Vardhmān
Delivering Excellence. Since 1965.

VARDHMAN TEXTILES LIMITED

CHANDIGARH ROAD
LUDHIANA-141010, PUNJAB
T: +91-161-2228943-48
F: +91-161-2601 048
E: secretarial.lud@vardhman.com

Ref. VTL:SCY:SEP:2021-22 Dated: 4-Sep-2021

BSE Limited, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, MUMBAI-400001. **Scrip Code: 502986**	The National Stock Exchange of India Ltd, Exchange Plaza, Bandra-Kurla Complex, Bandra (East), MUMBAI-400 051 **Scrip Code: VTL**

Dear Sir,

SUB: ANNUAL REPORT (F.Y. 2020-21) OF THE COMPANY, NOTICE CONVENING 48TH ANNUAL GENERAL MEETING, BOOK CLOSURE DATES & E-VOTING INFORMATION

Pursuant to applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that the 48th Annual General Meeting ('AGM') of the Members of the Company will be held on Tuesday, 28th September, 2021 at 11:30 a.m. through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM'), in compliance with the relevant circulars issued by the Ministry of Corporate Affairs ('MCA') and Securities and Exchange Board of India ('SEBI').

The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 18th September, 2021 to Tuesday, 28th September, 2021 (both days inclusive) for the purpose of AGM and dividend. The dividend, if declared at the AGM, will be paid or warrants thereof will be dispatched within a week from the conclusion of AGM.

Further, the Company has fixed Tuesday, 21th September, 2021 as the cut-off date to ascertain the eligibility of Members entitled to cast their vote electronically on all the resolutions to be passed at the AGM. The Company has engaged the services of Central Depository Services (India) Limited ('CDSL') to provide the e-Voting facility. The remote e-Voting schedule is as under:

Commencement of remote e-Voting	September 25, 2021 (09:00 am onwards)
End of remote e-Voting	September 27, 2021 (upto 05:00 pm)

VARDHMAN TEXTILES LIMITED LUDHIANA

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Pursuant to Regulation 34(1) of the Listing Regulations, please find enclosed the Annual Report (F.Y. 2020-21) alongwith the Notice convening the 48th AGM of the Company. The said documents are also available on the website of the Company at www.vardhman.com.

Kindly note and display the notice on your notice board for the information of the members of your exchange and general public.

Thanking you,

Yours faithfully,

For VARDHMAN TEXTILES LIMITED

VARDHMAN TEXTILES LIMITED LUDHIANA

(SANJAY GUPTA)
Company Secretary

Vardhman Textiles Ltd.

ANNUAL REPORT **2020-21**

Vardhmān

Vardhmān

Delivering Excellence. Since 1965.

NURTURING EXCELLENCE. DELIVERING VALUE.

In this year's report

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For more details visit
www.vardhman.com

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.

A new era calls for novel objectives, opens avenues of opportunities and invigorates the zeal to nurture excellence and deliver value.

Overcoming the challenges posed by the pandemic, we are committed to match our steps with the demands of an evolving business environment. With every step forward, we are moving ahead with greater enthusiasm to innovate and experiment with new methods – identifying prospects and imbibing technology to create differentiated products.

Our consistent efforts to create and sustain value for stakeholders provide us the confidence to traverse unwieldy paths and steadily steer our business towards greater heights of success, today and tomorrow.

About Vardhman Textiles

Incorporated with the endeavour to achieve excellence through innovation, Vardhman Textiles Limited, today, is one of India's leading integrated textile manufacturers offering the largest range of textile products across fibre (acrylic), yarn and fabrics.

We are the flagship company of Vardhman Group – one of the leading textile conglomerates of India. Our manufacturing lines are designed to cater to the growing needs of our consumers with the flexibility to produce a wide range of products. We partner with our customers to design and manufacture sophisticated and new products.

Our Vision

Rooted in Values, Creating World Class Textiles

Our Mission

The Vardhman Group aims to be world class textile organisation 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 are responsible corporate citizens.

Our Values

- Faith in the bright future of Indian textiles and hence continued expansion in areas that we know best
- Total customer focus in all operational areas
- Offer products of best available quality for premium market segments through TPM and Zero-Defect implementation in all functional areas
- Global orientation targeting sizeable percentage of production for exports
- Integrated diversification and product range expansion
- Faith in individual potential and respect for human values
- Encourage innovation for constant improvements to achieve excellence in all functional areas
- Accept change as a way of life
- Appreciate our role as a responsible corporate citizen

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

Yarn Unit
- Baddi, Himachal Pradesh

Garment Unit
- Ludhiana, Punjab

Steel Unit
- Ludhiana, Punjab

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

Numbers that Define Us

47+
YEARS OF INDUSTRY EXPERIENCE

5,788
REVENUE FROM OPERATIONS (₹ IN CRORE)

17
MANUFACTURING FACILITIES

20,916
EMPLOYEES

929
EBITDA (₹ IN CRORE)

61
COUNTRIES OF PRESENCE

63.27%
PROMOTERS' STAKE

7,470
MARKET CAPITALIZATION AS ON 31ST MARCH 2021 (₹ IN CRORE)

11.29*
SPINDLE CAPACITY (IN LAC)

1,544
LOOMS

4.81
PROCESSED FABRIC CAPACITY PER DAY (IN LAC METERS)

* including subsidiaries

Financial Highlights

Revenue (₹ in crore)

FY 2020-21	**5,788**
FY 2019-20	6,325
FY 2018-19	6,415
FY 2017-18	5,851
FY 2016-17	5,691

Dividend per Share (₹)

FY 2020-21	**17.50**
FY 2019-20	Nil
FY 2018-19	17.50
FY 2017-18	15.00
FY 2016-17	15.00

EBITDA (₹ in crore)

FY 2020-21	**929**
FY 2019-20	1,055
FY 2018-19	1,350
FY 2017-18	1,044
FY 2016-17	1,759

EBITDA Margin (in %)

FY 2020-21	**16.05**
FY 2019-20	16.68
FY 2018-19	21.04
FY 2017-18	17.84
FY 2016-17	30.91

PAT (₹ in crore)

FY 2020-21	**350**
FY 2019-20	545
FY 2018-19	696
FY 2017-18	546
FY 2016-17	1,002

PAT Margin (in %)

FY 2020-21	**6.05**
FY 2019-20	8.62
FY 2018-19	10.85
FY 2017-18	9.33
FY 2016-17	17.60

Return on Net Worth (in %)

FY 2020-21	**5.81**
FY 2019-20	9.57
FY 2018-19	13.29
FY 2017-18	11.82
FY 2016-17	25.13

Net Worth (₹ in crore)

FY 2020-21	**6,033**
FY 2019-20	5,666
FY 2018-19	5,239
FY 2017-18	4,632
FY 2016-17	3,986

Value Creation Philosophy

Input

Financial Capital

We deploy our equity fund, debt fund and retained earnings to run our business and augur growth.

57.56
Equity share capital
(₹ in Crore)

2,131
Total debt
(₹ in Crore)

5,975
Reserves & Surplus
(₹ in Crore)

Intellectual Capital

Our brand value, technical knowhow and research & development capabilities gives us a competitive edge.

31.88
Spent towards R&D in the past 5 years (₹ in Crore)

Social & Relationship Capital

Our inclusive approach to address the needs of our stakeholders and fulfill our commitments.

8.74
Spent towards CSR activities (₹ in Crore)

Manufactured Capital

We leverage state-of-the-art manufacturing facilities to produce superior quality and cost effective products for our customers worldwide.

17
Manufacturing facilities

2,400
CAPEX in the past 5 years
(₹ in Crore)

Human Capital

Our diverse set of people across our area of operations, with varied skill sets, help us to grow our business.

20,916
Employees

3,195
Contractual workers

Natural Capital

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

284.17 Lacs Kwh
Energy saved

3
ETPs

7
STPs

2
Biogas Plants

Process

Customer Feedback and Market Research

Product Development and Innovation

Material Sourcing and Manufacturing

Marketing and Distribution

End-users

Output

561 MT
Yarn produced per day

2.76 Lac meters
Processed Fabric produced per day

LARGEST
Spindles count in the country

WIDE
Range of yarn & fabric produced as per customers' requirement

Value delivered to stakeholders

Investor

₹ 100+ crore
Dividend (proposed)

₹ 1,297.70
Market value per share (as on 31st March, 2021)

Customers

Innovative
and wide range of products offered

Cost effective
pricing of our products

Strong
pre to post sales services offered

Business associates and suppliers

Upliftment
of local suppliers and farmers

Timely
payment of dues

Mutually beneficial
relationship maintained

Community (through CSR)

131,510
People benefitted

8,700+
Children benefitted

5,500
Women benefitted

Environment

141.43 lac Kwh
Units of energy generated from solar

52
Rainwater harvesting pits

Vardhman's Product Portfolio

YARN

We leverage our state-of-the-art facilities to produce a wide array of specialised greige and dyed yarns of cotton, polyester, acrylic and other blends. Further, we also manufacture and offer Organic Cotton, Melange, Core Spun Yarns, Ultra Yarns (Contamination controlled), Gassed Mercerised, Super Fine Yarns, Slub, Cellulose Yarns and Fancy Yarns for hand knitting. Our cotton yarn has a strong market presence in EU, USA and Far East, which are quality-conscious markets. Through an enduring commitment to excellence, continuous customer-driven innovation and unique strategies involving technology collaboration, we have established ourselves as a global leader in premium quality yarn production.

Our Yarn Portfolio

Specialty Yarns

- Core Spun Yarn
- Slubs
- Cellulosic
- Vortex Yarn
- Special Blended Yarn
- Sustainable Yarn

Acrylic, Fancy & 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)
- Gassed Mercerised

Grey Yarns

- Polyester Cotton
- Cotton Yarn
- Compact Yarn

Wide

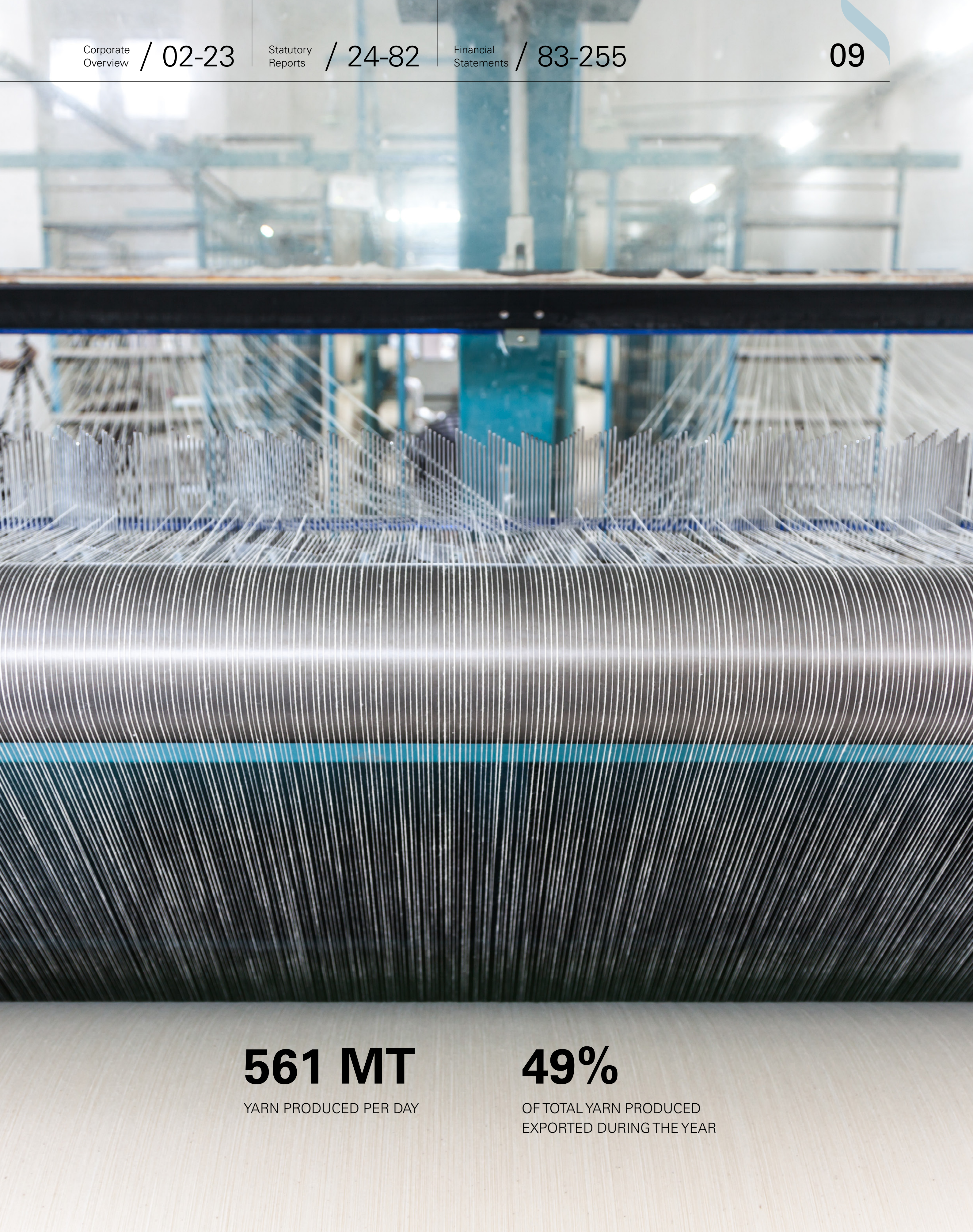
RANGE OF YARN MANUFACTURED AS PER CUSTOMER REQUIREMENT

10.85

SPINDLE CAPACITY, AS ON 31ST MARCH 2021(IN LAC)

3,900

REVENUE (EXCLUDING INTERNAL TRANSFER) FROM SALE OF YARN DURING FY 2020-21 (STANDALONE) (₹ IN CRORE)



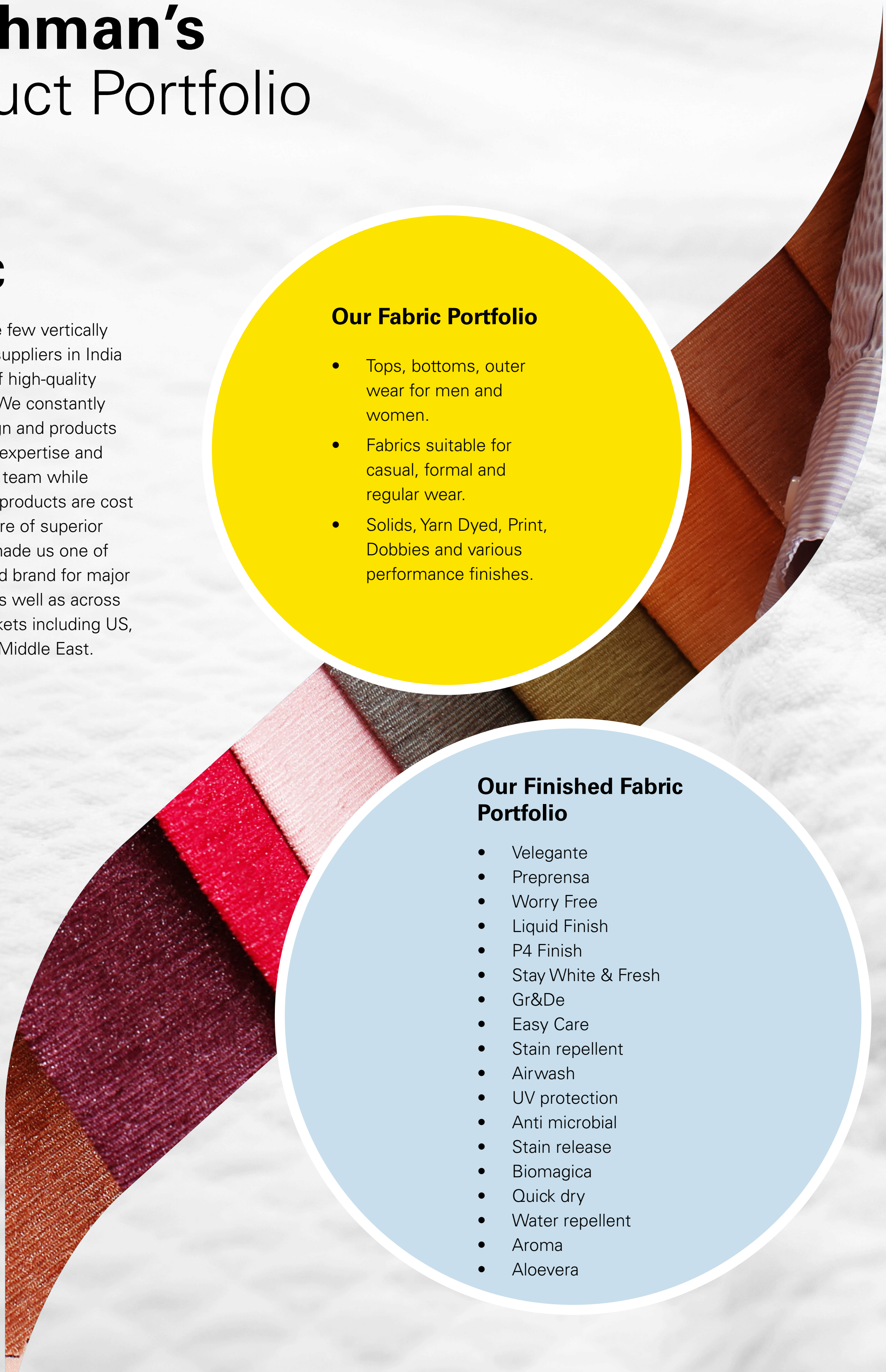
561 MT

YARN PRODUCED PER DAY

49%

OF TOTAL YARN PRODUCED EXPORTED DURING THE YEAR

Vardhman's Product Portfolio



FABRIC

We are one of the few vertically integrated fabric suppliers in India offering a range of high-quality specialty fabrics. We constantly upgrade our design and products by leveraging the expertise and knowledge of our team while ensuring that our products are cost competitive and are of superior quality. This has made us one of the most preferred brand for major retailers in India as well as across major export markets including US, Europe, Asia and Middle East.

Our Fabric Portfolio

- Tops, bottoms, 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 & Fresh
- Gr&De
- Easy Care
- Stain repellent
- Airwash
- UV protection
- Anti microbial
- Stain release
- Biomagica
- Quick dry
- Water repellent
- Aroma
- Aloevera

155.4
FABRIC WEAVED
(IN MMPA)

100.2
PRODUCTION OF PROCESSED FABRIC DURING FY 2020-21
(IN MMPA)

Leading
PRODUCER OF FABRIC IN INDIA

1,812
REVENUE FROM FABRIC DURING FY 2020-21
(₹ IN CRORE)

Our Marquee Clients

PVH
Raymond
H&M
TARGET
ARROW USA·1851
Allen Solly
C&A
ck Calvin Klein
carhartt
TOMMY HILFIGER
ANN TAYLOR
GAP
KOHL'S
LOUIS PHILIPPE excellence matters
M&S EST. 1884
s.Oliver
UNI QLO
VAN HEUSEN
Walmart Save money. Live better.

Chairman's Message

"THE SHARE OF WOVEN GARMENT DURING THE SAME PERIOD OF 2020 WAS 50% IN TOTAL GARMENT EXPORTS, WHICH DECLINED TO 46% IN 2021, SO EVEN THOUGH THERE IS RECOVERY IN GARMENT EXPORTS BUT THE DEMAND FOR WOVEN GARMENTS CAME DOWN DIRECTLY IMPACTING THE DEMAND FOR WOVEN FABRIC.

Shri Paul Oswal

Chairman

Dear Shareholders,

A significant part of the financial year 2020-21 passed amidst uncertainty and despair due to lockdown in the different parts of the world owing to COVID-19 situation. As a result, different parts of various countries remained closed and then opened in phased manner. To a larger extent, government attention and resources also got diverted towards containing pandemic, saving lives and for vaccination drive. In such a situation, economic growth and trade concerns slipped down the priority pyramid as a natural consequence. This was reflected in the world economic growth which is estimated to record a negative growth rate of 4.4 percent during 2020. With partial opening-up of the economy in sync with successful vaccination drive in the developed and developing countries, the world economy is projected to grow at 5.6% in 2021 amidst downward biases.

Indian economy, which was firmly on the path of recovery in the second half of FY 2020-21, had been hit in recent months by a rather unexpected virulent second wave of Covid-19. It caused a severe strain on healthcare facilities in many parts of the country, leading to localised lockdowns and a fall in mobility to levels seen a year ago. However, disruptions to production and supply chains have been far less severe during the second wave than during the first wave. The Indian economy, which recorded negative growth rate of about 7.5% in FY 2020-21 is likely to do well in the current financial year FY 2021-22 and is expected to grow by more than 10%.

In textile sector, the performance of India has been impacted by three factors in the FY 2020-21. First of all, overall slowdown in economic activity especially in first two quarters of the FY 2020-21 led to significant stress upon output, demand and earning of the industry. However, this pressure was eased in subsequent quarters leading to improvement in performance of the Indian textile industry.

Secondly, US-China trade tension especially related to products made of cotton grown in Xinjiang area has supported Indian textile industry. The industry has witnessed increased export demand for textile material especially cotton yarn mainly from China. The surge in demand for cotton yarn in China can be linked to its sustained exports of high value added textiles and clothing products despite of higher wages in sync with per capita income of beyond USD 10,000/year. This transitory positive impact of high demand of cotton yarn from India may continue for coming months also.

The third factor, which adversely affected the Indian textile industry is more permanent in nature and is related to cost incompetitiveness of Indian producers against its competitors like Bangladesh, Vietnam and of lately Myanmar and Cambodia. While China has seen reduction in clothing export by USD 38 bn during 2015-2020, the aforesaid countries have seen almost identical surge in clothing exports during the same period. China emerged as prominent textile material supplier to these countries by exporting USD 21 bn knit and woven fabric to these countries.

