjay Gupta, Company Secretary, be and are hereby severally authorized to do all such acts, deeds and things as may be required to give effect to this resolution."

Item No. 7 - To appoint Mr. Suresh Kumar 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. Suresh Kumar (DIN: 00512630), 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 29th September, 2022."

Item No. 8 - To approve revision in the remuneration of Mr. S.P. Oswal, 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** in furtherance to resolution dated 27th September, 2018 passed by Members in the 45th Annual General Meeting of the Company in respect of appointment and remuneration payable to Mr. S.P. Oswal (DIN: 00121737), Managing Director and pursuant to the provisions of Sections 196, 197, 203 & Schedule V of the Companies Act, 2013 read with Companies (Appointment & Remuneration to Managerial Personnel) Rules, 2014, approval of the Members be and is hereby accorded to pay the following remuneration to Mr. S.P. Oswal w.e.f. 1st September, 2022 to 31st May, 2024:-

S. NO.	REMUNERATION	DETAILS
I.	Salary	Monthly salary within the range of ₹7,00,000/- to ₹10,00,000/- as may be decided by the Nomination and Remuneration Committee from time to time.
II.	Commission	Equal to 2% of net profit calculated as per Section 198 of the Companies Act, 2013 subject to total remuneration being within the limits as prescribed in Part-II of Schedule-V to the Companies Act, 2013.
III.	Medical Reimbursement	Reimbursement of medical expenses incurred by the appointee (including medi-claim insurance premium) on self and his family, on actual basis.
IV.	Perquisites*	Perquisites including allowances in such form and to such extent as may be decided by the Nomination and Remuneration Committee subject to a ceiling of annual salary. The perquisites may include, but are not limited to, free furnished residential accommodation (along with other amenities) or house rent allowance, use of company's car with driver (for official and personal use), communication expenses (for official and personal use), club fees, personal accident insurance, leave travel concession, gratuity, contribution to Provident Fund, Superannuation Fund or Annuity Fund and all other benefits as are applicable to senior employees of the Company (including but not limited to leave entitlement, encashment of leave, entitlement to housing and other loans in accordance with schemes of the Company).
V.	Travelling Expenses	Expense incurred for travelling, boarding and lodging including for spouse and attendant(s) during business trips on actual basis which shall not be considered as perquisite.
VI.	Security Expenses	The expenses, as may be borne by the Company for providing security to Mr. S.P. Oswal and his family shall not be considered as perquisite.

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

*The valuation of perquisites will be as per the Income Tax Rules, 1962, in cases where the same is otherwise not possible to be valued.

By Order of the Board

Place: Ludhiana
Dated: 6th September, 2022

(Sanjay Gupta)
Company Secretary

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 Regulations (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 atleast 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 Regulations, regarding the Director retiring by rotation/ seeking appointment or 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/ re-appointment.

7. The Register of Members and the Share Transfer Books of the Company shall remain closed from 20th September, 2022 to 30th 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.

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, websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on website of Central Depository Services (India) Limited (e-Voting agency) at 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 or to RTA at rta@alankit.com

    b) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.

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

(i) The Remote e-Voting period commences on 27th September, 2022 (9:00 a.m.) and ends on 29th 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 23rd 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 29th 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 number and email Id in their demat accounts in order to access e-Voting facility. The procedure to login and access remote e-Voting and join virtual meeting, as devised by the Depositories / Depository Participant(s), is given below:

Option 1 – Login through Depositories

NSDL	CDSL
1. Members who have already registered for IDeAS facility to follow below steps: (i) Go to URL: https://eservices.nsdl.com (ii) Click on the "Beneficial Owner" icon under 'IDeAS' section. (iii) A new page will open. Enter the existing User ID and Password. On successful authentication, click on "Access to e-Voting". (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.	**1. Members who have already registered for Easi / Easiest to follow below steps:** (i) Go to URL: https://web.cdslindia.com/myeasi/home/login; or (ii) URL: www.cdslindia.com and then go to Login and select New System Myeasi. (iii) Login with user id and password. (iv) Click on e-Voting. The option will be made available to reach e-Voting page without any further authentication. (v) Click on the Company name or e-Voting service provider name to cast your vote during the remote e-Voting period.
2. User not registered for IDeAS e-Services: (i) To register click on link: https://eservices.nsdl.com. Select option "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp . (ii) Proceed with completing the required fields.	**2. User not registered for Easi/Easiest:** (i) Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration (ii) Proceed with completing the required fields.