At organisation level, while yarn segment has performed well, the fabric segment could not fully recover out of COVID-19 situation and is still facing sub optimal capacity utilization, which is partly due to addition in fabric manufacturing capacity made just before COVID-19 period. Another reason was low demand of formal wears made of woven fabric in comparison to casual wears made of knitted fabric because of restricted movement of people during this period. One illustration of reduced demand of woven fabric can be seen in the reduced share of woven garment in total garment exported by Bangladesh. Total garment exports from Bangladesh, during March–June 2021, increased by 107% as compared to corresponding period of previous year. The share of woven garment during the same period of 2020 was 50% in total garment exports, which declined to 46% in 2021, so even though there is recovery in garment exports but the demand for woven garments came down directly impacting the demand for woven fabric.

Nevertheless, the Company is well poised to gain from the opportunities in global market as well as in domestic market with normalization of economic activities with increased sense of security associated with rapid pace of vaccination and other efforts made by government. At organisation level, we have given utmost priority to necessary safeguards to prevent spread of COVID -19 and our work force has been working with full of confidence amidst safety measures and hopeful to record improved performance on all parameters.

We have received immense support and encouragement from our business partners, financial institutions and customers – not just this year, but continuously over a period of time. I would like to take this opportunity to thank all of them for their faith, advice and guidance. As I conclude my message for this Annual Report, I look forward to the same support for the coming future.

Warm Regards,

Shri Paul Oswal

Chairman

Message from the Management

“WITH SUSTAINED OPERATIONAL EFFICIENCY AND COMMITMENT TOWARDS CUSTOMER SATISFACTION, THE COMPANY HAS BEEN ABLE TO SERVE SOME OF THE LEADING GLOBAL BRANDS WHICH WILL GO A LONG WAY IN ENHANCEMENT OF STAKEHOLDER VALUE.

Suchita Jain

Vice-Chairperson and Joint Managing Director

Neeraj Jain

Joint Managing Director

“WE FOCUSED ON STABILISING IN THE NEW ENVIRONMENT REMAINING OPTIMISTIC FOR THE FUTURE.

Dear Shareholders,

Covid-19 pandemic and lockdown has impacted our business. Post lockdown new normal life has brought new operational challenges. In this situation of business uncertainty we focused on stabilising in the new environment remaining optimistic for the future.

Impact of COVID-19

The pandemic is not just affecting the way people conduct business but also how humankind will live. This is affecting every part of our lives, including the preference for apparel, influencing the manufacture of yarns.

Being a discretionary spend, the demand for textile products contracted sharply. As various countries, including India, started unlocking their economies in the latter part of the first quarter of the financial year 20-21, new challenges of reduced demand, under-utilized capacities and cash crunch affected the industry. The implementation of social distancing and lockdowns across countries affected textile export from India and its corresponding consumption across countries.

Our business

As expected, FY2021 was a challenging year for textile business. There was a sharp reduction in demand across all markets especially in the early part of the financial year. As the countries learned to live and cope with Covid, many of the export markets started to resume. Yarn business responded to the market recovery very quickly and achieved full capacity utilization by the end of the second quarter. The demand of yarn picked up in the export markets, particularly, from China. With smart demand, the prices also remained stable.

The fabric business, however, continued to feel the burn of pandemic. Firstly, the improvement of fabric was mainly in the knitted side. With offices and schools remaining closed and limited formal gatherings, the demand of woven fabric remained sluggish. This kept pressure on the fabric capacity utilization as your Company is in woven fabric. Secondly, rising yarn prices, kept the margins at a low.

Future Outlook

The effect of pandemic is fading down with the administration of vaccination. However, uncertainty still looms as people are scary of a third wave of Covid. The adversities have also opened up doors for Indian manufacturers in the shape of China plus One Policy. The Industry need to gear-up to reap sustained benefits of the same. Further, in wake of US-China trade war, particularly the recent restrictions imposed by US on import of cotton products made of Xinjiang region cotton, the demand of yarn from China is expected to continue. However, the yarn margins may come under pressure on arrival of new cotton in the coming season. On the fabric side, with the opening up of economies and lifting of restrictions, woven fabric demand will firm up leading the Company to achieve full capacity utilization. Further, with sustained operational efficiency and commitment towards customer satisfaction, the Company has been able to serve some of the leading global brands which will go a long way in enhancement of stakeholder value.

We take the pleasure in expressing our sincere gratitude and appreciation for the outstanding commitment and contribution of all our stakeholders including employees, suppliers, and business partners. We are blessed to have their continued trust, reliance and unstinted support in shaping and improving the performance of our Company.

Warm Regards,

Suchita Jain

Vice-Chairperson and Joint Managing Director

Neeraj Jain

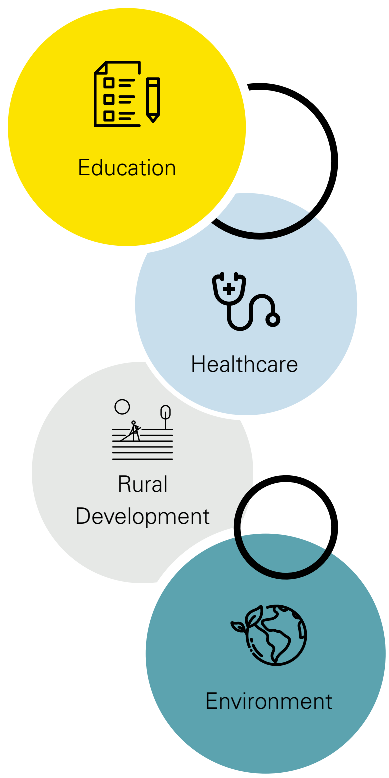
Joint Managing Director

Corporate Social Responsibility

As a responsible corporate citizen, Vardhman Textiles emphasizes on constructive contribution to the society. With clear orientation towards the goal of sustainable development, we strive to bring positive and lasting impact in the lives of people.

To help facilitate the access of marginalized sections to safe & hygienic living conditions, quality education and healthcare facilities, we are continuously working to improve the infrastructure of schools, hospitals and villages in the vicinity of our manufacturing units.

Our focus areas include



Education

Education is the means to true empowerment. It creates a plethora of employment opportunities as also uplifts the living standards, improves the socio-economic state and strengthens the prospect of a brighter future. Through quality education, one can not only rewrite his/her own destiny but also reshape the society for better.

With the intent of facilitating the education of children belonging to underprivileged sections of society, we started Vardhman School Development Program (VSDP). Under the program, we focus on developing infrastructure in government schools and facilitate an environment that fosters learning. We have constructed not only classrooms but also toilet blocks and computer labs besides providing the schools with necessary furniture, water coolers, RO purifiers etc.

In FY 2020-21, we constructed two school buildings comprising of 10 well-equipped classrooms at Government Senior Secondary School, Ladhowal and Government Senior Secondary Smart School, Sekhewal in Ludhiana, Punjab. The constructed school blocks have been handed over to the school administration. Under the same program, construction of a school block comprising of 7 well-furnished classrooms was initiated at Government Senior Secondary School, Bhaga Chaunagi, Mandi, Himachal Pradesh. In Budhni, Madhya Pradesh, Govt. Middle & Primary School Pilikarar and Government Primary School Murrah have also benefitted from the project.

Besides the schools covered under VSDP, we extended financial support to Nirdosh School – an organization working for children suffering from Autism and other mental disorders for the last 42 years, trying to make these children independent and rehabilitate them to the best of their ability. Alongside, we supported Behaviour Momentum India Foundation for the purchase of vocational training equipment in the establishment of a training unit for autistic adults.

Key Highlights

4

STATES - PUNJAB, MP, HP AND ODISHA

10

SCHOOLS COVERED

42

CLASSROOMS CONSTRUCTED

6

RO SYSTEMS INSTALLED

5

TOILET BLOCKS CONSTRUCTED

720

STUDENT'S DESKS PROVIDED

8,700+

STUDENTS BENEFITTED

Handing over ceremony of Vardhman Block at Government Senior Secondary Smart School, Sekhewal

Handing over ceremony of Vardhman Block at Government Senior Secondary School, Ladhowal

Corporate Social Responsibility

Awarded for CSR initiatives

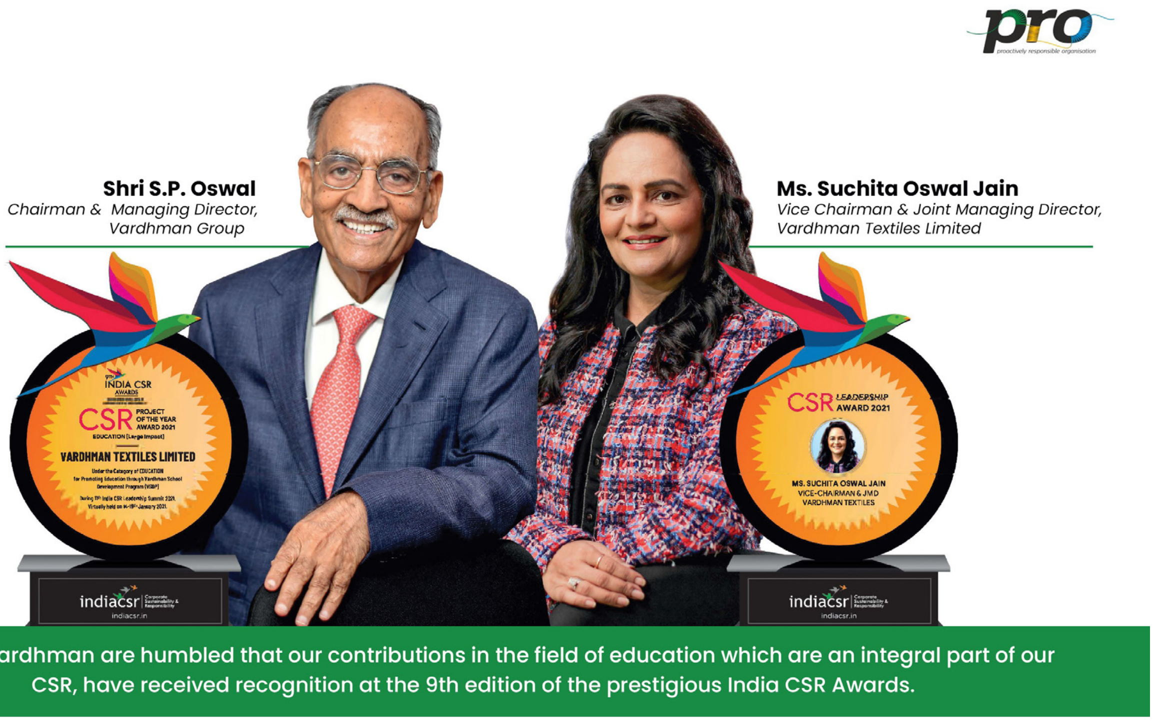
India CSR Award for Promoting Education

India CSR is one of the India's biggest CSR news portal. The platform dedicatedly hosts Indian CSR leaders and also organizes summit for countrywide CSR initiatives. The Company was bestowed with India CSR Project of the Year Award [Education] (large impact) in Textile sector 2021 for Vardhman School Development Program (VSDP) – a CSR initiative aimed at making quality education accessible to the underprivileged section of the society.

The program has 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's desks, computer systems etc. 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.

India CSR Leadership Award 2021

Ms. Suchita Jain, Vice-Chairperson & Joint Managing Director, was honoured with the India CSR Leadership Award 2021 for her exemplary work and contribution towards Corporate Social Responsibility and Sustainable Development.



Project NANDINI

To spread awareness about Menstrual Hygiene Management (MHM) and to break the taboo associated with periods, we launched Project Nandini in five Government Schools of Ludhiana (Punjab) in the year 2019. The project was welcomed by schools and within a short span of time, ten government schools became a part of this initiative. Owing to project's success, it has been further extended to Baddi region in Himachal Pradesh, covering three slums besides four government schools. So far, over 5,500 adolescent girls have been benifitted and 7,000 villagers have been educated on MHM under this program. Under the project, awareness sessions are organized to help young girls understand the natural / biological process and break the myths associated with menstruation. 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

2
STATES - PUNJAB & HIMACHAL PRADESH

9
GYAN VIGYAN MELA (EDUCATION FAIR) ORGANISED FOR VILLAGERS

14
GOVERNMENT SCHOOLS

5,500
ADOLESCENT GIRLS BENIFITTED

7,000
VILLAGERS PARTICIPATED IN FAIR

3
SLUM AREAS COVERED

Sanitary Napkins Vending Machine installed in School

Awareness Session of Girls on MHM under Project Nandini

Corporate Social Responsibility

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.

In FY 2020-21, financial grants of ₹ 30 lac and ₹ 25 lac respectively were provided to Postgraduate Institute of Medical Education and Research (PGIMER), Chandigarh and Dayanand Medical College and Hospital (DMCH), Ludhiana for the treatment of economically weaker patients. We provided several medical equipment to different hospitals in Punjab, Himachal Pradesh and Madhya Pradesh. Digital X-Ray along with CR System was provided to Community Health Centers in Pir Saluhi (District Kangra) and Bali Chawkai, (District Mandi) in Himachal Pradesh. To Civil Hospital in Malerkotla, Cell Counter Machine was provided. Eye lab equipment has been provided to Police Hospital, Sangrur.

To help combat COVID-19, financial support of ₹ 1.5 crore was provided to set up Level 3 Covid ward at Christian Medical College & Hospital, Ludhiana. The facility is equipped with ventilators, oxygen concentrators and other crucial medical support devices for highly critical patients. Besides, we established make-shift hospitals and quarantine centers, distributed PPE Kits, Masks & Sanitizer etc. to front line warriors and doctors in Punjab, Himachal Pradesh and Madhya Pradesh.

Handing over the cheque to DMCH, Ludhiana for poor patients fund

Vaccination Camps

Key Highlights

4
3 STATES (MP, HP & PUNJAB) & 1 UNION TERRITORY

14
HEALTH INSTITUTIONS COVERED

1,01,302 +
BENEFICIARIES

₹ 50 Lac
WORTH OF MEDICAL EQUIPMENT

₹ 199 Lac
FOR COVID-19

₹ 100 Lac
TO POOR PATIENTS FUND

Make-Shift Hospital for Covid patients at Baddi, H.P.

Rural Development

We continuously strive to bridge the access gap and minimize the struggle rural communities face for basic needs like safe drinking water, sanitation, hygienic living conditions, healthcare facilities etc.

To ensure the availability of safe drinking water, 7 bore wells and 5 Hand pumps were installed in the neighbouring Villages of Budhni, Madhya Pradesh. We extended our support for the construction of toilets at Budhni Tehsil and provided other essential amenities to improve hygiene and sanitation facilities for the villagers coming to this office.

We also took an initiative to illuminate 32 villages of Dheem Kataru Panchayat at Jenjheli, (District Mandi) Himachal Pradesh by installing 148 Solar Street Lights. Another 137 Solar Street Lights and Open Gym were installed in 42 Villages of Dev Block, Pragpur, Kangra, Himachal Pradesh. Vardhman also extended support for the development of Ponds (for Water harvesting) in the villages of Ludhiana.

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 of cotton.

Key Highlights

5
HAND PUMPS

7
BORE WELLS

285
SOLAR LIGHTS INSTALLED

27,100
VILLAGERS BENEFITTED

Solar Street Lights at Kangra, Himachal Pradesh

Borewell & Hand pump at a neighboring village in Budhni, Madhya Pradesh

Corporate Social Responsibility

Welfare for Armed Forces Veterans

To express our gratitude and thanks to the Brave Hearts of our country, we made financial contribution to Kendriya Sanik Board and District Sanik Board, Ludhiana. 63 Rashtriya Rifles (Bihar) was provided with 150 Blankets, 100 Track Suits and 50 Wheel Chairs for Ex-Servicemen and Veer Naaris while 100 Blankets were handed over to 1971 war veterans to convey our respect and regards.

Soldiers reaching out to remote areas to handover wheel chairs, blankets, etc. to war widows and war veterans.

Board of Directors

Mr. Shri Paul Oswal, aged 79 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 54 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 53 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 is having experience of more than 28 years in Textile Industry. She was instrumental in starting Fabric manufacturing (both grey and processed).

Mr. Neeraj Jain, aged 54 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 29 years with the Group in finance and yarn business.

Mr. Prafull Anubhai, aged 83 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 48 years. He is associated with educational and research institutions like Indian Institute of Management (IIM, Ahmedabad).

Mr. Sachit Jain, aged 55 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 31 years in Textile and Steel Industry.

Dr. Subash Khanchand Bijlani, aged 78 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 56 years.

Mr. Ashok Kumar Kundra, aged 78 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 47 years of experience in Central Govt. Ministries and various departments in the State of Punjab.

Dr. Parampal Singh aged 48 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 47 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.

Management Discussion & Analysis

Global Textile Industry

COVID-19 pandemic has severely affected all sectors of global economy especially those, where physical social interaction have significant influence upon demand factors. Textiles and clothing is one such industry, where lockdowns, social distancing norms and travel regulations announced by the government have impacted a lot in terms of demand for textile and clothing products on one side and created serious supply side challenges on other side. Sharp decline in USA's textiles and clothing imports by about 20% in 2020 over 2019 well captured this trend. USA's textile and clothing imports from China declined by 30%, from India's by 15%, Vietnam's by about 8% and Bangladesh by more than 10% in 2020 over 2019. The overall exports of aforesaid leading textiles and clothing exporters to world has shown similar negative trends. It is estimated that Global textile & apparel market shrunk by 22%, coming down from US$ 1,635 billion in 2019 to US$ 1,280 billion in 2020. The consumption is expected to reach to pre-Covid levels in coming years and till that time, the recovery is likely to uneven linked with COVID-19 pandemic management by World community.

Amidst COVID-19 challenge, the restructuring of global textile industry has been taking place. This restructuring seems to be more pronounced in apparel manufacturing for exports. During 2019 and 2020, China, which is largest exporter of apparels lost about USD 38 bn worth clothing exports to competing countries namely Bangladesh, Vietnam and Cambodia. Though, India could not garner any significant share in relocation of apparel manufacturing. Further, the direction of world textile material export like fabric and other textile material also shows that China emerged as largest supplier of fabric and other textile material to these apparel exporting countries in Asia.

The shipment of textile machinery like spindles and shuttle-less looms also confirms this trend where China and India are prominent destinations of such machinery while knitting machines seems to be going to Cambodia, Vietnam and Bangladesh prominently. Taken together, global textile industry is restructuring but within Asia primarily.

Another important feature of world textile industry is growing use of Manmade Fibre (MMF) in textile manufacturing linked with its cost competitiveness over natural fibre and China has edge over its competitors in MMF manufacturing capacities as well as cost competitiveness. Accordingly, China's dominance in textile fibre processing in world is likely to be continued in coming years on this account and world may see increased use of MMF based textile and clothing products in years to come.

Indian Textile Industry

The Indian textile industry is about USD 120 bn presently comprising of about USD 35 bn exports (pre-Covid 19 year) and about USD 85 bn domestic market. Besides cotton yarn, India's performance in export sector has not been promising as India could not take any significant share in relocation of apparel exports. The domestic market has traditionally been growing by 6-8% in pre-Covid years but may take some more years to achieve same level of growth. Nevertheless, the gap created in supply pipe line due to Covid-19 has given some push to the textile manufacturing, which has made quick recovery in manufacturing of textile materials like yarns and fabrics for domestic and exports market. However, any significant and sustainable growth in the textile industry hinged upon restoration of normal social and economic conditions in the world including India.

Exports focus

Exports will be performing a critical role in making Indian economy a USD 5 trillion economy which is visible in the initiatives taken by our Hon'ble Prime Minister in accelerating exports. We are quite hopeful that the textile sector will get its due share of emphasis in the policy framework of the Govt. designed to achieve the exports target of USD one trillion by 2028. Among others, Rebate of State and Central Taxes and Levies (ROSCTL) Scheme for apparels and Made-ups, which may get further extended, along with Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme for other textile products and Production Linked Incentives (PLIs) Scheme are likely to go a long way in addressing cost disadvantages hurting textile and clothing exports and will make them globally competitive. Buoyed by the Indian Government's export facilitation measures, textile and clothing exports are well set to grow substantially in the coming years.

World Cotton Outlook

World cotton production is expected to rise by 6 percent in the cotton year 2021-22 (26 million tons) from the last year 2020-21 (24.5 million tons), with harvested area rising in some cotton producing countries. Global cotton consumption is expected to grow by 3.8% in the year 2021-22 from last year, as the world economy continues its recovery from the severe downturn in 2020. Global cotton consumption is projected at 26.8 million tons in the year 2021-22 against 25.8 million tons in the year 2020-21. Closing stocks will also come down from 19.9 million tons in 2020-21 to 19.1 million tons in 2021-22.

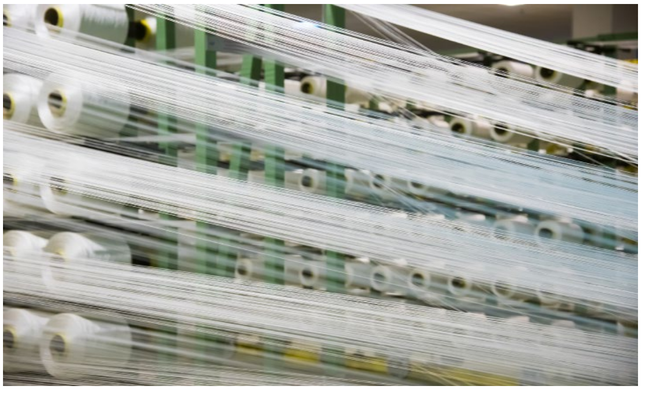
Indian Cotton Outlook

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 2020-21 in India was about 13.3 million hectares which is likely to remain more or less same at 13 million hectares in the year 2021-22.

India's 2020-21 production is estimated at 360 lac bales (Indian Size 170 kg), down roughly 2 percent from the preceding year primarily because of lower yield. Nonetheless, India's crop matched the level witnessed three years ago, and is tied for the fourth largest on record. Harvested area is estimated at 13.3 million hectares, the second highest level and down marginally from 2019-20's record of 13.4 million hectares. India's 2020-21 yield is estimated at 475 kg/hectare, down roughly 1 percent from the previous season.

The estimation for production of cotton crop for the 2020-21 season is at 360 lac bales of 170 kgs each. The cotton consumption in the year 2020-21 was earlier projected to be at 330 lac bales of 170 kgs each[1]. However, it has now been revised to 315 lac bales considering the lower demand in domestic market amidst the prevailing second wave of the COVID in the country.

Import of cotton is estimated to be 11 lac bales of 170 kgs each in 2020-21 against 15.50 lac bales of 170 kgs each in 2019-20. Export of cotton is estimated to be 65-70 lac bales in 2020-21.



[1] As per Cotton Association of India (CAI)

Financial Review

Particulars	FY 2020-21 (₹ in crore)	FY 2019-20 (₹ in crore)	Change (%)
Revenue from Operations	5,788	6,325	-8.49
Operating Profit (EBITDA)	929	1,055	-11.94
Finance Cost	111	133	-16.54
Depreciation Cost	350	319	9.72
Profit Before Tax	467	603	-22.55
Profit After Tax	350	545	-35.78

Financial Ratios

Particulars	2020-21	2019-20	Change (%)
Debtors Turnover Ratio (Days)	62	46	34.78
Inventory Turnover (Days)	165	145	13.79
Interest Coverage Ratio (Times)	7.41	6.98	6.16
Current Ratio (Times)	9.21	7.17	28.45
Debt Equity Ratio (Times)	0.35	0.39	-10.26
EBIDTA Margin (%)	16.05	16.68	-3.78
Net Profit Margin (%)	6.05	8.62	-29.81
Return on Net Worth (%)	5.81	9.63	-39.67

The Financial ratios for the FY 2020-21 are not comparable with that of FY 2019-20 as the business of the Company remained affected due to pandemic.

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 organisation climate based on human performance. The Management has been continuously endeavouring in fostering high performance culture in the organisation. During the year the Company employed around 20916 employees on rolls. Further, industrial relations remained peaceful and harmonious during the year.

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 2020-21 (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: 2020-21
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 2 Liaison offices in Hong Kong and 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): ₹ 57.56 crore
2. Total Turnover (INR): ₹ 5,787.64 crore
3. Total profit after taxes (INR): ₹ 350.41 crore
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 2.49
5. List of activities in which expenditure in 4 above has been incurred: Refer to Summary of CSR initiatives on page 54-63.

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

S. No.	Particulars	Details
1	DIN number	00340459
2	Name	Mr. 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 OHSAS 18001: 2007	Y OHSAS 18001: 2007	Y OHSAS 18001: 2007	Y OHSAS 18001: 2007	Y ISO 14001: 2015 OHSAS 18001: 2007	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)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	**The Company has not understood the Principles**	N.A.								
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/user_files/investor/Vardhman%20Textile%20BRR.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 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, 2021, the Company has 9 directors on its board (including the Chairman), of which 5 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' Relationship Committee. The Committees meet periodically during the year to supervise, review performance and advice on the necessary directions 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 the 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 link https://www.vardhman.com/investor-desk#!company_information.

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 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 link https://www.vardhman.com/investor-desk#!company_information.

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 the 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 on 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 towards Sustainable development.

Responsible Sourcing of Raw Material

Cotton is a natural fibre grown in the farms. Cultivating cotton involves skill as well as preparation. Testing soil for fertility, climatic conditions, geographic factors etc. are crucial to the production of this natural fibre. What is more challenging is to retain the fertility of the land where it is produced and ensure 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 on-going with the goal to improve the yield, introduce modified cultivating practices, reduce production cost, minimize the use of harmful pesticides and inorganic fertilizer, conserve natural resources like soil and water, provide 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, financial contribution was made to the Cotton Collaborative Project of 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 the sustainable cotton programs.

Rural Development

The spirit of India lies in its villages and without the development of rural India, the growth of the country can only be partial. Project Pragati is one of the primary rural development programs run under Better Cotton Initiative under which several villages have been adopted and thousands of farmers trained to increase the yield. 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 constantly strive to offer healthcare facilities, education, hygienic living conditions and skill development opportunities to people living in villages.

Better Cotton Initiative

BCI is an approach to make cotton a sustainable commodity. 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 the crop management practices as contamination at 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, practices adopted by BCI farmers help in

- minimizing the harmful impact of crop protection practices
- promoting water stewardship
- caring for health of the 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, 1758 farmers and 3787 hectares of land, this project witnessed growth in leaps and bounds with the support from SME from Junagarh University.

Year	2016-17	2017-18	2018-19	2019-20	2020-21
Producer Unit	3	3	3	5	5
Villages	47	48	51	80	60
Farmers	8327	9456	10047	13949	9471
Learning Groups	223	252	268	379	250
Land	14719 hectares	15973 hectares	18254 hectares	24173 hectares	13703 hectares
License	3 year	Undergoing	Undergoing	3 years for 3 PUs & 2 years for 2 PUs	2 PUs in 2nd year of license
Production of BCI Bales	60,660	75,548	88,427	1,01,000	42,900

*Because of COVID-19, BCI Project Pragati was scaled down as frequent movement was not possible.

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 effect of pesticides.
5. Involving women in the mainstream economy and spreading awareness about the importance of education, 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)

Recycled and Manmade Fibres

Cotton, Polyester and other fibres are recycled to minimize the waste. In addition to the fibres purchased from outside, we have processed more than 1,400 tons of waste in FY 2020-21 to create recycled products.

Quality	In Metric Tons approx	Basic Value (in lac) approx
Organic	8,000	1,200
BCI	69,400	8,675
Recycled Cotton	425	314
Recycled Polyester	7,700	6,160

Artificial fibres like Lenzing Modal and Tencil are renewable fibres made with an efficient close-loop technology. These fibres have negligible impact on environment as compared to their alternatives. Committed to sustainable forestry, these fibres are made with green technology and mark themselves as the future of textile industry. Major benefits of these manmade fibres are:

1. These fibres are made with wood pulp from trees which have the potential to rejuvenate themselves.
2. No chemical fertilizers or artificial irrigation facility 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 and lifetime of product.
7. Minimal Waste.

New Sustainable Specialty fibres added during the year 2020-21 are:

Quality	In Metric Tons approx	Basic Value (in lac) approx
Ecomade Coolmax & Thermolite	82	345
Recycled Cocona	30	104
Refibra	7.5	18

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.

Water Treatment

We have installed 3 Effluent Treatment Plants (ETPs) and 7 Sewage Treatment Plants (STPs) which utilize advanced technology to annually treat about 5.47 million KL and 1.22 million KL of waste water respectively. The treated water at Budhni is recycled and reused, saving about 3.06 million KL of fresh water annually. At Baddi, about 4.672 million KL of effluent from three units - Auro Textiles, Auro Textiles II 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 our largest integrated facility at Budhni, we have installed 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 Bio-oxidation process. Despite the fact that 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. 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 and 91-95% BOD removal to treat 0.73 million KL of effluent annually.

Along with meeting the prescribed standards of treated water, we are using all of the STP treated water in plant operations, irrigation and horticulture. 25% of the processed water is reused in fabric processing and acrylic washing. It is our constant endeavor to improve this figure by continuously monitoring and researching on potential water saving opportunities.

Water Recharge

So as to contribute towards replenishment of ground water, we have been continuously investing in water conservation initiatives. Since 2005, we are working on ground water recharge and have till now installed 52 Rain Water Harvesting Systems (RWH) within our premises. These rain water harvesting systems have the capacity to recharge 1.75 million KL water annually.

ENERGY CONSERVATION

We keep investing in energy-efficient technologies and renewable energy to improve energy security. With an emphasis on green energy and alternative sources of energy, we have successfully achieved a downward trend in energy consumption per unit of produce. Electricity is a major requirement for the industry and so is looking for measures to make optimum use of electric energy. With an approach for "Less input, more output", we constantly strive to minimize the energy consumption and maximize the output.

Due to our following endeavors for saving energy, we have saved 284.17 lac kWH of energy in FY 2020-21:

Energy Saving Measures Implemented during F.Y. 2020-21
Replacement of conventional lighting fixture with energy efficient LEDs.
Replacement of sodium lamp fixture with energy efficient LED fixture.
Replacement of conventional street lights with energy efficient LED lights.
Installation of timer on under-loom lighting LED fixtures for inspection of fabric.
Installation of roof mounted solar plant (renewable energy source) to reduce carbon emission.
H plant optimisation by reducing frequency of VFDs and turning off the fans in winter season.
Suction pressure optimization in FDP plant of carding section by reducing the size of the pulley hence reducing load on motor.
Reduction in power losses by shifting the source of supply to a nearer transformer i.e by reducing the length of cable.
Modification & replacement of H-plant washer pump line to increase pressure, thus reducing the frequency of operation.
Installation of variable frequency drives.
Replacement of old rewound motors with energy efficient IE3 Motors.
Conversion of motor starting method from star delta starter to variable frequency drive.
Installation of timer on over head travelling cleaner in place of continuous running.
Replacement of old compressor with new energy efficient screw air compressor.

Renewable Energy

Two major initiatives towards green energy undertaken by us are:

- **Biogas plants**

  For solid waste management and generation of energy from renewable sources, we have established Biogas plants with a total capacity of 7MT/day at two of our locations – Auro Textiles, Baddi and Vardhman Fabrics, Budhni. Altogether, both plants have a capacity to generate 120 kg/day of biogas from organic waste. This gas is put to use at canteens and mess facilities for cooking, while the residual is used as manure for horticulture.

- **Composting**

  The composting system set up for kitchen waste generates manure and is used for green areas at our premises.

Solar Power

Solar Power Plants with total capacity of 13.1 MW are installed at Vardhman Fabrics and Vardhman Yarns in Madhya Pradesh for generation of 2.51 crore kWH/annum of electricity, subject to irradiance availability.

Solar powered kitchen automation equipment are installed in four of our units. We also utilize solar energy in water heaters at several of our hostels and residential campuses.

Air

Climate change, emissions of greenhouse gases, depletion of ozone etc. are indicators of the deteriorating quality of air. We execute our responsibility towards restricting emissions by enhancing the energy efficiency of our processes as well as investing in low-carbon technologies. Over the years, a focused drive to improve the efficiencies of our operations has resulted in managing emissions to a significant extent. Some major initiatives taken are:

- Reduction in GHGs: Practices are adopted to reduce the emission of greenhouse gases such as Carbon Dioxide, Methane, Nitrous oxide etc.

- Sequestration: Trees, plants and other forms of vegetation play a great role in reducing the Carbon dioxide levels. For effective sequestration of Carbon dioxide, we promote afforestation, tree plantation and planting of various types of vegetation.

Plantation of trees and developing green belt remains our focus every year. Not only we maintain green areas within our premises, but also take the responsibility of generating awareness in masses about the need for planting more and more trees. Our employees enthusiastically participate in this drive and we have, till date, planted over 4.5 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 – 24,111 (including contractual manpower)
2. Total number of employees hired on temporary/ contractual/casual basis –3,195
3. Number of permanent women employees – 5,460 (does not include contractor female employees)
4. Number of permanent employees with disabilities- 30
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- 79.67%

   (b) Permanent Women Employees- 82.59%

   (c) Casual/Temporary/Contractual Employees- 78.46%

   (d) Employees with Disabilities- 63.43%

   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/user_files/investor/Policy%20on%20Prohibition%20of%20Child%20Labour.pdf

   Anti-Sexual – https://www.vardhman.com/user_files/investor/Anti%20Sexual%20Harassment%20Policy.pdf

   Bonded Labour - https://www.vardhman.com/user_files/investor/Forced%20Bonded%20Labour%20Prohibition.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 more than 26% 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.

Stakeholder group	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 sales services to our customer. Post sales 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, issues like global warming and degradation of environment owing to over exploitation of resources are threats to existence of life on the planet. These challenges, however, are seen as opportunities to create sustainable products and manufacturing mechanisms at Vardhman. We invest heavily in developing future-ready technology and innovative solutions to minimize the strain textile industry puts on the environment. Alternative energy, optimum consumption and replenishment of natural resources are some of the initiatives undertaken to back our goal of sustainable development. Dedicated teams have been deployed to devise and implement strategies to manage the environmental risks. In our endeavor to protect and restore environment, following steps have been initiated:

   a) Treatment of process effluent: We have established independent ETPs in major units and at other units, the effluent is treated at CETPs.

   b) Zero Liquid discharge (ETP, RO, MEE) system is installed at the largest integrated unit in Budhni to recycle entire waste water and make it fit for re-use in process.

   c) Sewage Treatment Plants have been installed for the treatment of domestic sewage. The treated STP water is consumed in process, gardening and flushing.

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

   e) Ground water recharge is done through Rainwater Harvesting Systems.

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

   These steps help in the reduction of 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 highest priority to the safety of human lives. New recruits have to mandatorily pass through Safety training before they are posted on the shop floor. While

there are regular refresher programs for employees at each level, visitors too are given security instructions before entering the premises so as to ensure workplace safety and minimize the probability of accidents.

In the light of ongoing 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 safekeeping 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 CPCB/SPCB authorized recyclers & TSDF.

5. We have not registered ourselves under any project for Clean Development mechanism but have undertaken several initiatives on our own for clean, eco-friendly and sustainable growth.

   Clean Technology: We utilize Aaga system, an organic composter to compost the food waste. By decomposing food waste generated from colonies, canteens, hostels etc., we have been meeting our cooking gas requirements through bio-gas plants at two of our locations – Auro Textiles, Baddi and Vardhman Fabrics, Budhni. These plants are capable of generating 120 kg/day of bio-gas. The remaining compost is used as manure in the green belt development inside the premises.

   Solar water heaters have been installed at our hostels and campuses while Solar Kitchen Automation equipment are being used for cooking in 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 a regular feature.

   Reduction in water usage: Treatment of wastewater and its utilization in gardening, process activities, flushing etc. results in reduction in the amount of usage of fresh water. For a limited natural resource like fresh water, conservation is a primary responsibility of the human kind. 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 include using jet hand dryers in washrooms to minimize usage of tissue rolls, printing on both sides of paper and generating awareness in employees to shift to paperless office model.

   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 4.5 lac saplings.

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

6. The emissions at our units are within the permissible limits of applicable State and Central Pollution Control Boards.

7. The EHS policy is available on the Company's website at the link https://www.vardhman.com/user_files/investor/EHS%20Policy.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

Through CSR (Corporate Social Responsibility) initiatives as well as an ingrained mechanism for sustainable development in core business activities, Vardhman supports the principle of inclusive growth and equitable development. The Company has in effect, a detailed CSR policy monitored by a CSR committee appointed by the Board of Directors. CSR initiatives at Vardhman are developed with key emphasis on promoting education, offering advanced healthcare facilities, contributing to rural development, conservation of environment etc. The areas of emphasis are covered in Schedule VII of the Companies Act 2013.

A number of CSR programs are pursued profoundly within the 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 this principle are developed and executed by:

a) In-house teams

Our in-house teams remain vigilant and actively engaged with the marginalized section including farmers and local communities. These teams carry out need assessment 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 for the cause. Close monitoring for the optimum utilization of resources invested helps in ensuring 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 opportunity to learn and grow.

Women Empowerment and the Right to Equal Opportunity

Offering an equal opportunity to women employees; allowing them to share the responsibility of development of the nation is critical to the working culture at Vardhman. We see women as a human resource that if utilized to its optimum potential can contribute a great deal to the development of 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, offer favourable working conditions and healthy lifestyle in order to connect them to mainstream economy.

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. 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 in CSR (2020-21)

Promoting Education: Infrastructure, amenities and awareness.

1. Construction of Vardhman Block comprising of 10 well-equipped Classrooms and separate toilets for girls & boys completed at Government Senior Secondary School, Ladhowal, Ludhiana, Punjab. Project cost is ₹ 1.77 crore.
2. Upgrading the infrastructure of Sri Aurobindo College of Commerce and Management, Ludhiana, Punjab. Project cost is ₹ 2 crore.
3. Construction of Mother Auditorium with a seating capacity of 800 people at Sri Aurobindo College of Commerce & Management, Ludhiana. The estimated project cost is ₹ 14 crore.
4. Sponsored education of four tribal students of Auro Mira Vidhya Mandir, Village Ketchla, Odisha. The project cost is ₹ 2 lac.
5. Provided financial aid of ₹ 5 lac to Nirdosh School, Ludhiana. The NGO, for last 42 years, is working for rehabilitation of the children suffering from Autism and other mental disorders.
6. Renovation, painting & water proofing of school building and repairing of floor in classrooms initiated at Govt. Middle & Primary School Pilikarar, Budhni, Madhya Pradesh. The estimated project cost is ₹ 8.49 lac.

7. Construction of toilets and drinking water facility at Government Primary School Murrah, Budhni to improve the hygiene and sanitation facilities. The estimated project cost is ₹ 5.61 lac.

8. Behavior Momentum India Foundation provided financial support of ₹ 2 lac for purchase of equipment for its Vocational Training Unit for adult with autism.

9. Project Nandini – an initiative to promote awareness about menstrual hygiene management among adolescent girls & rural women – extended to Baddi region in Himachal Pradesh with Himalaya 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.

10. Financial support of ₹ 6 lac to Hunar Vikas Kendra run by District Administration, Ludhiana for skill development of youth.

Promoting National Sports, Art & Culture:

Provided sports T-Shirts to players in a cricket tournament at Budhni.

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 60 villages and 9471 farmers. The project cost is ₹ 63 lac.

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

3. Constructed toilets and other facilities at Tehsil Office, Budhni to improve hygiene and sanitation facilities.

4. 148 Solar Street Lights installed at 32 villages of Dheem Kataru Panchayat at Jenjheli, Mandi, Himachal Pradesh. Project cost is ₹ 21 lac.

5. Provided 137 Solar Street Lights and Open Gym in 42 villages of Dev Block, Pragpur, Kangra, Himachal Pradesh. The project cost is ₹ 23 lac.

6. Installed 7 bore-wells and 5 Hand-pumps in the neighboring villages of Budhni, Madhya Pradesh to provide safe drinking water. Project cost is ₹ 10.50 lac.

7. Development of 3 village Ponds in Giridih, Jehangir & Bilaspur villages of Ludhiana.

Protecting Environment:

₹ 2 lac provided to Sardar Gurbachan Singh for spreading awareness among farmers to stop Stubble burning in Punjab.

Welfare of Armed Force Veterans:

1. ₹ 5 lac provided to Kendriya Sainik Board to support the families of Brave heart soldiers and for their welfare schemes.

2. 150 Blankets, 100 Track Suits and 50 Wheel Chairs provided to Ex- Servicemen, Veer Naaris & Widows of 63 Rashtriya Rifles (Bihar). Project cost is ₹ 6.20 lac.

3. 100 Blankets costing ₹ 2 lac provided to veterans of 1971 war.

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

Medical Equipment:

1. Equipment worth ₹ 118 lac including Monitor (10), Defibrillator (2), Nebulizer (10), Video Laryngoscope, Bronchoscope, Ultrasound Machine & Probe, Flow Trac, AC and Body Freezer, Potable X-Ray Machine & BiPAP Machine (20), Non-invasive ventilator etc. provided to Christian Medical College & Hospital, Ludhiana, Punjab to set up a new COVID CARE Ward for critical patients.

2. 15 SOB Profile Test Kits and Water Cooler with UV Filter worth ₹ 1.60 lac provided for COVID Isolation Ward & High Dependency Care Unit (HDCU) of Civil Hospital, Ludhiana, Punjab.

3. 6000 PPE Kits provided to front line workers and Doctors of Government run and Charitable Hospitals of Ludhiana (Punjab), Baddi (HP), Budhni & Mandideep (MP) to fight COVID-19.

4. Eye & Dental Department of Police Hospital, Sangrur, Punjab provided with equipment worth ₹ 10 lac including Slit Lamp, Computerized Eye Testing Machine, Digital Distance Eye Testing Led, Eye Chair, OPG Machine, Compressor, Microscope and Multipara Monitor.

5. Mahatma Gandhi Memorial Medical College Indore, MP provided with Covid testing equipment worth ₹ 35 lac.

6. PPE Kits worth ₹ 43,000 provided to front line workers and Doctors of District Hospital Raisen, MP.

7. Oxygen Cylinders worth ₹ 3.50 lac provided to Government Hospital, Budhni, MP.
8. PPE Kits & Sanitizer worth ₹ 1.50 lac provided to district administration and Hospitals in Baddi, HP.
9. Financial assistance of ₹ 85,000 for establishing a Covid Sampling Kiosk at Community Health Centre, Baddi, Himachal Pradesh. Besides three ply surgical masks and gloves worth ₹ 1.09 lac were also provided.
10. Face masks, Gloves, Hand wash & Sanitizer worth ₹ 4.45 lac provided to Community Health Centers of Baddi and Nalagarh in Himachal Pradesh.
11. Digital X-Ray Machine worth ₹ 15 lac provided to Community Health Centre, Pir Saluhi, Dev Block, Pragpur, Kangra, Himachal Pradesh.

Medical Grants

1. Financial grant of ₹ 30 lac to Poor Patients Welfare Fund of Post Graduate Institute of Medical Education & Research (PGIMER), Chandigarh.
2. ₹ 30 lac contributed to the Cancer Treatment Fund of Christian Medical College & Hospital (CMCH), Ludhiana for diagnosis and treatment of economically weak cancer patients.
3. ₹ 25 lac contributed to Poor Patients Fund of Dayanand Medical College & Hospital (DMCH), Ludhiana.