NSDL	CDSL
3. Users can directly access e-Voting module of NSDL and follow the below process: (i) Go to URL: https://www.evoting.nsdl.com/ (ii) Click on the icon "Login" which is available under 'Shareholder/Member' section. (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. (iv) On successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. (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.	**3. Users can directly access e-Voting module of CDSL and follow the below process:** (i) Go to URL: www.cdslindia.com (ii) Click on the icon "E-Voting" (iii) Provide demat Account Number and PAN No. (iv) System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. (v) After successful authentication, the user will be provided links for the respective ESP where the e-Voting is in progress. (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.

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 above mentioned 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 helpdesk.evoting@cdslindia.com 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 evoting@nsdl.co.in 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.

(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 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) 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.
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)	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).

(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: 220906006 for <**Vardhman Textiles 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 – for 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 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.
- 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 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, 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. 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/ 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 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, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to 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 and on the website of CDSL and will be communicated to the Stock Exchanges.

By Order of the Board

Place: Ludhiana
Dated: 6th September, 2022

(Sanjay Gupta)
Company Secretary

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. 3 of the Ordinary Business:

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and rules thereof, the Board of Directors in its meeting held on 10th May, 2017, had appointed M/s. Deloitte Haskins & Sells, LLP, Chartered Accountant, as Statutory Auditors of the Company for a term of five (5) years starting from the conclusion of 44th Annual General Meeting till the conclusion of 49th Annual General Meeting of the Company. Their tenure of five 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 21st May, 2022 had re-appointed M/s. Deloitte Haskins & Sells, LLP, Chartered Accountant, as the Statutory Auditors of the Company for a second consecutive term of five (5) years at such remuneration as may be finalized from time to time by the Chairman & Managing Director of the Company.

M/s. Deloitte Haskins & Sells, LLP is one of the leading Chartered Accountant firms in India. The firm is having extensive experience in the field of Statutory Audit of Public & Private Sector Undertakings. Apart from Audit, the firm is dealing in all types of matters relating to Accounting, Tax Preparation, Book-Keeping and Payroll Services, Management, Scientific and Technical Consulting Services, Legal Services, etc.

The Board of Directors recommends the ordinary resolution as set out at Item No. 3 of the Notice for approval of the Members. Accordingly, your approval is solicited.

Memorandum of Interest:

None of the Directors/ Key Managerial Personnel (KMP) of the Company/ their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 3.

Item No. 4 of the Special Business:

Pursuant to the provisions of the Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the Cost Audit is required to be conducted in respect of the Cost Accounts maintained by the Company. Upon the recommendation of the Audit Committee, the Board of Directors in its meeting held on 21st May, 2022, re-appointed M/s. Ramanath Iyer & Co., 808, Pearls Business Park, Netaji Subhash Place, New Delhi as Cost Auditors of the Company to conduct Cost Audit for the Financial Year ending 31st March, 2023.

Accordingly, consent of the Members is solicited for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of payment of remuneration of ₹ 7,00,000/- to the Cost Auditors for the Financial Year ending 31st March, 2023. The Board recommends the Ordinary Resolution as set out at Item No. 4 of the Notice for approval by the Members.

Memorandum of Interest:

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

Item No. 5 of the Special Business:

The Members of the Company, vide their resolution dated 30th September, 2019 passed in the 46th Annual General Meeting had re-appointed Mr. Neeraj Jain as Joint Managing Director of the Company and fixed the remuneration payable to him for a period of 5 years starting from 1st April, 2019 to 31st March, 2024.