Contribution to combat Covid 19:

1. Installation of flex board and posters in Ludhiana, Punjab for covid awareness. Project cost is ₹ 1.80 lac.
2. Distributed rations kits and everyday essentials to Old Age Home (Nishkam Sewa Ashram & Swami Vivekanand Swarg Ashram) of Ludhiana during lockdown.
3. Distributed rations kits / wheat flour bags to people in need during lockdown in Baddi (HP) and Bhopal (MP).

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 access 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 online on its website at the following link: https://www.vardhman.com/investor-desk#!company_information

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 3-4%.
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 section 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 48th Annual Report of the business and operations of the Company along with the Audited Financial Statements for the year ended 31st March, 2021.

1. FINANCIAL RESULTS:

The financial performance of your Company for the year ended 31st March, 2021 is as under:-

(₹ in crore)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2020-21	2019-20	2020-21	2019-20
Revenue from Operations (Net)	5,787.64	6,325.15	6,139.87	6,735.00
Other Income	189.47	171.98	201.56	174.47
Profit before Depreciation, Interest & Tax (PBDIT)	928.72	1,054.76	1,036.03	1,123.96
Interest and Financial expenses	111.43	132.54	113.32	135.27
Profit before Depreciation and Tax (PBDT)	817.29	922.22	922.71	988.69
Depreciation	350.13	319.21	363.81	333.22
Profit before Tax (PBT)	467.16	603.01	558.90	655.47
Provision for Tax - Current	102.54	129.66	123.63	144.34
- Deferred Tax (Net of Adjustment)	14.21	(72.14)	12.80	(79.84)
Profit after tax (PAT)	350.41	545.49	422.47	590.97
Other Comprehensive Income/ (Expense)	4.55	(3.26)	4.75	(3.63)
Total Comprehensive Income for the period	354.96	542.23	427.22	587.34
Earnings per share (₹)				
- Basic	60.91	94.86	72.52	102.22
- Diluted	60.53	94.16	72.07	101.45

2. FINANCIAL ANALYSIS AND REVIEW OF OPERATIONS:

PRODUCTION & SALES REVIEW:

During the year under review, your Company has registered Revenue from Operations of ₹ 5,787.64 crore as compared to ₹ 6,325.15 crore in the previous year. The export of the Company (FOB value) increased from ₹ 2,509.71 crore to ₹ 2,670.30 crore showing an increase of 6.40% over the previous year. The business wise performance is as under:-

a) Yarn:

The production of Yarn decreased from 2,12,946 MT to 2,03,921 MT during the year 2020-21.

b) Fabric:

During the year, the production of grey fabric decreased from 206.7 million meter to 155 million meter. The production of processed fabric decreased from 141 million meter to 100 million meter.

STANDALONE:

Profitability:

The Company earned profit before depreciation, interest and tax of ₹ 928.72 crore as against ₹ 1,054.76 crore in the previous year. After providing for depreciation of ₹ 350.13 crore (Previous Year ₹ 319.21 crore), interest of ₹ 111.43 crore (Previous Year ₹ 132.54 crore), provision for current tax of ₹ 102.54 crore (Previous Year ₹ 129.66

crore), deferred tax (net of adjustments) of ₹ 14.21 crore (Previous Year ₹ (72.14) crore), the net profit from operations after comprehensive income worked out to ₹ 354.96 crore as compared to ₹ 542.23 crore in the previous year.

The balance available for appropriation after adding balance in surplus account is ₹ 4,493.87 crore.

Resources Utilisation:

a) Fixed Assets:

The Net Block as at 31st March, 2021 was ₹ 3,399.72 crore as compared to ₹ 3,481.12 crore in the previous year.

b) Current Assets:

The current assets as on 31st March, 2021 were ₹ 4,672.79 crore as against ₹ 4,478.16 crore in the previous year. Inventory level was at ₹ 2,624.20 crore as compared to the previous year level of ₹ 2,506.16 crore.

CONSOLIDATED:

Profitability:

The Company earned profit before depreciation, interest and tax of ₹ 1,036.03 crore as against ₹ 1,123.96 crore in the previous year. After providing for depreciation of ₹ 363.81 crore (Previous Year ₹ 333.22 crore), interest of ₹ 113.32 crore (Previous Year ₹ 135.27 crore), provision for current tax of ₹ 123.63 crore (Previous Year ₹ 144.34 crore), deferred tax (net of adjustments) of ₹ 12.80 crore (Previous Year ₹ (79.84) crore), the net profit from operations after comprehensive income worked out to ₹ 427.22 crore as compared to ₹ 587.34 crore in the previous year.

The balance available for appropriation after adding balance in surplus account is ₹ 4,803.01 crore. Out of this, a sum of ₹ 0.64 crore has been transferred to Statutory Reserve, a balance of ₹ 4,802.37 crore is proposed to be carried as surplus to the Balance sheet.

Resources Utilisation:

a) Fixed Assets:

The Net Block as at 31st March, 2021 was ₹ 3,526.57 crore as compared to ₹ 3,615.93 crore in the previous year.

b) Current Assets:

The current assets as on 31st March, 2021 were ₹ 5,202.21 crore as against ₹ 4,882.54 crore in the previous year. Inventory level was at ₹ 2,796.05 crore as compared to the previous year level of ₹ 2,681.05 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	2020-21	2019-20
Cash and Cash equivalents:		
Beginning of the year	148.46	37.43
End of the year	31.17	148.46
Net cash provided (used) by:		
Operating Activities	56.55	851.18
Investing Activities	(24.52)	(461.95)
Financing Activities	(149.32)	(278.19)

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:

The Board of Directors in its meeting held on 25th May, 2021 has recommended dividend of ₹ 17.50/- per share on the fully paid-up 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 2013-14 is due for remittance in the month of November, 2021 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 the 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. The details of the financials of the subsidiary and associate companies for the year 2020-21 are as follows:-

VMT Spinning Company Limited (VMT)

This 100% subsidiary of your Company is engaged in the business of manufacturing cotton and blended yarn. During the financial year 2020-21, VMT recorded Revenue from operations of ₹ 224.44 crore against ₹ 216.08 crore in the previous year. The net profit of the Company after comprehensive income worked out to ₹ 15.80 crore as compared to ₹ 9.47 crore in the previous year.

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 2020-21, VTL recorded Revenue from operations of ₹ 4.07 crore against ₹ 4.28 crore in the previous year. The net profit of the Company worked out to ₹ 3.31 crore as compared to ₹ 3.10 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 2020-21, VAL recorded Revenue from operations of ₹ 280.19 crore against ₹ 334.37 crore in the previous year. The net profit of the Company after comprehensive income worked out to ₹ 42.95 crore as compared to ₹ 45.99 crore in the previous year.

Vardhman Nisshinbo Garments Company Limited (VNGL)

This 100% subsidiary of your Company is engaged in the business of manufacturing men's shirts. During the year, the Revenue from operations of the Company was ₹ 35.72 crore as compared to ₹ 57.63 crore in the previous year. The Company incurred a net loss of ₹ 3.03 crore as against net loss of ₹ 0.90 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 ₹ 703.77 crore as against ₹ 842.00 crore in the previous year showing a decrease of 19.64%. The net profit for the year after comprehensive income worked out to ₹ 86.06 crore as compared to ₹ 104.67 crore during last year.

Vardhman Special Steels Limited (VSSL)

Vardhman Special Steels Limited is an Associate of the Company. The Company holds 23.97% shares of VSSL. The Revenue from operations of the Company was ₹ 937.08 crore as compared to ₹ 846.20 crore in the previous year. The net profit for the year after comprehensive income worked out to ₹ 44.82 crore as compared to ₹ 2.50 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 dealing in the business of Cotton and Fibre. During the year, the Company has not traded any goods. The Revenue from operations of the Company was ₹ 0.98 lac as against ₹ 1.28 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. Sachit 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: Mrs. Harpreet Kaur Kang was appointed as an Independent Director of the Company for a term of three (3) consecutive years w.e.f. 6th February, 2019. Since, her term is going to expire on 5th February, 2022, the Board of Directors in its meeting held on 25th May, 2021, recommended her re-appointment for the consideration of Members of the Company at the ensuing Annual General Meeting for a term of five (5) consecutive years w.e.f. 5th February, 2022.

Cessation from Directorship: During the year under review:

- Mr. D.L. Sharma left for his heavenly abode on 10th September, 2020 after being infected from COVID-19.
- Mr. R.M. Malla and Mr. D.B. Jain ceased to be Directors of the Company w.e.f. 26th September, 2020 and 8th November, 2020, respectively on completion of their second term of appointment.

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/user_files/investor/familarisation.pdf

Annual Evaluation of the Board Performance:

The meeting of Independent Directors of the Company for the financial year 2020-21 was held on 21st January, 2021, 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 have been formulated by the Company.

9. KEY MANAGERIAL PERSONNEL (KMP):

In compliance with the provisions of Section 203 of the Companies Act, 2013, following are the KMPs of the Company as on 31st March, 2021:

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 Five (5) 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:

At the Annual General Meeting held on 22nd September, 2017, Deloitte Haskins & Sells, LLP, Chartered Accountants (Firm registration No. 117366W/W-100018) ('Deloitte') were appointed as Statutory Auditors of the Company to hold office till the conclusion of 49th Annual General Meeting of the Company.

Further, the Statutory Auditors of the Company have submitted Auditors' Report on the accounts of the Company for the accounting year ended 31st March, 2021.

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 23rd June, 2020 for the financial year 2020-21.

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, 2021. 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 2021-22. 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 2021-22 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/user_files/investor/VTXL-%20VIGIL%20MECHANISM%20POLICY.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 Auditors 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/user_files/investor/CSR%20Policy%20final.pdf

During the year, the Company has spent ₹ 8.74 crore on CSR activities.

The disclosures related to CSR activities pursuant to Section 134(3) of the Companies Act, 2013 read with Rule 9 of Companies (Accounts) Rules, 2014 and Companies (Corporate Social Responsibility) Rules, 2014 is annexed hereto and 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/user_files/investor/Dividend%20Policy.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/user_files/investor/a4c0a8b00e407cd507553ea7db7f06e89de1272a1436265025.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/user_files/investor/RELATED_PARTY_TRANSACTION%20-%20VTXL.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:

Pursuant to the provisions of Section 134(3)(a) of Companies Act, 2013, the web address of the Annual Return of the Company is https://www.vardhman.com/user_files/investor/MGT-9_2020-21.pdf

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, 2021, the Company employed around 20,916 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. However, the details regarding remuneration or commission received from any subsidiary company of the Company by any Managing or Whole Time Director is annexed hereto and forms part of this report.

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 the 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, 2021 and of the profit of the Company for the year ended on 31st March, 2021;

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 the Company.
5. No fraud has been reported by the Auditors to the Audit Committee or the Board.
6. There is no Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016.

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 to eligible employees from time to time. One option entitles the holder to apply for one equity share of the Company in terms of ESOP Plan. During the financial year 2020-21, 43,800 equity shares were allotted to the eligible employees. So, the paid-up equity share capital of the Company stood increased to ₹ 57,56,25,600 as on 31st March, 2021.

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 Auditors 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/user_files/investor/ESOP%20Disclosure-2020-21.pdf

29. ACKNOWLEDGEMENT:

Your Directors are pleased to place on record their sincere gratitude to the Government, Financial Institutions, 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 : 25th May, 2021

(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 2020-21.
III	Annual Report on CSR Activities for the Financial Year 2020-21.
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, 2021

[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, 2021 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, 2021 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) Regulations, 2014;

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(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, 2009 -Not applicable to the Company during the Audit period; and

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. -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. referredto above.

For **Ashok K Singla & Associates,**
Company Secretaries,

Sd/-
Ashok Singla
Proprietor
Membership No. 2004
Certificate of Practice No. 1942
UDIN: F002004C000364731

Date: 25th May, 2021
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 Environment (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 Wastes (Management, Handling and Trans boundary Movement) 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: F002004C000364731

Date: 25th May, 2021
Place: Ludhiana

ANNEXURE- III

Annual Report on CSR Activities for the Financial Year 2020-21

1. Brief outline on CSR Policy of the Company:

The focus areas of the Company under its CSR programme include promotion of education, preventive health care, rural development, skill enhancement, environment protection and other projects 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	2
2.	Mr. Sachit Jain	Member, Non-Independent, Non-Executive Director	3	0
3.	Mr. Neeraj Jain	Member, Non-Independent, Executive Director	3	3

* Mr. D.L. Sharma ceased to be a Member of the Committee w.e.f. 10th September, 2020.

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/user_files/investor/VTXL_Committeee%20Memberships%202021.pdf

Link of Policy - https://www.vardhman.com/user_files/investor/CSR%20Policy%20final.pdf

Link of CSR Projects - https://www.vardhman.com/investor-desk#!compliances

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

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.		NIL	NIL

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

₹ 71,187.67 lac

7.

7 (a)	7 (b)	7 (c)	7 (d)
Two percent of average net profit of the company as per section 135(5)	**Surplus arising out of the CSR projects or programmes or activities of the previous financial years**	**Amount required to be set off for the financial year, if any**	**Total CSR obligation for the financial year (7a+7b-7c)**
₹ 1,423.75 lac	NIL	NIL	₹ 1,423.75 lac

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)		
2020-21	**Amount**	**Date of transfer**	**Name of the Fund**	**Amount**	**Date of transfer**
873.71	550.04	29th April, 2021	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year: 2020-21

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	Construction of classrooms and providing other infrastructure to Government School, Ladhowal, Ludhiana.	Clause (ii) Promoting Education	Yes	Punjab	Ludhiana	32 Months	178.00	113.80	16.45	No	Banarso Devi Oswal Public Charitable Trust	CSR00000976
2	Upgradation of classrooms at Sri Aurobindo College of Commerce and Management, Ludhiana.	Clause (ii) Promoting Education	Yes	Punjab	Ludhiana	28 Months	200.00	86.03	85.73	No	Sri Aurobindo Socio Economic & Management Research Institute	CSR00000873
3	Construction of toilet, water proofing of school building and financial assistance to Government Schools of Budhni.	Clause (ii) Promoting Education	Yes	Madhya Pradesh	Sehore	30 Months	66.10	57.08	9.02	No	Banarso Devi Oswal Public Charitable Trust	CSR00000976
4	Construction of Mother Auditorium at Sri Aurobindo College of Commerce and Management, Ludhiana.	Clause (ii) Promoting Education	Yes	Punjab	Ludhiana	24 Months	1,400.00	0.00	327.10	No	Sri Aurobindo Socio Economic & Management Research Institute	CSR00000873

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
B	**Health**											
1	Providing various medical equipment for COVID Isolation Ward and clinical Hematology Department, CMC Hospital, Ludhiana.	Clause (i) Promoting Healthcare including Preventive Healthcare	Yes	Punjab	Ludhiana	32 Months	192.00	90.64	35.76	No	Banarso Devi Oswal Public Charitable Trust	CSR00000976
2	Providing various medical equipment for Eye & Dental Department, Police Hospital, Sangrur.	Clause (i) Promoting Healthcare including Preventive Healthcare	Yes	Punjab	Sangrur	18 Months	10.00	5.52	4.48	No	Banarso Devi Oswal Public Charitable Trust	CSR00000977
3	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.	Clause (i) Promoting Healthcare including Preventive Healthcare	Yes	Himachal Pradesh	Solan	32 Months	20.00	6.18	8.62	No	Himalayan Social Institute	CSR00002466
4	Providing various medical equipment to Civil Hospital, Dharampur and Digital X-Ray Machine to Community Health Centre (CHC), Pirsaluhi, HP.	Clause (i) Promoting Healthcare including Preventive Healthcare	Yes	Himachal Pradesh	Mandi & Kangra	18 Months	40.00	30.45	9.55	No	Banarso Devi Oswal Public Charitable Trust	CSR00000976

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 35(6) (₹ in lac)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District						Name	CSR registration number
C	**Rural Development**											
1	Providing Solar Street Lights and Open Gym facilities in the villages of Pragpur, Kangra.	Clause (X) Rural Development Projects	Yes	Himachal Pradesh	Kangra	14 Months	23.18	19.42	3.76	No	Banarso Devi Oswal Public Charitable Trust	CSR00000976
2	Construction of toilets and waiting area for the public in Budhni Tehsil.	Clause (X) Rural Development Projects	Yes	Madhya Pradesh	Sehore	16 Months	2.44	-	2.44	No	Banarso Devi Oswal Public Charitable Trust	CSR00000976
3	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.	Clause (X) Rural Development Projects	Yes	Gujarat & Madhya Pradesh	Rajkot & Ratlam	24 Months	63.00	38.60	24.40	No	Sri Aurobindo Socio Economic & Management Research Institute	CSR00000873
D	**Skill Development**											
1	Providing financial support to Hunar Vikas Kendra, to support local needy youth in enhancing skills.	Clause (ii) Skill Development	Yes	Punjab	Ludhiana	12 Months	6.00	2.50	3.50	No	Banarso Devi Oswal Public Charitable Trust	CSR00000976
E	**Sports**											
1	Construction of Indoor Badminton Hall to promote National sports.	Clause (vii) Promotion of Nationally Recognized Sports	Yes	Punjab	Ludhiana	42 Months	146.00	29.46	19.23	No	Banarso Devi Oswal Public Charitable Trust	CSR00000976
								479.68	**550.04**			

(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 School Classrooms, toilets, science lab, computer lab and providing other facilities to Government Schools at Sekhewal, Lohara and Giaspura.	Clause (ii) Promoting Education	Yes	Punjab	Ludhiana	32.07	No	Banarso Devi Oswal Public Charitable Trust	CSR00000976
2	Providing financial support to Nirdosh School, working for the mentally challenged children, in Ludhiana.	Clause (ii) Promoting Education	Yes	Punjab	Ludhiana	5.00	Yes	NA	NA
3	Construction of Classrooms & toilets and providing other facilities to Government School Obedullaganj and to Aurobindo Public High School, Budhni.	Clause (ii) Promoting Education	Yes	Madhya Pradesh	Sehore & Raisen	14.03	No	Banarso Devi Oswal Public Charitable Trust	CSR00000976
4	Construction of basket ball & badminton court and renovation of activity hall in Aurobindo Public School, Baddi.	Clause (ii) Promoting Education	Yes	Himachal Pradesh	Solan	26.28	No	Banarso Devi Oswal Public Charitable Trust	CSR00000976
5	Sponsoring education of 4 students of Auro-Mira Vidya Mandir, Kechla, Odisha.	Clause (ii) Promoting Education	No	Odisha	Koraput	2.00	No	Banarso Devi Oswal Public Charitable Trust	CSR00000976
B	**Health**								
1	Providing awareness/ training on Menstrual Hygiene Management (MHM) to adolescent girls & rural women and installing sanitary napkin vending machines & incinerators at various Govt. Schools in Ludhiana under Project NANDINI.	Clause (i) Promoting Healthcare including Preventive Healthcare	Yes	Punjab	Ludhiana	0.93	Yes	Banarso Devi Oswal Public Charitable Trust	CSR00000976

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	Providing financial contribution for the treatment of economically weaker patients at DMC Hospital, Ludhiana and PGI, Chandigarh.	Clause (i) Promoting Healthcare including Preventive Healthcare	Yes	Punjab & Chandigarh	Ludhiana & Chandigarh	55.00	Yes	NA	NA
3	Organizing COVID-19 awareness campaign at Ludhiana.	Clause (i) Promoting Healthcare including Preventive Healthcare	Yes	Punjab	Ludhiana	1.06	Yes	NA	NA
4	Providing water cooler with UV filters, SOB profile test kits (D-Dimer, Trop T, BNP) and Cell Counter Machine to Civil Hospitals at Ludhiana and Malerkotla.	Clause (i) Promoting Healthcare including Preventive Healthcare	Yes	Punjab	Ludhiana & Sangrur	9.62	No	Banarso Devi Oswal Public Charitable Trust	CSR00000976
5	Providing Oxygen cylinder, PPE kits and other consumables to District Hospital and Police Hospital, Budhni.	Clause (i) Promoting Healthcare including Preventive Healthcare	Yes	Madhya Pradesh	Sehore	12.40	No	Banarso Devi Oswal Public Charitable Trust	CSR00000976
6	Providing medical equipment to St. Joseph Hospital, Hoshangabad.	Clause (i) Promoting Healthcare including Preventive Healthcare	Yes	Madhya Pradesh	Hoshangabad	10.50	No	Sri Aurobindo Socio Economic & Management Research Institute	CSR00000873
7	Organizing medical Check-up Camp for villagers of nearby area of Solan.	Clause (i) Promoting Healthcare including Preventive Healthcare	Yes	Himachal Pradesh	Solan	0.67	No	Banarso Devi Oswal Public Charitable Trust	CSR00000976
8	Providing Covid sampling kiosk, three ply surgical masks & gloves and consumables to Community Health Center (CHC), Baddi and Nalagarh.	Clause (i) Promoting Healthcare including Preventive Healthcare	Yes	Himachal Pradesh	Solan	19.43	No	Banarso Devi Oswal Public Charitable Trust	CSR00000976

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
9	Providing various medical equipment and consumables to Government Health Center, Sehore.	Clause (i) Promoting Healthcare including Preventive Healthcare	Yes	Madhya Pradesh	Sehore	5.98	No	Banarso Devi Oswal Public Charitable Trust	CSR00000976
10	Providing financial contribution to the fund created for the treatment of poor patients suffering from cancer at CMC Hospital, Ludhiana.	Clause (i) Promoting Healthcare including Preventive Healthcare	Yes	Punjab	Ludhiana	25.80	Yes	NA	NA
11	Distribution of PPE Kits to Government Hospitals.	Clause (i) Promoting Healthcare including Preventive Healthcare	Yes	Punjab, HP & MP	Ludhiana, Solan, Sehore & Raisen	34.00	Yes	NA	NA
12	Contribution to MANDKE FOUNDATION, Mumbai for treatment of economically weaker patients.	Clause (i) Promoting Healthcare including Preventive Healthcare	No	Maharashtra	Mumbai	15.00	Yes	NA	NA
C	**Rural Development**								
1	Providing proper sanitation and other facilities for public.	Clause (x) Rural Development	Yes	Punjab	Sangrur	4.30	No	Banarso Devi Oswal Public Charitable Trust	CSR00000976
2	Adoption of 43 ponds in 24 nearby villages of Ludhiana for ground water recharge.	Clause (x) Rural Development	Yes	Punjab	Ludhiana	0.90	No	Banarso Devi Oswal Public Charitable Trust	CSR00000976
3	Contribution to CITI Cotton Development Research Association for Research and Development of Extra Long Staple (ELS) cotton.	Clause (x) Rural Development	No	Madhya Pradesh	Bhopal	10.00	Yes	NA	NA
4	Construction of Bus Stop and providing drinking water & toilet facilities in villages of Budhni.	Clause (x) Rural Development	Yes	Madhya Pradesh	Sehore	12.60	No	Banarso Devi Oswal Public Charitable Trust	CSR00000976
5	Providing Solar Lights, toilet facilities and roadside beautification in nearby area of Baddi.	Clause (x) Rural Development	Yes	Himachal Pradesh	Mandi	22.97	No	Banarso Devi Oswal Public Charitable Trust	CSR00000976

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
D	**Armed Forces Welfare**								
1	Contribution to "Armed Forces Flag Day Fund (AFFDF)".	Clause (vi) Measures for the welfare of Armed Forces	Yes	Punjab	Ludhiana	5.18	Yes	NA	NA
2	Providing Blankets, Track Suits & Wheel Chairs to Ex-Servicemen, Veer Naaris & Widows.	Clause (vi) Measures for the welfare of Armed Forces	No	J & K	Rajouri	7.77	No	Banarso Devi Oswal Public Charitable Trust	CSR00000976
E	**Disaster Relief Management**								
1	Distributing ration kits and other grocery materials.	Clause (xii) Disaster Management	Yes	Punjab & Himachal Pradesh	Ludhiana & Solan	7.20	Yes	NA	NA
F	**Art & Culture**								
1	Renovation of Guru Nanak Dev Bhawan, Ludhiana.	Clause (v) Promoting Art & Culture	Yes	Punjab	Ludhiana	8.28	No	Banarso Devi Oswal Public Charitable Trust	CSR00000976
G	**Skill Development**								
1	Financial assistance to Behavior Momentum India Foundation for the purchase of vocational training equipment.	Clause (ii) Skill Development	No	Tamil Nadu	Krishnagiri	2.00	Yes	NA	NA
H	**Environment**								
1	Spreading awareness to stop stubble burning in Punjab	Clause (iv) Environment sustainability	No	Punjab	Tarn Taran	2.00	No	Banarso Devi Oswal Public Charitable Trust	CSR00000976
						352.97			

(d) Amount spent in Administrative Overheads: : ₹ 41.06 lac

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ (479.68+352.97+41.06) = 873.71 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)	1,423.75
(ii)	Total amount spent for the financial year	873.71
(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	
NA							

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

NA

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 ₹ 550.04 lac remaining unspent pertains to "Ongoing Projects". This amount has been transferred to a separate unspent CSR Account. The said "Ongoing Projects" shall be completed in the current FY 2021-22.

Sd/-	Sd/-
(S.P. Oswal) (Chairman & Managing Director)	(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 284.17 lac kWH units of electricity thereby making a saving of ₹ 1,892.19 lac during the financial year 2020-21.

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 highest environmental benefit. The market defines green power as electricity produced from solar, wind, geothermal, biogas, eligible biomass and low-impact small hydroelectric sources.

Vardhman Group is taking initiatives for implementation of renewable energy sources with the help of Solar energy.

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 with generation capacity, subject to irradiance availability - 1.54 Crore kWH / annum.

> 1.6 MW rooftop mounted solar plant was commissioned during the FY 2020-21 with generation capacity, subject to irradiance availability - 26.00 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 with generation capacity, subject to irradiance availability - 42.00 lac kWH / annum.

> 1.6 MW rooftop mounted solar captive power plant was commissioned during the FY 2020-21 with generation capacity, subject to irradiance availability - 29.00 lac kWH / annum.

Total investment on the Solar Projects is ₹ 5,543 lac and the Company has generated 141.43 lac kWH units of electricity, resulting in a savings of ₹ 885.06 lac.

CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENTS

Apart from installation of solar plants, the Company has incurred ₹ 344.18 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 has 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	(2020-21)	(2019-20)
Capital	0.21	9.61
Recurring	1.40	1.27
Total	1.61	10.88
Total R & D expenditure as a Percentage of Turnover	0.03%	0.17%

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 2020-21 is around 20%.
- Increased focus on sale of environment friendly yarns and increasing sales to direct brands.

Total Foreign Exchange earned and used:

(₹ in crore)

Particulars	(2020-21)	(2019-20)
a) Earnings (FOB value of exports, commission earned)	2,670.30	2,509.71
b) Outgo (CIF value of imports and expenditure in foreign currency)	347.93	570.58

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 2020-21 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 are as under:

SR. NO.	NAME OF DIRECTOR/ KMP AND DESIGNATION	REMUNERATION FOR DIRECTORS/ KMP FOR FINANCIAL YEAR 2020-21 (Amount in ₹)	% INCREASE IN REMUNERATION IN THE FINANCIAL YEAR 2020-21	RATIO OF REMUNERATION OF EACH DIRECTOR/ KMP TO MEDIAN REMUNERATION OF EMPLOYEES
1.	S.P. Oswal Chairman & Managing Director	92,386,145	41.51	258.93
2.	Suchita Jain Vice- Chairperson & Joint Managing Director	22,316,648	0.70	62.55
3.	Neeraj Jain Joint Managing Director	18,612,487	0.03	52.16
4.	Sachit Jain Non- Executive Non- Independent Director	-	-	-
5.	Prafull Anubhai Non- Executive Independent Director	5,19,000	36.58	1.45
6.	A.K. Kundra Non-Executive Independent Director	4,41,000	-6.17	1.24
7.	S.K. Bijlani Non-Executive Independent Director	3,05,000	19.61	0.85
8.	Parampal Singh Non-Executive Independent Director	1,47,000	8.89	0.41
9.	Harpreet Kaur Kang Non-Executive Independent Director	1,12,000	12.00	0.31
10.	D.L. Sharma*	-	-	-
11.	R.M. Malla**	84,000	-	-
12.	D.B. Jain***	2,08,000	-	-
13.	Rajeev Thapar Chief Financial Officer	81,39,807	22.46	22.81
14.	Sanjay Gupta Company Secretary	21,44,370	5.72	6.01

*During the year, Mr. D.L. Sharma ceased to be a Director of the Company w.e.f. 10th September, 2020.

** During the year, Mr. R.M. Malla ceased to be a Director of the Company w.e.f. 26th September, 2020.

*** During the year, Mr. D.B. Jain ceased to be a Director of the Company w.e.f. 8th November, 2020.

2. The median remuneration of employees of the Company during the financial year was ₹ 3,56,804.
3. In the financial year, there was an increase of 1.07% in the median remuneration of employees.
4. There were 20,916 permanent employees on the rolls of Company as on March 31, 2021.
5. Average percentage decrease in the salaries of employees other than the managerial personnel in the last financial year 2020-21 was 0.69% whereas the increase in the managerial remuneration for the same financial year was 25.17%.
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 THE 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	Remun-eration (in ₹ lac)	Quali-fication	Age (Years)	Experience (Years)	Date of Employment	Particulars of last employment
1.	Mr. S.P. Oswal	Chairman & Managing Director	923.86	M. Com	79	54	08.10.1973	Chairman & Managing Director (Vardhman Spinning and General Mills Limited)
2.	Mrs. Suchita Jain	Vice-Chairperson & Joint Managing Director	223.17	M. Com	53	28	29.01.2010	N.A.
3.	Mr. Neeraj Jain	Joint Managing Director	186.12	B. Com, CA	54	29	31.03.2010	N.A.
4.	Mr. B.K. Choudhary	Director (Operations)	122.32	B.Sc., M. Com & MBA	69	48	23.12.1985	Usha Alloys & Steels Limited

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

Nil

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

S.No., Name, Age, Designation, Gross Remuneration (in ₹ lac 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 31.03.2021

1, S.P. Oswal, 79, Chairman & Managing Director, 923.86, Regular, M.Com, 54, 08.10.1973, 5,97,591. 2, Suchita Jain, 53, Vice-Chairperson & Joint Managing Director, 223.17, Regular, M.Com, 28, 29.01.2010, 2,44,424. 3, Neeraj Jain, 54, Joint Managing Director, 186.12, Regular, B.Com & CA, 29, 31.03.2010, 0. 4, B.K. Choudhary, 69, Director (Operations), 122.32, Regular, B.Sc., M.Com & MBA, 48, 23.12.1985, Usha Alloys & Steels Limited, 0. 5, IMJS Sidhu, 72, President & Director-In-Charge, 94.98, Regular, B.Text., 50, 03.03.1981, Shree Bhawani Cotton Mills, 5,750. 6, TC Gupta, 60, Chief General Manager (Operations), 84.99, Regular, B. Tech (Textiles), 39, 24.05.1993, Modern Syntex Limited, 1,250. 7, Dinesh. K. Sindwani, 60, Director (Corporate Services), 81.93, Regular, B.Com & CA, 36, 01.04.2015, Hero Steels Limited,0. 8, Rajeev Thapar, 52, CFO, 81.40, Regular, B.Com (Hons.) & CA, 32, 01.06.1990, SC Vasudeva & Co., 10. 9, S. Pal, 77, Director (MP location), 80.32, Regular, MA (History), 57, 15.05.1985, Punjab Alkalies & Chemicals Limited, 6000. 10, Mukesh Saxena, 59, Chief General Manager, 79.30, Regular, B. Tech (Textiles), 39.04, 01.02.2007, Indorama Synthetics India Limited, 600.

Note: Except Mr. S.P. Oswal and Mrs. Suchita Jain, none of the above employees is related to any Director of the Company.

DETAILS PERTAINING TO REMUNERATION OR COMMISSION RECEIVED FROM HOLDING OR SUBSIDARY OF THE COMPANY AS REQUIRED UNDER SECTION 197(14) OF THE COMPANIES ACT, 2013.

Sr. No.	Name of Director	Name of Subsidiary Company	Amount (in ₹ lac)
1.	Neeraj Jain	VMT Spinning Co. Ltd.	31.25

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, 2021

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

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 2020-2021, the Board met 5 (Five) times on the following dates:

- 27th May, 2020
- 23rd June, 2020
- 27th July, 2020
- 24th October, 2020
- 21st January, 2021

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	5	No	7	Vardhman Acrylics Limited Vardhman Holdings Limited	Non-Executive Director Executive Director	3	3	3
Sachit Jain	1	No	8	Vardhman Holdings Limited Vardhman Special Steels Limited Vardhman Acrylics Limited	Non-Executive Director Executive Director Non-Executive Director	1	-	-
Suchita Jain	5	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	5	Yes	6	-	-	-	-	-
Prafull Anubhai	5	Yes	2	Unichem Laboratories Limited	Non-Executive Director	2	-	2
A. K. Kundra	5	No	1	-	-	-	-	-
S.K. Bijlani	4	No	1	-	-	1	-	-
Parampal Singh	5	No	-	-	-	-	-	-
Harpreet Kaur Kang	4	No	1	Sportking India Limited	Non-Executive Director	1	-	-
D.L. Sharma*	3	N.A.	-	-	-	-	-	-
D.B. Jain**	4	No	-	-	-	-	-	-
R.M. Malla***	3	N.A.	-	-	-	-	-	-

*During the year, Mr. D.L. Sharma ceased to be a Director of the Company w.e.f. 10th September, 2020.

** During the year, Mr. R.M. Malla ceased to be a Director of the Company w.e.f. 26th September, 2020.

*** During the year, Mr. D.B. Jain ceased to be a Director of the Company w.e.f. 8th November, 2020.

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, 2021, 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 Sachit Jain	• 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/user_files/investor/CSR%20Policy%20final.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.**
Stakeholders' 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 1 complaint from the investors and the same has been duly resolved by the Company.
Risk Manangement Committee	Prafull Anubhai (Chairman) 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/user_files/investor/a4c0a8b00e407cd507553ea7db7f06e89de1272a1436265025.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	**7**	**3**	**2**	**1**	**1**
S.P. Oswal	N.A.	N.A.	1	N.A.	N.A.
Sachit Jain[1]	N.A.	0	0	0	N.A.
Suchita Jain[2]	N.A.	N.A.	N.A.	1	N.A.
Neeraj Jain	N.A.	3	N.A.	N.A.	1
D.L. Sharma[3]	3	2	1	0	N.A.
Prafull Anubhai Shah[4]	7	2	2	N.A.	1
A. K. Kundra[5]	7	1	2	1	N.A.
D.B. Jain[6]	4	N.A.	N.A.	N.A.	N.A.
R.M. Malla[7]	N.A.	N.A.	N.A.	N.A.	N.A.
S.K. Bijlani	6	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.

[1] Mr. Sachit Jain was appointed as the member of Nomination & Remuneration Committee w.e.f. 24th October, 2020.

[2] Mrs. Suchita Jain was appointed as the member of Stakeholders' Relationship Committee w.e.f. 24th October, 2020.

[3] During the year, Mr. D.L. Sharma ceased to be a Director of the Company w.e.f. 10th September, 2020.

[4] Mr. Prafull Anubhai was appointed as the Chairman of CSR Committee w.e.f 27th May, 2020 and his designation in Nomination & Remuneration Committee was changed from Chairman to Member w.e.f. 27th May, 2020.

[5] Mr. A. K. Kundra was appointed as the Chairman of Nomination & Remuneration Committee w.e.f 27th May, 2020 and he ceased to be a Member in CSR Committee w.e.f 27th May, 2020.

[6] During the year, Mr. D.B. Jain ceased to be a Director of the Company w.e.f. 8th November, 2020.

[7] During the year, Mr. R.M. Malla ceased to be a Director of the Company w.e.f. 26th September, 2020.

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 2020-21 was held on 21st January, 2021, 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/user_files/investor/familarisation.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
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

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 2020-21 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	60,00,000	73,80,000	60,60,000
Perquisites & Allowances	30,34,083	54,21,048	45,15,287
Retirement Benefit	7,20,000	8,85,600	7,27,200
Commission	8,26,32,062	-	-
Performance Linked Incentive	-	86,30,000	73,10,000

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 11,500 options till date.

ii) Non-Executive Directors:

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

The Non-Executive Directors are paid sitting fees @ ₹ 35,000/- per Board Meeting and @ ₹ 30,000/- per Committee Meeting. However, due to the outbreak of Covid-19 pandemic when uncertainty was looming large and the Company was passing through unprecedented crucial times, the Independent Directors of the Company in the Board Meeting dated 27th May, 2020, unanimously proposed and decided to take a voluntarily cut of 20% on the sitting fees payable to them by the Company. Accordingly, the sitting fee payable to Independent Directors for attending the Board and Committee meetings stood reduced to ₹ 28,000/- and ₹ 24,000/- respectively. However, with the opening up of the economies, the Board of Directors in its meeting held on 21st January, 2021 decided to re-instate the sitting fee payable to Independent Directors for attending the Board and Committee meetings from January' 2021 onwards.

The detail of sitting fees paid to the Directors during the Financial Year 2020-21 is given hereunder: -

SR. NO.	NAME OF DIRECTOR	SITTING FEE (₹)
1.	Prafull Anubhai	5,19,000
2.	A.K. Kundra	4,41,000
3.	D.B. Jain*	2,08,000
4.	R.M. Malla**	84,000
5.	S.K. Bijlani	3,05,000
6.	Parampal Singh	1,47,000
7.	Harpreet Kaur Kang	1,12,000

*During the year, Mr. D.B. Jain ceased to be a Director of the Company w.e.f. 8th November, 2020.

** During the year, Mr. R.M. Malla ceased to be a Director of the Company w.e.f. 26th September, 2020

5. SHAREHOLDING DETAILS OF DIRECTORS AS ON 31ST MARCH, 2021:

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

S. NO.	NAME OF DIRECTOR	NUMBER OF SHARES HELD
1.	S.P. Oswal	5,97,591
2.	Suchita Jain	2,44,424
3.	Neeraj Jain	Nil

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
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
45th Annual General Meeting for the Financial year ended 31st March, 2018.	Thursday, 27th September, 2018 at 11.00 A.M	Regd. Office, Chandigarh Road, Ludhiana- 141010.	5

* In compliance with circulars of the Ministry of Corporate Affairs dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 and SEBI Circular No. SEBI/ HO/ CFD/ CMD1/ CIR/ P/ 2020/ 79 dated May 12, 2020, permitting the holding of the Annual General Meeting ("AGM") through Video Conferencing without the physical presence of the Members at a common venue, the AGM of the Company was held through Video Conferencing.

ii. Postal Ballot

During the year, no resolution was passed through postal ballot. There is no immediate proposal for passing any resolution through postal ballot in financial year 2021-22.

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/user_files/investor/RELATED_PARTY_TRANSACTION%20-%20VTXL.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/user_files/investor/VTXL-%20VIGIL%20MECHANISM%20POLICY.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, 2021, there was no outstanding GDRs/ ADRs/Warrants or any convertible instruments.

x. During the year 2020-21, 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 purchase.

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, 2021 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	1,712 crore	138.56 million kgs. approx	-	0%	-	Approximate 15%	15%

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/user_files/investor/Policy%20for%20determing%20Material%20Subsidiaries.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 ₹ 64.60 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

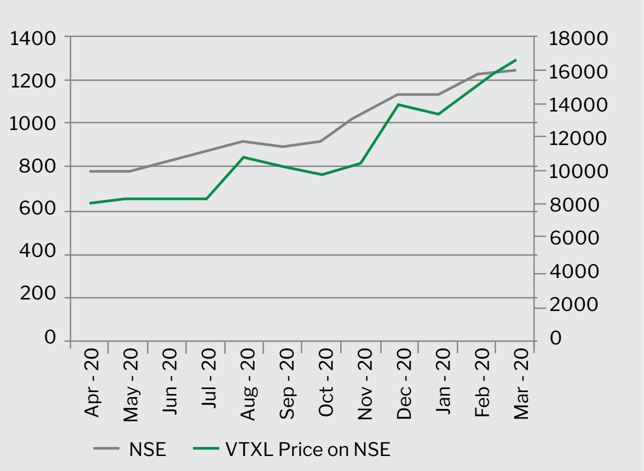
i)	**48th Annual General Meeting:**	
	Date	: 28th September, 2021
	Time	: 11:30 a.m.
	Venue	: Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")
ii)	**Financial Calendar 2021-22 (Tentative)**	
	First Quarter Results	: July, 2021
	Second Quarter Results	: October, 2021
	Third Quarter Results	: January, 2022
	Annual Results	: May, 2022
iii)	**Dates of Book Closure**	**: 18th September, 2021 to 28th September, 2021** (both days inclusive)
iv)	**Dividend payment date**	: Within 30 days after declaration.
v)	**Listing**	: The securities of the Company are listed on the following Stock Exchanges: - 1. BSE Limited, Mumbai (BSE), 1st Floor, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, Fort, Mumbai-400 001. 2. National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai. Listing fee, as applicable, has been duly paid to both the aforesaid Stock Exchanges.
vi)	**Stock Code:**	
	BSE Limited, Mumbai	: 502986
	National Stock Exchange of India Limited	: VTL

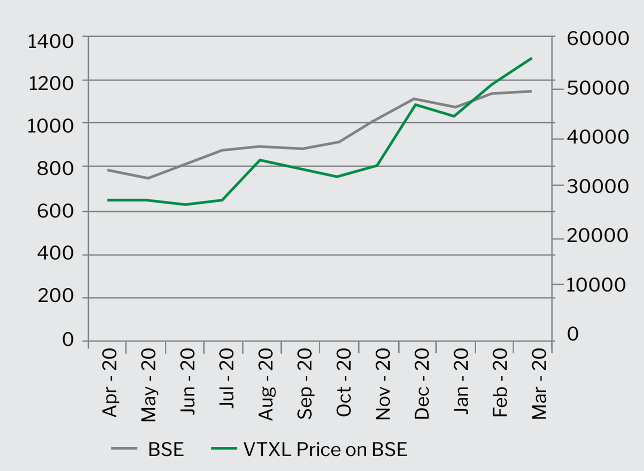
vii) Stock Market Data:

The month-wise highest and lowest and closing stock prices of NSE vis-a-vis BSE during the financial year 2020-21 is given below: -

Financial Year 2020-21	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	734.10	602.05	646.05	3.36	699.00	592.90	647.20	3.44
May	674.00	610.00	657.50	1.77	671.00	611.05	656.70	1.47
June	775.00	640.15	651.25	-0.95	765.50	640.00	647.00	-1.48
July	700.50	630.50	665.25	2.15	703.65	622.05	663.45	2.54
August	976.65	651.35	846.85	27.30	898.20	652.55	841.20	26.79
September	879.95	720.00	800.80	-5.44	866.35	717.00	801.00	-4.78
October	839.00	737.00	765.00	-4.47	838.80	731.35	764.95	-4.50
November	936.00	753.45	815.15	6.56	875.00	751.00	813.40	6.33
December	1,099.95	828.10	1,085.10	33.12	1,099.00	829.50	1,084.55	33.34
January	1,165.00	1020.35	1,047.15	-3.50	1,161.05	1,020.50	1,041.55	-3.96
February	1,208.15	1,011.35	1,183.95	13.06	1,208.50	971.00	1,185.40	13.81
March	1,326.00	1,133.05	1,297.70	9.61	1,325.35	1,136.00	1,300.10	9.68

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





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 2012-13 has been transferred to the Investors Education and Protection Fund (IEPF). The unclaimed or unpaid dividend relating to the Financial Year 2013-14 is due for remittance by the end of November, 2021 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 Textiles 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 A01012.**

xii) Distribution of Shareholding as on 31st March, 2021:

RANGE	SHAREHOLDERS		SHARES	
No. of Shares	**Numbers of total Holders**	**% to Total Holders**	**Numbers of shares Held**	**% to Total Shares**
Upto-500	19,118	91.26	1,767,307	3.07
501-1000	949	4.53	678,202	1.18
1001-2000	427	2.04	597,022	1.04
2001-3000	136	0.65	340,186	0.58
3001-4000	68	0.32	235,582	0.41
4001-5000	40	0.19	183,837	0.32
5001-10000	92	0.44	666,073	1.16
10001- above	119	0.57	53,094,351	92.24
Total	**20,949**	**100.00**	**57,562,560**	**100.00**

xiii) Dematerialisation of shares:

As on 31st March, 2021, 98.92% of the capital comprising 5,69,43,160 shares, out of total of 5,75,62,560 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). As per the terms of the plan, the Company can grant a maximum of 6,36,518 options to eligible employees from time to time. One option entitles the holder to apply for one equity share of the Company in terms of ESOP Plan. During the financial year 2020-21, 43,800 equity shares were alloted to the eligible employees. So, the paid-up equity share capital of the Company stood increased to ₹ 57,56,25,600 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.
- **Auro Dyeing (Unit II)**
  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

Note: Mahavir Spinning Mills (Textile Division) (Unit I & II), Auro Dyeing (Unit-I) & Auro Textiles (Unit-II) stands merged with Auro Textiles.