Mr. Neeraj Jain, Joint Managing Director, was also Managing Director of VMT Spinning Company Limited (VMT), a wholly owned subsidiary of the Company and as a Managing Director, he was also drawing remuneration from VMT. As the National Company Law Tribunal (NCLT) vide its Order dated 30th March, 2022 has approved the merger of VMT with the Company, consequently, after merger, VMT has ceased to exist and all assets/liabilities and operations of VMT have become part of the Company. Considering the above said facts and also the overall performance of yarn business under his leadership, the Board of Directors of your Company in its meeting held on 21st May, 2022 had proposed to revise the remuneration payable to him as per the resolution given in the Notice.

The Board recommends the Ordinary Resolution as set out at Item No. 5 for approval by the Members. Accordingly, your approval is solicited.

Memorandum of Interest:

Except Mr. Neeraj Jain, 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. 5.

Item No. 6 of the Special Business:

Ms. Sagrika Jain has done B.Sc. (Eco. & Finance Hons.) from University of Bristol, UK and after completing B.Sc., she had a two years stint with Arpwood Capital, Mumbai, a renowned Investment Bank in India. Thereafter, she joined Vardhman Textiles Limited in 2018 and worked at different levels over a period of time. During this period, she got deeply involved in the intricacies of Yarn Business of the Company including various key functions like Raw Materials, Domestic Marketing, Exports, Purchase & Projects etc. She has recently completed her Master of Business Administration (MBA) from London Business School, London and during that period she got an opportunity to work with renowned companies like Amazon, Munich (Germany), World's largest online retailer.

Considering her performance, skills and qualification, the Board of Directors of your Company, on the basis of the recommendation of the Nomination & Remuneration Committee and pursuant to the provisions of the Companies Act, 2013, in its meeting held on 6th August, 2022, had appointed Ms. Sagrika Jain (DIN: 09694869), as an Executive Director on the Board of the Company for a term of three (3) consecutive years starting from 6th August, 2022 to 5th August, 2025, on the terms and conditions of the remuneration as detailed in the resolution.

The Company has received requisite notice in writing from a Member proposing the appointment of Ms. Sagrika Jain as a candidate for the office of Director of the Company.

The Company has received consent from Ms. Sagrika Jain and also a declaration confirming that she is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

A brief profile of Sagrika Jain is provided at the end of this statement.

The Board recommends the Ordinary 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 Ms. Sagrika Jain, being appointee, Mr. Shri Paul Oswal, Mrs. Suchita Jain and Mr. Sachit Jain, being appointee's relatives, 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 of the Special Business:

The Board of Directors in its meeting held on 6th September, 2022, 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. Suresh Kumar (DIN: 00512630) as an Additional Director, designated as an Independent Director, of the Company w.e.f. 29th September, 2022 to hold office upto the date of forthcoming Annual General Meeting. His term of appointment as an Independent Director will be five consecutive years starting from 29th 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. Suresh Kumar has done Masters in Social Policy & Planning from London School of Economics, University of London and is also a Post-graduate in Commerce from Delhi University, Delhi. Mr. Kumar is a former Chief Principal Secretary to the Chief Minister, Punjab. As a member of the Indian Administrative Service (IAS), he has held key positions at various levels of State/ Central Government. He has core experience in formulation and implementation of public policies and programmes. During his tenure as a Principal Secretary and Chief Principal Secretary to Chief Minister, he has dealt with various key governance issues relating to agriculture, cooperation, education, power, industries, tax and economic administration, water resources, water supply and sanitation, etc.

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 Director at the next general meeting or within three months from the date of appointment, whichever is earlier. Accordingly, the appointment of Mr. Suresh Kumar require the approval of Members.

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

The Company has received consent from Mr. Suresh Kumar 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. Suresh Kumar 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. Suresh Kumar 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 Mr. Suresh Kumar, 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 of the Special Business:

The Members of the Company, vide their resolution dated 27th September, 2018 passed in the 45th Annual General Meeting had re-appointed Mr. S.P. Oswal as Managing Director of the Company and fixed the remuneration payable to him for a period of 5 years starting from 1st June, 2019 to 31st May, 2024.