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 2020-21. There has been no revision in the credit ratings during the financial year 2020-21. List of all credit ratings obtained by the Company during the year are as follows:

Particulars	Rating during FY 2020-21
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, 2021.

Place: Ludhiana | **S.P. Oswal**

Dated: 25th May, 2021 | 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 | **S.P. Oswal**

Dated: 25th May, 2021 | 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

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

Date: 25th May, 2021
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 2021 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 2021 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,
Ashok Singla
Proprietor
Membership No. 2004
Certificate of Practice No. 1942
UDIN: F002004C000364718

Date: 25th May, 2021
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 2021, 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 2021, 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 matters described below to be the key audit matters 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 31 March 2021. • 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.

<table>
<tr><th>Sr. No.</th><th>Key Audit Matter</th><th>Auditor's Response</th></tr>
<tr><td></td><td></td><td>• Assessed the adequacy of the disclosures made in the financial statements.</td></tr>
<tr><td>2</td><td>Valuation of Inventory - Refer to Notes 2.14, 2.19.1.6 and 8 to the standalone financial statement

The Company's inventory primarily comprises cotton, yarn and fabric. Inventories are valued at lower of cost or net realizable value. There is a risk that inventories may be stated at values that are more than their net realizable value ('NRV').

We identified the valuation of inventories as a key audit matter because the Company held significant inventories at the reporting date and significant degree of management judgement and estimation was involved in valuing the inventories.</td><td>Principal audit procedures:

• Evaluating the accounting policy followed for valuation of inventory and appropriateness thereof with respect to relevant accounting standards in this respect.

• Obtained an understanding of and performed the test of design, implementation and operating effectiveness of the Company's key internal controls over the process for valuation of inventories.

• Compared the cost of raw materials with supplier invoices for selected samples. For work-in-progress and finished goods, we understood the determination of the net realizable value and assessing, testing and evaluating the reasonableness keeping in view the significant judgements applied by the management concerning overhead allocation by assessing the cost of the items included in overhead absorption for selected samples.

• In connection with NRV testing, we have compared carrying value to the selling price prevailing around and subsequent to the year end for the selected samples.</td></tr>
</table>

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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 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 48.4 to the standalone Ind AS financial statements.

2. As required by the Companies (Auditor's Report) Order, 2016 ("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: 21105546AAAACW5114)

Place: New Delhi
Date: 25 May 2021

ANNEXURE "A"

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 31 March 2021 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 31 March 2021, 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 AND SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rajesh Kumar Agarwal
(Partner)
(Membership No. 105546)
(UDIN: 21105546AAAACW5114)

Place: New Delhi
Date: 25 May 2021

ANNEXURE "B"

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification to cover all the items of fixed assets in a phased manner 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 fixed assets 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) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds / transfer deeds / conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, 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 the credit facility extended to the Company as security are held in the name of Company based on the confirmation received by us from "ICICI Bank Limited" (custodian) on behalf of term and consortium lenders.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals other than for stock lying with third parties and/or goods in transit for which confirmation have been obtained/subsequent receipts have been verified in most of the cases. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.

(iii) According to the information and explanations given to us, the Company has granted unsecured loans to two bodies corporate, covered in the register maintained under Section 189 of the Companies Act, 2013, in respect of which:

a. The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

b. The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

c. There is no overdue amount remaining outstanding as at the year-end.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have any unclaimed deposits as at 31 March 2021 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

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

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, customs duty, goods and services tax, cess and other material statutory dues applicable to it with the appropriate authorities. Also refer to the note 38 (e) in the financial statement regarding management assessment on certain matters relating to the provident fund.

(b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, customs duty, goods and services tax, cess and other material statutory dues applicable in arrears as at 31 March 2021 for a period of more than six months from the date they became payable

(c) Details of dues of excise duty, sales tax, value added tax, service tax and income-tax which have not been deposited as on 31 March 2021 on account of disputes are given below and there are no dues of customs duty as on 31 March, 2021 on account of disputes.

Nature of Statute	Nature of Dues	Forum where dispute is pending	Period	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 2014-15, FY 2016-17 to FY 2018-19	4.38	0.21	4.17
Service Tax Laws	Service Tax	CESTAT	FY 2008-09	0.11	–	0.11
Sales Tax Laws	Central Sales Tax	Up-to Commissioner (Appeals)	FY 2009-10	0.06	–	0.06
	State Sales Tax	Appellate Board	FY 2006-07, FY 2010-11 to FY 2012-13	0.68	0.30	0.38
		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	0.16	0.10	0.06
Income Tax Laws	Income Tax	ITAT	AY 2010-11, AY 2014-15, AY 2015-16	39.37	39.37	–
		CIT(A)	AY 2016-17 to AY 2019-20	78.52	78.52	–

*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	Amount involved* (Rs. In Crores)
Income Tax Laws	Income Tax	High Court	AY 2001-02 to AY 2007-08	25.95
		ITAT	AY 2010-11, AY 2014-15, AY 2015-16	121.02

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

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and dues to debenture holders. The Company has not taken any loans from Government.

(ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised. During the year, the Company has not raised any money by way of initial public offer/ further public offer (including debt instruments).

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the CARO 2016 is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

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

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause 3 (xvi) of CARO 2016 is not applicable to the Company.

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

Rajesh Kumar Agarwal
(Partner)
(Membership No. 105546)
(UDIN: 21105546AAAACW5114)

Place: New Delhi
Date: 25 May 2021

Balance Sheet as at March 31, 2021

(All amounts in crores, unless otherwise stated)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3A	3,389.40	3,470.54
(b) Right-of-Use Asset	44	8.63	8.76
(c) Capital work-in-progress	3A	73.92	139.42
(d) Intangible assets	3B	1.69	1.82
(e) Financial assets			
(i) Investments	4	552.43	558.20
(ii) Loans	5	1.31	1.48
(iii) Others financial assets	6	173.93	5.19
(f) Other non-current assets	7	64.65	63.11
Total Non-current assets		**4,265.96**	**4,248.52**
Current assets			
(a) Inventories	8	2,624.20	2,506.16
(b) Financial assets			
(i) Investments	9	318.90	473.29
(ii) Trade receivables	10	986.60	794.81
(iii) Cash and cash equivalents	11	31.17	148.46
(iv) Bank balances other than above	11A	35.27	3.25
(v) Loans	12	63.27	29.72
(vi) Other financial assets	13	50.02	11.03
(c) Current tax assets(net)	14	-	65.82
(d) Other current assets	15	563.21	445.47
(e) Assets held-for-sale	15A	0.15	0.15
Total Current assets		**4,672.79**	**4,478.16**
TOTAL ASSETS		**8,938.75**	**8,726.68**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	57.56	57.52
(b) Other equity	17	5,974.95	5,608.69
Total Equity		**6,032.51**	**5,666.21**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	1,296.60	1,266.14
(ii) Lease Liability	19A	0.16	0.15
(iii) Other financial liabilities	19	2.81	3.98
(b) Provisions	20	15.26	14.45
(c) Deferred tax liabilities (Net)	21	239.54	225.32
(d) Other non-current liabilities	22	17.52	19.32
Total Non-current liabilities		**1,571.89**	**1,529.36**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	550.12	723.02
(ii) Trade payables	24		
(a) total outstanding dues of micro enterprises and small enterprises		13.87	27.23
(b) total outstanding dues of trade payable other than micro enterprises and small enterprises		233.09	264.69
(iii) Other financial liabilities	25	443.24	441.19
(b) Provisions	27	2.57	2.46
(c) Current tax liabilities (net)	14	11.17	-
(d) Other current liabilities	26	80.29	72.52
Total Current liabilities		**1,334.35**	**1,531.11**
TOTAL EQUITY AND LIABILITIES		**8,938.75**	**8,726.68**
See accompanying notes to the standalone financial statements	1 - 48		

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 : New Delhi
Date: May 25, 2021

Place : Ludhiana
Date: May 25, 2021

Statement of Profit and Loss for year ended March 31, 2021

(All amounts in crores, unless otherwise stated)

	Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I	Revenue from operations	28	5,787.64	6,325.15
II	Other income	29	189.47	171.98
III	**Total Income (I+II)**		**5,977.11**	**6,497.13**
IV	**Expenses :**			
	Cost of materials consumed	30	2,999.62	3,332.63
	Purchases of stock-in-trade	31	46.59	52.05
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	32	61.62	(50.30)
	Employee benefits expense	33	549.86	550.98
	Finance costs	34	111.43	132.54
	Depreciation and amortization	3A, 3B & 44	350.13	319.21
	Other expenses	35	1,390.70	1,557.01
	Total Expenses		**5,509.95**	**5,894.12**
V	**Profit before tax (III-IV)**		**467.16**	**603.01**
VI	**Tax expense:**	36		
	Current tax		102.54	129.66
	Deferred tax		14.21	(72.14)
VII	**Profit for the year (V-VI)**		**350.41**	**545.49**
VIII	**Other Comprehensive Income**	17		
	A Items that will not be reclassified to profit or loss			
	(a) (i) Remeasurements of the defined benefits plans		5.91	(4.32)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(1.49)	1.09
	(b) (i) Equity instruments through other comprehensive income		0.17	(0.04)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.04)	0.01
IX	**Total other comprehensive income /(expense)**		**4.55**	**(3.26)**
X	**Total comprehensive income for the year (VII+IX)**		**354.96**	**542.23**
	Earnings per equity share (amount in Rs.)	42		
	(1) Basic		60.91	94.86
	(2) Diluted		60.53	94.16
	See accompanying notes to the standalone financial statements	1 - 48		

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 : New Delhi
Date: May 25, 2021

Place : Ludhiana
Date: May 25, 2021

Cash Flow Statement for year ended March 31, 2021

(All amounts in crores, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	467.16	603.01
Adjustments for:		
Finance costs	97.67	121.21
Fair valuation gain on investment	(35.63)	(38.13)
Subsidy from Government	(27.54)	(16.27)
Interest income	(26.89)	(27.29)
Dividend on investments	(5.65)	(31.39)
Net gain on sale / discarding of property, plant and equipment	(0.65)	(4.50)
(Profit)/Loss on sale of Investments (Net)	(17.61)	(19.82)
Provision no longer required written back (net)	(6.57)	(1.66)
Assets written off	1.82	2.37
Bad debt written off	0.37	6.18
Allowances for doubtful trade receivables and advances written back (net)	–	(2.85)
Depreciation and amortisation	350.13	319.21
Share options outstanding account	2.16	0.97
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets :-		
Trade receivables	(184.22)	(41.28)
Inventories	(118.04)	(64.03)
Loans (Current)	(33.55)	4.87
Loans (Non-current)	0.17	(0.76)
Other assets (Current)	(89.80)	(29.61)
Others financial assets (Current)	(36.07)	47.76
Others financial assets (Non Current)	(165.44)	3.46
Other assets (Non-current)	(3.50)	9.15
Adjustments for increase / (decrease) in operating liabilities :-		
Trade payables	(38.39)	53.22
Provisions (Non Current)	0.81	3.59
Provisions (Current)	0.11	(0.33)
Others financial liabilities (Current)	(49.33)	43.88
Others financial liabilities (Non-Current)	(1.16)	(0.35)
Other liabilities (Non-current)	0.37	0.76
Other liabilities (Current)	2.90	10.64
Cash generated from operations	**83.63**	**952.02**
Income taxes paid (net of refund received)	(27.08)	(100.84)
Net cash generated by operating activities	**56.55**	**851.18**

Cash Flow Statement for year ended March 31, 2021

(All amounts in crores, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investments	(552.39)	(392.34)
Proceeds from sale of Investments	765.63	505.96
Interest received	20.67	27.22
Payment for purchase of property, plant and equipment, capital work in progress and other intangible assets	(235.35)	(640.96)
Bank balances not considered as cash and cash equivalents	(32.02)	0.18
Proceeds from disposal of property, plant and equipment	3.29	6.60
Dividend on subsidiaries, associates and other investments	5.65	31.39
Net cash used in investing activities	**(24.52)**	**(461.95)**
C CASH FLOW FROM FINANCING ACTIVITIES*		
Proceeds from equity share capital/share application	9.19	3.43
Proceeds from borrowings (non-current)	325.00	357.00
Repayment of borrowings (non-current)	(218.01)	(253.34)
Repayment of borrowings (current) (net)	(172.89)	(145.66)
Corporate dividend tax paid	–	(17.76)
Dividends on equity share capital paid	(0.29)	(100.80)
Lease Payments made	–	(1.52)
Finance costs paid	(92.32)	(119.53)
Net cash used in financing activities	**(149.32)**	**(278.19)**
Net increase / (decrease) in cash and cash equivalents	**(117.29)**	**111.03**
Cash and cash equivalents at the beginning of the year	148.46	37.43
Cash and cash equivalents at the end of the year	**31.17**	**148.46**
* There are no non cash changes arising from financing activities		
See accompanying notes to the standalone financial statements	1 - 48	

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 : New Delhi
Date: May 25, 2021

Place : Ludhiana
Date: May 25, 2021

Statement of Changes in Equity for year ended March 31, 2021

(All amounts in crores, unless otherwise stated)

a. Equity share capital

Particulars	Amount
Balance as at April 1, 2019	57.48
Issue of equity shares under employee stock option plan (Refer note 45)	0.04
Balance as at March 31, 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**

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, 2019	**1.13**	**1.24**	**6.26**	**10.18**	**49.68**	**15.23**	**1,373.60**	**3,723.11**	**1.19**	**5,181.62**
Profit for the year	–	–	–	–	–	–	–	545.49	–	545.49
Other comprehensive income/ (expense) for the year, net of income tax	–	–	–	–	–	–	–	(3.23)	(0.03)	(3.26)
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**542.26**	**(0.03)**	**542.23**
Final Equity Dividend for the financial year 2018-19 (Amount Rs. 17.50 per share)	–	–	–	–	–	–	–	(100.62)	–	(100.62)
Tax on Dividend	–	–	–	–	–	–	–	(17.76)	–	(17.76)
Employee stock options accrued/ (Lapsed) during April-March 2020 (Refer note 45)	–	–	–	–	–	0.97	–	–	–	0.97
Transfer to equity shares due to issue of employee stock options (Refer note 45)	(1.13)	–	–	–	–	–	–	–	–	(1.13)
Securities premium on shares under Employee stock options	–	–	–	3.39	–	–	–	–	–	3.39

Statement of Changes in Equity for year ended March 31, 2021

(All amounts in crores, unless otherwise stated)

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	
Transfer from Employee Stock Options accounts to General Reserve	–	–	–	–	–	(1.49)	1.49	–	–	–
Transfer to debenture redemption reserve on account of issue of debentures	–	–	–	–	7.94	–	–	(7.94)	–	–
Balance as at March 31,2020	**–**	**1.24**	**6.26**	**13.57**	**57.62**	**14.71**	**1,375.09**	**4,139.04**	**1.16**	**5,608.69**
Profit for the year	–	–	–	–	–	–	–	350.41	–	350.41
Other comprehensive income/ (expense) for the year, net of income tax	–	–	–	–	–	–	–	4.42	0.13	4.55
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**354.83**	**0.13**	**354.96**
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	–	–	–	5.35	–	–	–	–	–	5.35
Transfer from Employee Stock Options accounts to General Reserve	–	–	–	–	–	(2.65)	2.65	–	–	–
Balance as at March 31,2021	**5.62**	**1.24**	**6.26**	**18.92**	**57.62**	**12.39**	**1,377.74**	**4,493.87**	**1.29**	**5,974.95**

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

Place : New Delhi
Date: May 25, 2021

Sanjay Gupta
Company Secretary
Membership No:-4935
Place : Ludhiana
Date: May 25, 2021

Rajeev Thapar
Chief Financial Officer

Suchita Jain
Vice-Chairperson and Joint Managing Director
DIN:00746471

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

Notes to Standalone Financial Statement

for year ended March 31, 2021

(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 25, 2021.

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

2.1 Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), and the provisions of the Companies Act ,2013 ('the Act') (to the extent notified) The Ind AS are prescribed under Section 133 of the Act read with 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:

Notes to Standalone Financial Statement

for year ended March 31, 2021
(All amounts in crores, unless otherwise stated)

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.

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

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

a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b. net interest expense or income; and

c. re-measurement

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

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

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

2.7.2 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

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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 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.

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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

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 Rs. 5000/- or below on which depreciation is charged @ 100%. Depreciation is calculated on pro-rata basis.

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

Buildings	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.

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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

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

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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.

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.

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method.In respect of leases previously classified as an operating lease applying Ind AS 17, the company adopts the transition option to recognise Right-of-Use asset (ROU) at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before transition option to recognise Right-of-Use asset (ROU) at an amount equal to the lease liability, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate. Comparatives as at and for the year ended March 31, 2020 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2020.

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, ₹ 7.22 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.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

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2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

3. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The difference between the lease obligation recorded as of March 31, 2020 under Ind AS 17 disclosed under Note 44 of the 2019 Annual Report and the value of the lease liability as of April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 9%."

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.

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

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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 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:

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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

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losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 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.

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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.

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.

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for year ended March 31, 2021

(All amounts in crores, unless otherwise stated)

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.

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

Notes to Standalone Financial Statement

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(All amounts in crores, unless otherwise stated)

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, 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.

Notes to Standalone Financial Statement

for year ended March 31, 2021

(All amounts in crores, unless otherwise stated)

As at March 31, 2021 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 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

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2020, notifies new standards or amendments to the standards. There is no such new notification which would be applicable from April 1, 2021.

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for year ended March 31, 2021
(All amounts in crores, unless otherwise stated)

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

Particulars	As at March 31, 2021	As at March 31, 2020
Carrying amount of		
Freehold land	101.40	100.48
Buildings	962.49	932.91
Plant and equipment	2,296.40	2,404.29
Furniture and fixtures	8.74	8.58
Vehicles	6.50	7.86
Office equipment	13.87	16.42
Total Property, plant and equipment	**3,389.40**	**3,470.54**
Capital work-in-progress	**73.92**	**139.42**
	3,463.32	**3,609.96**

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Cost or Deemed Cost							
Balance at April 1, 2019	**93.45**	**924.11**	**3,060.48**	**11.53**	**12.49**	**44.62**	**4,146.68**
Addition	7.44	155.97	562.82	2.54	2.09	5.32	736.18
Disposal/Adjustments	(0.41)	(0.12)	(18.66)	(0.18)	(0.62)	(0.06)	(20.05)
Balance at March 31, 2020	**100.48**	**1,079.96**	**3,604.64**	**13.89**	**13.96**	**49.88**	**4,862.81**
Addition	0.94	68.20	197.12	1.80	0.68	3.57	272.31
Transfer/Adjustments	(0.01)	(1.61)	(4.79)	(0.08)	(0.85)	(0.34)	(7.68)
Balance at March 31, 2021	**101.41**	**1,146.55**	**3,796.97**	**15.61**	**13.79**	**53.11**	**5,127.44**
Accumulated depreciation							
Balance at April 1, 2019	**–**	**112.47**	**940.72**	**4.05**	**5.05**	**27.15**	**1,089.44**
Depreciation	–	34.58	274.51	1.43	1.57	6.31	318.40
Disposal/Adjustments	–	(0.01)	(14.85)	(0.17)	(0.53)	(0.01)	(15.57)
Balance at March 31, 2020	**–**	**147.04**	**1,200.38**	**5.31**	**6.09**	**33.45**	**1,392.27**
Depreciation	–	37.34	302.40	1.59	1.61	6.04	348.98
Disposal/Adjustments	–	(0.33)	(2.18)	(0.03)	(0.42)	(0.25)	(3.21)
Balance at March 31, 2021	**–**	**184.05**	**1,500.60**	**6.87**	**7.28**	**39.24**	**1,738.04**
Carrying amount							
Balance at April 1, 2019	**93.45**	**811.64**	**2,119.76**	**7.48**	**7.44**	**17.47**	**3,057.24**
Addition	7.44	155.97	562.82	2.54	2.09	5.32	736.18
Disposal/Adjustments	(0.41)	(0.11)	(3.81)	(0.01)	(0.09)	(0.05)	(4.48)
Depreciation	–	(34.58)	(274.51)	(1.43)	(1.57)	(6.31)	(318.40)
Balance at March 31, 2020	**100.48**	**932.92**	**2,404.26**	**8.58**	**7.87**	**16.43**	**3,470.54**
Addition	0.94	68.20	197.12	1.80	0.68	3.57	272.31
Disposal/Adjustments	(0.01)	(1.28)	(2.61)	(0.05)	(0.43)	(0.09)	(4.47)
Depreciation	–	(37.34)	(302.40)	(1.59)	(1.61)	(6.04)	(348.98)
Balance at March 31, 2021	**101.41**	**962.50**	**2,296.37**	**8.74**	**6.51**	**13.87**	**3,389.40**

Notes to Standalone Financial Statement

for year ended March 31, 2021

(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 (a) for information on property, plant and equipment pledged as security by the Company.

2 Buildings includes Rs. 2.48 Crores (March 31, 2020: Rs. 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 2020-21 such amount deducted from Property, Plant and Equipment is Rs. Nil (FY 19-20 Rs.0.25 Crores).

4 The Company has availed benefit under Export Promotion Capital Goods (EPCG) scheme amounting to Rs. 7.11 Crores (FY 19-20 Rs.8.08 Cr) (related to non cenvatable portion of total duty saved) for financial year 2020-21, such benefit is related to Property, Plant and Equipment and Capital work in progress.

5 Borrowing cost capitalised during the year Rs.Nil Crores (March 31, 2020 0.93 Crores)

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.

3B Intangible assets

Particulars	As at March 31, 2021	As at March 31, 2020
Carrying amount of		
Computer Softwares	1.69	1.82
Contribution to CETP	–	–
Right to use power lines	–	–
	1.69	**1.82**

Particulars	Computer Softwares	Contribution to CETP	Right to use power lines	Total
Cost or Deemed Cost				
Balance as at April 01, 2019	**11.95**	**0.64**	**4.50**	**17.09**
Addition	0.90	–	–	0.90
Disposal	–	–	–	–
Balance as at March 31, 2020	**12.85**	**0.64**	**4.50**	**17.99**
Addition	0.89	–	–	0.89
Disposal	–	–	–	–
Balance as at March 31, 2021	**13.74**	**0.64**	**4.50**	**18.88**
Accumulated amortisation				
Balance as at April 01, 2019	**10.35**	**0.64**	**4.50**	**15.49**
Amortisation expenses	0.68	–	–	0.68
Disposal	–	–	–	–
Balance as at March 31, 2020	**11.03**	**0.64**	**4.50**	**16.17**

Notes to Standalone Financial Statement

for year ended March 31, 2021

(All amounts in crores, unless otherwise stated)

3B Intangible assets (Contd..)

Particulars	Computer Softwares	Contribution to CETP	Right to use power lines	Total
Amortisation expenses	1.02	–	–	1.02
Disposal	–	–	–	–
Balance as at March 31, 2021	**12.05**	**0.64**	**4.50**	**17.19**
Carrying amount				
Balance as at April 01, 2019	**1.60**	**–**	**–**	**1.60**
Addition	0.90			0.90
Disposal	–	–	–	–
Amortisation expenses	(0.68)	–	–	(0.68)
Balance as at March 31, 2020	**1.82**	**–**	**–**	**1.82**
Addition	0.89	–	–	0.89
Disposal	–	–	–	–
Amortisation expenses	(1.02)	–	–	(1.02)
Balance as at March 31, 2021	**1.69**	**–**	**–**	**1.69**

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.

4 **Investments (Non Current)

Particulars	As at March 31, 2021	As at March 31, 2020
I 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, 2020: 5,68,51,144) Equity shares of Rs. 10/- each fully paid up of Vardhman Acrylics Limited	53.15	53.15
(ii) Investment in subsidiaries (unquoted)		
2,07,00,248 (March 31, 2020: 2,07,00,248) Equity shares of Rs. 10/- each fully paid up of VMT Spinning Company Limited	39.62	39.62
40,00,000 (March 31, 2020: 40,00,000) Equity shares of Rs. 10/- each fully paid up of VTL Investments Limited	4.04	4.04
1,40,00,000 (March 31, 2020: 1,40,00,000) Equity shares of Rs. 10/- each fully paid up of Vardhman Nisshinbo Garments Company Limited	8.51	8.51
(iii) Investment in Associates		
Quoted		
97,08,333 (March 31, 2020: 97,08,333) Equity shares of Rs. 10/- each fully paid up of Vardhman Special Steels Limited	25.24	25.24

Notes to Standalone Financial Statement

for year ended March 31, 2021

(All amounts in crores, unless otherwise stated)

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

Particulars	As at March 31, 2021	As at March 31, 2020
Unquoted		
62,69,699(March 31, 2020: 62,69,699) Equity shares of Rs. 10/- each fully paid up of Vardhman Yarns & Threads Limited	27.50	27.50
25,000 (March 31, 2020 : 25,000) Equity shares of Rs.10/- each fully paid-up of Vardhman Spinning and General Mills Limited	0.03	0.03
b. Investment in preference instruments (unquoted)		
(i) Investment in subsidiary		
1,00,00,000 (March 31, 2020: 1,00,00,000) 10% non-cumulative convertible preference shares of Rs. 10/- each fully paid up of Vardhman Nisshinbo Garments Company Limited	10.00	10.00
Financial assets measured at fair value through other comprehensive income		
(i) Investment in equity instruments (unquoted)		
41,000 (March 31, 2020: 41,000) Equity-Shares of Rs. 10/- each fully paid-up of Shivalik Solid Waste Management Limited (Section 25 Company)	0.11	0.09
1,40,625 (March 31, 2020: 1,40,625) Equity shares of Rs. 10/- each fully paid-up of Nimbua Greenfield (Punjab) Limited	1.84	1.66
2,225 (March 31, 2020: 2,225) Equity shares of Rs. 10/- each fully paid-up of Devakar Investment & Trading Company Private Limited	0.20	0.23
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, 2020 :6,660) 17.38% Non-convertible redeemable cumulative preference shares of Rs.7,500/- each fully paid of IL&FS Financial Services Limited	-	-
*** 10,000 (March 31, 2020:10,000) 16.46% Non-convertible redeemable cumulative preference shares of Rs. 7,500/- each fully paid of Infrastructure Leasing & Financial Services Limited	-	-
9,24,143 (March 31, 2020:NIL) units of Rs.1000/- each of BHARAT Bond ETF - April 2030 -Growth	104.83	-
4,99,97,500.125 (March 31, 2020:NIL) units of Rs.1000/- each of Edelweiss NIFTY PSU Bond Plus SDL Index Fund - 2026 - Direct Plan Growth - P6D1	50.54	-
* Nil (March 31, 2020 :5,00,00,000) units of Rs.10/- each of Kotak FMP Series 216 Direct-Growth	-	59.70
* Nil (March 31, 2020:4,00,00,000) units of Rs.10/- each of Aditya Birla Sunlife Fixed Term Plan Series-PI (1140 Days) -Direct Growth	-	47.28
* Nil (March 31, 2020: 2,50,00,000) units of Rs.10/- each of HDFC FMP 1158 Days Direct Growth	-	29.72

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for year ended March 31, 2021

(All amounts in crores, unless otherwise stated)

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

Particulars	As at March 31, 2021	As at March 31, 2020
* Nil (March 31, 2020: 1,50,00,000) units of Rs.10/- each of UTI Fixed Term Income Fund Series XXIV-XIV (1831 Days) Direct Growth Plan	–	20.54
* Nil (March 31, 2020: 5,00,00,000)units of Rs.10/- each of SBI Debt Fund Series C - 10 (1150 DAYS) Direct Growth	–	59.22
* Nil (March 31, 2020 : 5,00,00,000) units of Rs.10/- each of ICICI Prudential Fixed Maturity Plan Series 82-1203 days Plan K-Direct Plan Cumulative	–	59.48
3,24,12,364 (March 31, 2020: 3,24,12,364) units of Rs.10/- each of Kotak FMP Series 254 - 1250 Days -Direct Plan - Growth	40.21	37.05
6,50,00,000 (March 31, 2020: 6,50,00,000) units of Rs.10/- each of Kotak FMP Series 251 - 1265 Days -Direct Plan - Growth	81.55	75.14
4,99,97,500.125 (March 31, 2020: Nil) units of Rs.10/- each of SBI FMP Series 41 - 1498 Days -Direct Growth	50.00	–
2,99,98,500.075 (March 31, 2020: Nil) units of Rs.10/- each of SBI FMP Series 42 - 1857 Days -Direct Growth	30.00	–
2,50,00,000.100 (March 31, 2020:NIL) units of Rs.1000/- each of IDFC Gilt 2027 Index Fund Direct Plan- Growth	25.06	–
	552.43	**558.20**
1. Aggregate book value of quoted investments	460.60	466.55
2. Aggregate Market Value of quoted investments	724.77	580.37
3. Aggregate carrying value of unquoted investments	91.83	91.65

* Investments having maturity period of less than 12 months from March 31, 2021 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 Rs. 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 Rs. NIL (March 31,2020 Rs.NIL) and recorded adjustment as FVTPL .

5 Loans (Non Current)

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets at amortized cost		
(unsecured considered good unless otherwise stated)		
Loan to employees	1.31	1.48
	1.31	**1.48**

Notes to Standalone Financial Statement

for year ended March 31, 2021

(All amounts in crores, unless otherwise stated)

6 *Other Financial Assets (Non Current)

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets at amortized cost		
(unsecured considered good unless otherwise stated)		
Fixed Deposits with banks more than twelve months maturity	169.72	0.02
Interest Receivable	3.32	0.02
Other Recoverable	0.89	5.15
	173.93	**5.19**

*Refer Note 37

7 Other Non Current Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Non Financial Assets at amortized cost		
(unsecured considered good unless otherwise stated)		
Capital advances	20.04	22.00
Balance with government authorities	6.18	6.40
Prepaid (Deferred) Expense for employee benefit	0.08	0.20
Security deposits	36.79	33.78
Prepaid expenses-others	1.56	0.73
	64.65	**63.11**

8 Inventories

Particulars	As at March 31, 2021	As at March 31, 2020
(at cost or net realisable value, whichever is lower)		
Raw materials*	1,849.50	1,647.35
Work-in-progress	159.11	159.34
Finished Goods	461.05	522.44
Stores and Spares*	154.54	177.03
	2,624.20	**2,506.16**
***above items include goods in transit as per below**		
Raw materials	10.02	40.91
Stores and Spares	13.93	13.77
	23.95	**54.68**

(i) The cost of inventories recognised as an expense during the year in respect of continuing operations was Rs.2,999.62 Crores (March 31, 2020: Rs. 3,332.63 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.

Notes to Standalone Financial Statement

for year ended March 31, 2021
(All amounts in crores, unless otherwise stated)

9 *Other Investments (Current)

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets measured at fair value through Profit and loss		
Investment in Liquid Funds (Quoted)		
Nil (March 31, 2020: 5,59,391) units of Rs.1000/- each of SBI Overnight Fund	–	182.01
Nil (March 31,2020: 30,561.81) units of Rs.1000/-each of Kotak Liquid Fund	–	12.27
62,656.588 (March 31,2020: NIL) units of Rs.1000/-each of SBI Overnight Fund Direct Growth	21.00	–
Investment in Debt Funds/ Monthly Income Plans/Debentures/Bonds (Quoted)		
# 5,00,00,000 (March 31, 2020 :NIL) units of Rs.10/- each of Kotak FMP Series 216 Direct-Growth	63.80	–
# 4,00,00,000 (March 31, 2020:NIL) units of Rs.10/- each of Aditya Birla Sunlife Fixed Term Plan Series-PI (1140 Days) -Direct Growth	50.32	–
# 2,50,00,000 (March 31, 2020: NIL) units of Rs.10/- each of HDFC FMP 1158 Days Direct Growth	31.48	–
# 1,50,00,000 (March 31, 2020: NIL) units of Rs.10/- each of UTI Fixed Term Income Fund Series XXIV-XIV (1831 Days)Direct Growth Plan	21.87	–
# 5,00,00,000 (March 31, 2020: NIL)units of Rs.10/- each of SBI Debt Fund Series C - 10 (1150 DAYS) Direct Growth	62.97	–
# 5,00,00,000 (March 31, 2020 : NIL) units of Rs.10/- each of ICICI Prudential Fixed Maturity Plan Series 82-1203 days Plan K-Direct Plan Cumulative	63.17	–
Nil (March 31, 2020:2,50,00,000) units of Rs.10/- each of Aditya Birla Sunlife Fixed Term Plan Series OK -Growth-Direct (1135 Days)	–	31.04
Nil (March 31, 2020: 2,50,00,000) units of Rs.10/- each of ICICI Prudential FMP Series 80-1233 Days Plan Direct Plan Cumulative	–	31.22
Nil (March 31, 2020: 3,50,00,000) units of Rs.10/- each of Kotak FMP Series 202 Direct - Growth	–	43.31
Nil (March 31, 2020: 2,50,00,000) units of Rs. 10/- each of Nippon India Fixed Horizon Fund- XXXIII- Series 3- Direct Plan Growth Plan	–	31.29
Nil (March 31, 2020: 2,50,00,000) units of Rs.10/- each of Nippon India Fixed Horizon Fund- XXXIII- Series 4- Direct Plan Growth Plan	–	31.29
Nil (March 31, 2020:2,50,00,000) units of Rs.10/- each of SBI Debt Fund Series -B 49 - (1170 Day) Direct Growth	–	31.00
Nil (March 31, 2020: 4,00,00,000) units of Rs.10/- each of Kotak FMP Series 200 Direct - Growth	–	49.68
Investment in preference shares (unquoted)		
NIL (March 31, 2020: 12,50,000) 8.20% cumulative compulsorily convertible preference shares of Rs.100 each of Tata motor Finance Limited (formerly known as Sheeba Properties Limited)	–	28.93
Investment in equity Share (Quoted)		
5,30,000 (March 31, 2020 :5,80,000) Equity shares of Rs. 1 /- each fully paid up of Welspun India Limited	4.29	1.25
	318.90	**473.29**
1.Aggregate amount of quoted investments	318.90	444.36
2.Aggregate market value of quoted investments	318.90	444.36
3.Aggregate carrying value of unquoted investments	–	28.93

Investments having maturity period of less than 12 months from March 31, 2021 i.e. the balance sheet date have been reclassified as 'Current investment' during the year.

* Refer note 37

Notes to Standalone Financial Statement

for year ended March 31, 2021

(All amounts in crores, unless otherwise stated)

10 *Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Receivable from related parties (Refer Note 46)		
– Unsecured, considered good	4.78	8.72
Receivable from others		
– Secured, considered good	–	–
– Unsecured considered good	981.82	786.09
– Significant increase in Credit risk	2.12	2.12
– Credit impaired	–	–
Less:- Allowances for doubtful trade receivables	(2.12)	(2.12)
	986.60	**794.81**

(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 (2019-20 - 45 days) in case of domestic yarn and 90 days (2019-20 - 90 days) in case of domestic fabric. In case of exports, maximum credit period of 120 days (2019-20 - 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.

Particulars	Expected Credit Loss	
	As at March 31, 2021	As at March 31, 2020
(iii) Ageing of provision of doubtful trade receivables		
Less than 180 days	–	1.93
More than 180 days	2.12	0.19
	2.12	**2.12**
(iv) Age of Receivables:		
Less than 180 days	976.19	792.13
More than 180 days	12.53	4.80
	988.72	**796.93**
(v) Movement in expected credit loss allowance		
Balance at the beginning of the year	2.12	4.97
Reversal of provision during year	–	(4.78)
Provision provided during the year	–	1.93
Balance at the end of the year	**2.12**	**2.12**

(vi) The concentration of credit risk is limited due to the fact that customer base is large and unrelated.

* Refer note 37

Notes to Standalone Financial Statement

for year ended March 31, 2021

(All amounts in crores, unless otherwise stated)

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, 2021	As at March 31, 2020
a) Balances with banks		
– In current accounts	30.36	133.05
– In deposit accounts with maturity upto three months	–	14.39
b) Cheques on hand	0.64	0.84
c) Cash on hand	0.17	0.18
	31.17	**148.46**

#Refer note 37

11A Bank Balances other than Cash and cash equivalents#

Particulars	As at March 31, 2021	As at March 31, 2020
a) Other bank balances		
– Earmarked balances with banks*	4.70	2.99
– Deposits with more than twelve months maturity	169.72	0.02
– Deposits with more than three months but less than twelve months maturity	30.57	0.26
	204.99	3.27
Less: Amounts disclosed as other financial non current assets (Refer note 6)	169.72	0.02
	35.27	**3.25**

* Earmarked balances with banks includes Rs. 2.69 crores (March 31, 2020: Rs. 2.98 crores) pertaining to dividend accounts with banks and Rs.2.01 crores (March 31, 2020:Rs 0.01 crores) pledged with government authorities and others.

Refer note 37

12 Loans (Current)#

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets at amortized cost		
(Unsecured and considered good), unless otherwise stated		
Loans to related parties (Refer note 46)		
- Subsidiary companies	61.99	26.99
Loan to employees	1.28	2.73
	63.27	**29.72**

Refer note 37

Notes to Standalone Financial Statement

for year ended March 31, 2021

(All amounts in crores, unless otherwise stated)

13 Other financial assets (Current)**

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets at amortized cost		
(Unsecured and considered good), unless otherwise stated		
Recoverable from related parties (Refer Note 46)	0.04	0.03
Interest receivable (including from related parties) (Refer Note 46)	4.62	1.70
Claims receivable	3.05	1.36
Other Recoverable	24.46	7.94
Financial assets at Fair value through Profit and loss		
Derivative Financial Instruments*	17.85	–
	50.02	**11.03**

* 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

14 Current tax

Particulars	As at March 31, 2021	As at March 31, 2020
Current tax assets (net)		
Taxes paid (net)	–	65.82
Current tax liabilities (net)		
Income-tax payable (net)	11.17	–

15 Other current assets

Particulars	As at March 31, 2021	As at March 31, 2020
(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	101.50	85.01
Balance with government authorities	263.61	233.67
Prepaid (Deferred) Expense for employee benefit	0.17	0.32
Gratuity Trust	1.86	–
Prepaid expenses others	6.79	6.61
Other recoverable :		
– Considered good	184.63	115.21
– Considered Doubtful	0.01	0.02
Less: Allowances for doubtful other recoverable	(0.01)	(0.02)
	184.63	115.21
	563.21	**445.47**

Notes to Standalone Financial Statement

for year ended March 31, 2021

(All amounts in crores, unless otherwise stated)

15A Assets Held for sale

Particulars	As at March 31, 2021	As at March 31, 2020
Land held for Sale	0.15	0.15
	0.15	**0.15**

The company intends to dispose off a parcel of freehold land it no longer utilises in the next 12 months. No impairment loss was recognised on reclassification of the land as held for sale as at March 31, 2021 as the company had received advance of Rs.1.50 Crore (March 31,2020-Rs.1.00 Crores) shown in other current liabilities (Refer Note.26) against Sales Value of 1.50 Crore.

16 Equity share capital

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised share capital:		
9,00,00,000 equity shares of Rs. 10 each (March 31, 2020: 9,00,00,000 equity shares of Rs. 10 each)	90.00	90.00
1,00,00,000 redeemable cumulative preference shares of Rs. 10 each (March 31, 2020: 1,00,00,000 redeemable cumulative preference shares of Rs. 10 each)	10.00	10.00
	100.00	**100.00**
Issued, subscribed and fully paid up share capital comprises:		
5,75,62,560 equity shares of Rs. 10 each (March 31, 2020: 5,75,18,760 equity shares of Rs. 10 each)	57.56	57.52
	57.56	**57.52**

16.1 Rights, preference and restriction attached to equity shares

The Company has one class of equity shares having a par value of Rs.10/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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 99,300 options/shares (1,06,200 options/ shares 2019-20) vested during the year 2020-21. Out of these, 43,800 shares/options (FY 2019-20 40,600 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.