Mr. S.P. Oswal is a dedicated and committed business leader known for his acumenship in the Textile Industry. It was under his able leadership that the Company has successfully sailed through many a turbulent times and has grown into one of the largest textile companies in India, while creating wealth for the shareholders. Considering hard work and dedicated efforts being put up by him, the Nomination and Remuneration Committee of the Board of Directors of the Company has approved and recommended to the Board to revise his remuneration. Further, on the basis of the recommendation of the Nomination and Remuneration Committee, the Board of Directors of your Company in its meeting held on 6th September, 2022 has proposed to revise the remuneration payable to Mr. S.P. Oswal as per the resolution given in the Notice.

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

Memorandum of Interest:

Except Mr. S.P. Oswal himself and Mrs. Suchita Jain, Mr. Sachit Jain & Ms. Sagrika Jain, being his relatives, 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.

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 in the Annual General Meeting.

Name of the Director	Mr. Neeraj Jain	Ms. Sagrika Jain	Mr. Suresh Kumar
Date of Birth	09.10.1967	04.02.1995	04.04.1956
Age	54	27	66
Date of First Appointment	31.03.2010	06.08.2022	29.09.2022
No. of meetings attended during the FY 2021-22	7	0	0
Expertise in specific functional area	Business Executive having experience of more than 30 years in textile industry.	Business Executive having knowledge of finance, marketing and strategic planning.	A retired Civil Servant having diverse experience of more than 35 years in administration, taxation and strategy.
Qualification	B.Com, Chartered Accountant	B.Sc. (Eco. & Finance Honours), M.B.A.	Masters in Social Policy & Planning, M.Com
Directorships in other Listed Companies as on 31st March, 2022	Nil	Nil	Nil
Chairperson/Member of Committees of other Listed Companies as on 31st March, 2022	Nil	Nil	Nil
Listed entity from which the Director resigned in last 3 years	Nil	Nil	Nil
Skills and capabilities required by Independent Directors for the role and manner in which such requirements are met	Not Applicable	Not Applicable	- Administrative experience, Leadership and Strategic Planning. - He will contribute the Board with his rich administrative experience and his capabilities of dealing with matters like taxation, economic administration and strategy.
Shareholding in the Company	Nil	34,925	Nil
Relationship with other Directors/ KMP	Not related to any Director/ KMP.	Mr. Shri Paul Oswal is the grandfather, Mr. Sachit Jain is the father and Mrs. Suchita Jain is the mother of Ms. Sagrika Jain.	Not related to any Director/ KMP.

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Corporate Information

Board of Directors

Mr. Shri Paul Oswal
Chairman & Managing Director

Mr. Prafull Anubhai

Mr. Sachit Jain

Dr. Subash Khanchand Bijlani

Mr. Ashok Kumar Kundra

Mr. Udeypaul Singh Gill

Mrs. Harpreet Kaur Kang

Dr. Parampal Singh

Mrs. Suchita Jain
Vice-Chairperson & Joint Managing Director

Mr. Neeraj Jain
Joint Managing Director

Ms. Sagrika Jain
Executive Director

Chief Financial Officer

Mr. Rajeev Thapar

Company Secretary

Mr. Sanjay Gupta

Auditors

M/s. Deloitte Haskins & Sells LLP,
Chartered Accountants, New Delhi

Bankers

State Bank of India
HDFC Bank
ICICI Bank
Kotak Mahindra Bank
Axis Bank
CITI Bank

Registrar & Transfer Agent

Alankit Assignments Limited,
New Delhi

Branches

- P-22, 3rd Floor, Flat No. 6, C.I.T. Road, Scheme LV, Kolkata-700 014.
- Chandigarh Road, Ludhiana-141010.
- 314, Solaris II, Opposite L & T Gate No. 6, Saki Vihar Road, Andheri (East), Mumbai-400 072.
- 504, Dalamal House, Nariman Point, Mumbai - 400 021.
- 309-310, Surya Kiran Building, 19, Kasturba Gandhi Marg, New Delhi-110 001.
- 377-B, Muthuswami Industrial Complex, Palladam Road, Tirupur - 641 604.
- 1st Floor, Palm Court, Opposite Management Development Institute, MG Road, Sector -16, Gurugram - 122 001.

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VARDHMAN TEXTILES LIMITED

CHANDIGARH ROAD, LUDHIANA - 141 010

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