Notes to Standalone Financial Statement

for year ended March 31, 2021

(All amounts in crores, unless otherwise stated)

16 Equity share capital (Contd..)

16.4 Reconciliation of number of shares

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	5,75,18,760	57.52	5,74,78,160	57.48
Add: Issue of equity shares under employee stock option plan (Refer note 45)	43,800	0.04	40,600	0.04
Balance as at the end of the year	**5,75,62,560**	**57.56**	**5,75,18,760**	**57.52**

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, 2021		As at March 31, 2020	
	Number of shares	% holding	Number of shares	% holding
Devakar Investment and Trading Company Private Limited	63,37,564	11.01%	62,36,506	10.84%
Adishwar Enterprises LLP	1,03,18,863	17.93%	1,03,18,863	17.94%
Vardhman Holdings Limited	1,58,95,095	27.61%	1,53,53,628	26.69%
HDFC Trustee Company Ltd	34,97,558	6.08%	29,50,460	5.13%

17 Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
Share application money pending allotment	5.62	–
Capital reserve	1.24	1.24
Capital redemption reserve	6.26	6.26
Security premium	18.92	13.57
Debenture redemption reserve	57.62	57.62
Share options outstanding account	12.39	14.71
General reserve	1,377.74	1,375.09
Retained earnings	4,493.87	4,139.04
Equity instrument through other comprehensive income	1.29	1.16
	5,974.95	**5,608.69**

Notes to Standalone Financial Statement

for year ended March 31, 2021

(All amounts in crores, unless otherwise stated)

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, 2019	**1.13**	**1.24**	**6.26**	**10.18**	**49.68**	**15.23**	**1,373.60**	**3,723.11**	**1.19**	**5,181.62**
Profit for the year	–	–	–	–	–	–	–	545.49	–	545.49
Other comprehensive income for the year, net of income tax	–	–	–	–	–	–	–	(3.23)	(0.03)	(3.26)
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**542.26**	**(0.03)**	**542.23**
Final Equity Dividend for the financial year 2018-19 (Amount Rs. 17.50 per share)		–	–	–	–	–	–	(100.62)	–	(100.62)
Tax on Dividend	–	–	–	–	–	–	–	(17.76)	–	(17.76)
Employee stock options accrued/(Lapsed) during April-March 2020 (Refer note 45)	–	–	–	–	–	0.97	–	–	–	0.97
Transfer to equity shares due to issue of employee stock options (Refer note 45)	(1.13)	–	–	–	–	–	–	–	–	(1.13)
Securities premium on shares under Employee stock options	–	–	–	3.39	–	–	–	–	–	3.39
Transfer from Employee Stock Options accounts to General Reserve	–	–	–	–	–	(1.49)	1.49	–	–	–
Transfer to debenture redemption reserve on account of issue of debentures	–	–	–	–	7.94	–	–	(7.94)	–	–
Balance at March 31, 2020	**–**	**1.24**	**6.26**	**13.57**	**57.62**	**14.71**	**1,375.09**	**4,139.04**	**1.16**	**5,608.69**
Profit for the year	–	–	–	–	–	–	–	350.41	–	350.41
Other comprehensive income for the year, net of income tax	–	–	–	–	–	–	–	4.42	0.13	4.55
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**354.83**	**0.13**	**354.96**
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	–	–	–	5.35	–	–	–	–	–	5.35
Transfer from Employee Stock Options accounts to General Reserve	–	–	–	–	–	(2.65)	2.65	–	–	–
Balance at March 31, 2021	**5.62**	**1.24**	**6.26**	**18.92**	**57.62**	**12.39**	**1,377.74**	**4,493.87**	**1.29**	**5,974.95**

Notes to Standalone Financial Statement

for year ended March 31, 2021
(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 is 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 including senior executives 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 year ended March 31, 2021

(All amounts in crores, unless otherwise stated)

18 Borrowings (Non Current)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured - at amortised cost		
Term loans		
** From banks*	1,035.74	973.75
Less: Current maturities (refer note-25)	133.94	57.41
	901.80	**916.34**
Debentures		
Series A 7.59% 1,500 Debentures of Rs.10,00,000/-each	–	150.00
Series B 7.69% 1,500 Debentures of Rs.10,00,000/-each	150.00	150.00
Series C 7.75% 1,998 Debentures of Rs.10,00,000/-each	199.80	199.80
6.83% 1,950 Debentures of Rs. 10,00,000/- each	195.00	–
Less: Current maturities of Debentures (refer note-25)	150.00	150.00
	394.80	**349.80**
Total	**1,296.60**	**1,266.14**

* Net of unamortized processing charges: March 31, 2021: Rs.1.08 crores (March 31, 2020 Rs. 1.77 crores)

** Includes External Commercial borrowing from Citi bank amounting Rs.43.87 Crores (March 31,2020 Rs.45.42 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 Rs. 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 December 18, 2020. The NCDs shall be 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, 2021 is 2.14 times.

(c) The Company had also issued secured, rated listed Redeemable Non-convertible Debentures (NCDs) aggregating to Rs. 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 year 1,500 7.59% Series A NCDs of Rs.10 lacs each amounting to Rs.150 Cr were redeemed on 08-September 2020.

CRISIL has assigned a rating of AA+ with Stable outlook to the said NCDs of the Company on December 18, 2020. 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, 2021 is 2.14 times.

Notes to Standalone Financial Statement

for year ended March 31, 2021

(All amounts in crores, unless otherwise stated)

18 Borrowings (Non Current) (Contd..)

(d) There have been no breach of covenants mentioned in the loan agreements during the reporting years.

(e) Terms of repayment of loan/debentures

			Repayments during				
Loan Category	**Frequency of principal repayments**	**Interest rate**	**FY 2021-22**	**FY 2022-23**	**FY 2023-24**	**FY 2024-26**	**Total**
Term loans	Quarterly Payments	6.70% to 8.50%	133.94	263.20	29.25	36.56	462.95
Term loans	Bullet Payments	7.05% to 7.35%	–	2.00	3.00	525.00	530.00
*ECB Loan	Bullet Payments	Libor plus spread of 0.65%.	–	–	14.27	29.60	43.87
7.69% Series B Non-convertible debentures	Yearly	7.69%	150.00	–	–		150.00
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
			283.94	**465.00**	**241.52**	**591.16**	**1,581.62**

(f) Also refer note 37 for fair value disclosures.

* 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, 2021**	**As at March 31, 2020**
Financial liabilities at amortized cost		
Retention money	2.81	3.98
	2.81	**3.98**

* Refer note 37

A Lease liabilities (Non Current)*

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Financial liabilities at amortized cost		
Lease Liability	0.16	0.15
	0.16	**0.15**

*Refer Note:-44

Notes to Standalone Financial Statement

for year ended March 31, 2021

(All amounts in crores, unless otherwise stated)

20 Provisions (Non Current)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits :		
- Leave (Refer note 47)	15.26	14.45
	15.26	**14.45**

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, 2021	As at March 31, 2020
Deferred tax liabilities	252.40	242.24
Deferred tax assets	12.86	16.92
	239.54	**225.32**

* Refer note 36

22 Other non-current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Income for Capital subsidy	16.25	18.43
Due to employees	0.09	0.08
Other	1.18	0.81
Total	**17.52**	**19.32**

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 3 to Note 3A)

23 Borrowings (Current)*

Particulars	As at March 31, 2021	As at March 31, 2020
Loans repayment on demand		
– From banks (secured at amortised cost)	550.12	666.00
– From banks (unsecured at amortised cost)	–	57.02
Total	**550.12**	**723.02**

Notes to Standalone Financial Statement

for year ended March 31, 2021

(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, 2020: Nil) for commercial paper issued by the Company. The maximum amount outstanding during the year is Rs. 450 crores (including interest) (FY 2019-20: Rs. 550.00 crores (including interest)).

* Refer note 37

24 Trade payables*

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payables (refer note 43)		
– Total outstanding dues of micro enterprises and small enterprises	13.87	27.23
– Total outstanding dues of other than micro enterprises and small enterprises	232.08	264.69
Due to related parties (Refer Note 46)	1.01	0.00
Total	**246.96**	**291.92**

* Refer note 37

25 Other financial liabilities (Current)**

Particulars	As at March 31, 2021	As at March 31, 2020
Financial liabilities at amortized cost		
Current maturities of non current debt	283.94	207.41
Interest accrued but not due on borrowings	30.02	25.35
Other payables		
– Retention money	9.35	11.89
– Security deposits	1.97	2.22
– Expense payable	24.28	46.03
– Payables for purchase of fixed assets		
– Total outstanding dues of micro enterprises and small enterprises	0.10	–
– Total outstanding dues of other than micro enterprises and small enterprises	16.96	46.88
– Due to employees	74.55	66.45
Financial liabilities at Fair value through Profit and loss		
Derivative Financial Instruments*	2.07	34.96
Total	**443.24**	**441.19**

Notes to Standalone Financial Statement

for year ended March 31, 2021

(All amounts in crores, unless otherwise stated)

25 Other financial liabilities (Current)** (Contd..)

* This includes net mark to market loss of Rs. 2.07 (March 31,2020 : Rs. NIL) 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, 2021	As at March 31, 2020
Statutory remittances*	19.29	14.76
Deferred Income for Capital subsidy	1.80	1.89
Unpaid dividends **	2.69	2.98
Gratuity	–	9.00
Advances from customers (Contract Liabilities) #	44.36	36.42
Other Liabilities	10.65	6.47
Advance against Sale of Property, Plant and Equipment	1.50	1.00
Total	**80.29**	**72.52**

* 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, 2021	As at March 31, 2020
As at beginning of the year	36.42	42.38
Less:-Recognised as revenue	(36.42)	(42.38)
Add:- Advances received during the year related to closing balance	44.36	36.42
As at end of the year	**44.36**	**36.42**

27 Provisions (Current)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits : (Refer note 47)		
Leave	2.57	2.46
	2.57	**2.46**

Notes to Standalone Financial Statement

for year ended March 31, 2021

(All amounts in crores, unless otherwise stated)

28 Revenue from operations

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of products (Net of Rebate & Discount)**	5,715.64	6,246.57
Sale of services	2.83	3.71
Other operating revenues :		
– Export benefits*	56.69	60.27
– Others	12.48	14.60
	5,787.64	**6,325.15**

Ministry of Corporate affairs had notified Ind AS 115 'Revenue from Contracts with customers' which is effective from April 1, 2018. The new standard outlines a single comprehensive control based model for revenue recognition and supersedes current revenue recognition guidance based on risk and rewards. The company had assessed the impact on the financial statement of adopting IND-AS 115 and it is not expected to have a impact on the company's profitability, liquidity and capital resources as financial position. The Company had not applied any significant judgements in applying the revenue recognition criteria. The introduction of the standard have extended the disclosure requirements and is given below:-

The following is an analysis of the companies revenue from its products and services

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of Yarn	3,899.99	3,768.27
Sale of Fabric	1,812.38	2,474.45
Service income	2.83	3.71
Others (Sale of scrap, waste etc)	15.75	18.45
	5,730.95	**6,264.88**

The following is analysis on the Companies revenue disaggregates on the basis of timing of revenue recognition.

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
– At point of time	5,730.95	6,264.88
– 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) Merchandise Exports from India Scheme(MEIS)	7.06	18.95
(b) Duty drawback benefits	49.63	41.32
	56.69	**60.27**

** Revenue from operations does not include Rs.Nil Crores (March 31, 2020 Rs.0.01 Crores) for sales during the trial run which has been capitalised during the year.

Notes to Standalone Financial Statement

for year ended March 31, 2021
(All amounts in crores, unless otherwise stated)

29 Other income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Interest income		
Interest income	26.89	27.29
Interest income on employee loans	0.10	0.10
(b) Dividend income		
Dividend Income from investment carried at cost	5.64	19.85
Dividend income from investments- carried at fair value through Profit or Loss	0.01	11.54
(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 gain/loss upto previous year)	17.61	19.82
Gain on fair valuation of Investments (Net)	35.63	38.13
(d) Other gain		
Claims received (net of expenses)	1.14	2.33
Provisions no longer required written back	6.57	1.66
Subsidy from Government	27.54	16.27
Net gain on disposal of property, plant and equipment	0.65	4.50
Allowances for doubtful trade receivables and advances written back	–	2.85
Foreign exchange fluctuation gain (net)	41.33	–
Others	26.36	27.64
	189.47	**171.98**

30 Cost of materials consumed

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cotton	2,463.10	2,675.36
Manmade fibre	487.31	595.19
Yarn	38.54	34.00
Fabric	9.13	25.25
Others	1.54	2.83
	2,999.62	**3,332.63**

These expenses do not include amounting Rs.Nil Crore (March 31, 2020 Rs. 1.85 Crore) incurred in trial run which is capitalised during the year.

Notes to Standalone Financial Statement

for year ended March 31, 2021

(All amounts in crores, unless otherwise stated)

31 Purchases of Stock-in-trade:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Yarn	45.58	50.00
Fabric	–	1.78
Others	1.01	0.27
	46.59	**52.05**

32 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories at the beginning of the year		
Work-in-progress	159.34	157.64
Finished goods	522.44	471.62
	681.78	**629.26**
Add:-Material Received from Trial Run	–	2.22
	681.78	**631.48**
Inventories at the end of the year		
Work-in-progress	159.11	159.34
Finished goods	461.05	522.44
	620.16	**681.78**
	61.62	**(50.30)**

33 Employee benefits expense *#

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages	506.97	507.30
Contribution to provident and other funds	38.02	37.99
Staff welfare expenses	4.87	5.69
	549.86	**550.98**

* Also refer note 47

These expenses do not include amounting Rs.Nil Crore (March 31, 2020 Rs.0.06 Crore) incurred in trial run which is capitalised during the year.

Notes to Standalone Financial Statement

for year ended March 31, 2021

(All amounts in crores, unless otherwise stated)

34 Finance costs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense*	97.67	121.21
Other borrowing costs	13.76	11.33
	111.43	**132.54**

*Interest expense is net of interest reimbursement of Rs. 14.30 crores (March 31, 2020 - Rs. 21.08 crores) under Technology upgradation fund scheme (TUF) and Rs.29.73 crores (March 31, 2020 - Rs. 16.73 crores) under Madhya Pradesh state interest reimbursement on term loan.

*Borrowing cost capitalised during the year Rs.Nil Crores (March 31, 2020 Rs. 0.93 Crores).

35 Other expenses*

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Power and fuel***	565.70	710.28
Consumption of stores and spare parts	30.65	34.62
Packing materials and charges	74.05	76.69
Dyes and Chemical consumed	154.28	217.84
Rent	2.29	2.74
Repairs and maintenance to buildings	19.09	28.71
Repairs and maintenance to machinery	157.59	175.88
Insurance	13.77	16.25
Rates and taxes	2.18	2.17
Auditors remuneration:		
– Audit fee	0.63	0.55
– Tax audit fee	0.08	0.08
– Reimbursement of expenses	0.01	0.05
– In other capacity (Certification Charges)	0.02	0.09
Bad debts written off	0.37	6.18
Forwarding charges and octroi	143.19	107.84
Commission to selling agents	38.20	39.87
Assets written off	1.82	2.37
Forex Fluctuation Loss (Net)	–	8.11
Cotton Hedging Derivative Loss	87.90	–
Other miscellaneous expenses (Refer note 48.3)#**	98.88	126.69
	1,390.70	**1,557.01**

* Other expenses do not include amounting Rs.Nil Crores (March 31, 2020 Rs.0.06 Crore) incurred in trial run which is capitalised during the year.

** 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 Rs.Nil Crores (March 31, 2020 Rs.4.35 crores) political contribution via Electoral Bond Scheme.

*** Power & Fuel expense amount is net of Subsidy amounting Rs.7.36 Crores (March 31,2020 Rs. 7.18 Crores).

Notes to Standalone Financial Statement

for year ended March 31, 2021

(All amounts in crores, unless otherwise stated)

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
2020-21					
Deferred tax assets					
Expenses deductible in future years	11.93	–	0.39	–	12.32
Provision for doubtful debts / advances	0.54	–	–	–	0.54
	12.47	**–**	**0.39**	**–**	**12.86**
Deferred tax liabilities					
Property, plant and equipment and Intangible assets	(231.53)	–	(6.33)	–	(237.86)
Investment in bonds, mutual funds and equity instruments	(10.71)	–	(0.34)	–	(11.05)
Others	4.45		(7.93)		(3.49)
	(237.79)	**–**	**(14.60)**	**–**	**(252.40)**
Net deferred tax liabilities	**(225.32)**	**–**	**(14.21)**	**–**	**(239.54)**

Particulars	Opening Balance	Mat Credit Adjustment	Recognised in profit or loss	Recognised in OCI	Closing Balance
2019-20					
Deferred tax assets					
Expenses deductible in future years	8.46	–	3.47	–	11.93
Provision for doubtful debts / advances	1.75	–	(1.21)	–	0.54
Others	0.18	–	4.27	–	4.45
	10.39	**–**	**6.53**	**–**	**16.92**
Deferred tax liabilities					
Property, plant and equipment and Intangible assets	(293.60)	–	62.07	–	(231.53)
Investment in bonds, mutual funds and equity instruments	(14.26)	–	3.54	0.01	(10.71)
	(307.86)	**–**	**65.61**	**0.01**	**(242.24)**
Net deferred tax liabilities	**(297.47)**	**–**	**72.14**	**0.01**	**(225.32)**

Note: Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

Notes to Standalone Financial Statement

for year ended March 31, 2021

(All amounts in crores, unless otherwise stated)

36.2 Income tax recognised in profit or loss

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax		
In respect of the current year	102.54	129.66
Deferred tax		
In respect of the current year	14.21	(72.14)
Total income tax expense recognised	**116.75**	**57.52**

The income tax expense for the year can be reconciled to the accounting profit as follows

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before tax	467.16	603.01
Tax at the Indian Tax Rate of 25.168%% (2019-20 : 25.168 %)	117.57	151.77
Differential tax rate on capital gain on sale of investments/mark to market gain on investment	3.79	(0.61)
Effect of exempted dividend income	–	(7.82)
Effect of indexation benefit on value of investment	(7.74)	(5.93)
Deductions u/s 80JJAA	(1.94)	–
Effect of expenses that are not deductible in determining taxable profit	4.01	1.97
Effect of change in tax rate	–	(81.46)
Others	1.06	(0.39)
	116.75	**57.52**

36.3 Income tax recognised in other comprehensive income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Arising on income and expenses recognised in other comprehensive income		
Net fair value gain on investment in equity shares at FVTOCI	0.04	(0.01)
Remeasurement of defined benefit obligation	1.49	(1.09)
Total income tax recognised in other comprehensive income	**1.53**	**(1.10)**

36.4 The Company during FY 2019-20 had 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 Company had 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 previous financial statements.

Notes to Standalone Financial Statement

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(All amounts in crores, unless otherwise stated)

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, 2021	As at March 31, 2020
Debt	2,130.66	2,196.57
Cash & cash equivalents	31.17	148.46
Net Debt	**2,099.49**	**2,048.11**
Total Equity	**6,032.51**	**5,666.21**
Net debt to equity ratio	0.35	0.36

37.2 Financial instruments by category

Particulars	As at March 31, 2021				As at March 31, 2020			
	FVTPL	Fair Value (Derivative Instruments)	Amortised Cost#	FVTOCI	FVTPL	Fair Value (Derivative Instruments)	Amortised Cost#	FVTOCI
Financial Assets								
Investments*	701.10	–	–	2.14	861.45	–	–	1.97
Trade Receivables	–	–	986.60	–	–	–	794.81	–
Cash and cash equivalents	–	–	31.17	–	–	–	148.46	–
Bank balances other than above	–	–	35.27	–	–	–	3.25	–
Loans	–	–	64.58	–	–	–	31.20	–
Other financial assets	–	17.85	206.10	–	–	–	16.22	–
	701.10	**17.85**	**1,323.72**	**2.14**	**861.45**	**–**	**993.94**	**1.97**

Notes to Standalone Financial Statement

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(All amounts in crores, unless otherwise stated)

37 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd..)

Particulars	As at March 31, 2021			As at March 31, 2020		
	FVTPL	Fair Value (Derivative Instruments)	Amortised Cost#	FVTPL	Fair Value (Derivative Instruments)	Amortised Cost#
Financial Liabilities						
Borrowings (including current maturity of term loan)	–	–	2,130.66	–	–	2,196.57
Trade Payables	–	–	246.96	–	–	291.92
Other financial liabilities	–	2.07	160.04	–	34.96	202.80
Lease Liability			0.16			0.15
	–	**2.07**	**2,537.82**	**–**	**34.96**	**2,691.44**

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 Rs.168.09 crores (March 31, 2020: Rs. 168.09 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, 2021	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in mutual funds/bonds/preference shares	21.00	675.80	–	696.80
Investments in quoted equity instruments	4.29	–	–	4.29
Investments in unquoted equity instruments	–	–	2.14	2.14
Foreign currency / commodity forward contracts	–	17.85	–	17.85
	25.29	**693.65**	**2.14**	**721.08**
Financial Liabilities				
Foreign currency / commodity future/option contracts	–	2.07	–	2.07
	–	**2.07**	**–**	**2.07**

As at March 31, 2020	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in mutual funds/bonds/preference shares	194.28	665.90	–	860.18
Investments in quoted equity instruments	1.25	–	–	1.25
Investments in unquoted equity instruments	–	–	1.97	1.97
Foreign currency / commodity forward contracts	–	–	–	–
	195.53	**665.90**	**1.97**	**863.40**
Financial Liabilities				
Foreign currency / commodity forward contracts	–	34.96	–	34.96
	–	**34.96**	**–**	**34.96**

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37 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd..)

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.

Reconciliation of Level 3 fair value measurements

Particulars	Unlisted equity instruments
As at April 1, 2019	**2.01**
Purchases	–
Gain / (loss) recognised in OCI/Profit/Loss	(0.04)
As at March 31, 2020	**1.97**
Purchases	**–**
Gain / (loss) recognised in OCI/Profit/Loss	**0.17**
As at March 31, 2021	**2.14**

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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 47%(2019-20 - 40%) 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.

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 are as follows:

As at March 31, 2021	USD	EUR	CHF	JPY
Financial assets				
Trade receivables	7.40	0.42	–	–
Foreign exchange derivative contracts*	(20.35)	(0.67)	–	–
Net exposure to foreign currency risk (assets)	**–**	**–**	**–**	**–**
Financial liabilities				
Trade payables	0.07	0.07	0.01	2.75
Borrowings	0.60	–	–	–
Foreign exchange derivative contracts*	(2.20)	(0.40)	(0.09)	–
Net exposure to foreign currency risk (liabilities)	**–**	**–**	**–**	**2.75**
Net exposure to foreign currency risk (net)	**–**	**–**	**–**	**2.75**

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37 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd..)

As at March 31, 2020	USD	EUR	CHF	JPY
Financial assets				
Trade receivables	5.28	0.41	–	–
Foreign exchange derivative contracts*	(13.60)	(0.75)	–	–
Net exposure to foreign currency risk (assets)	**–**	**–**	**–**	**–**
Financial liabilities				
Trade payables and other financial liabilities	0.01	0.13	0.03	5.96
Borrowings	0.60	–	–	–
Foreign exchange derivative contracts*	(1.74)	(0.05)	–	–
Net exposure to foreign currency risk (assets)	**–**	**0.08**	**0.03**	**5.96**
Net exposure to foreign currency risk (net)	**–**	**0.08**	**0.03**	**5.96**

*Excess forwards sold 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, 2021		Year ended March 31, 2020	
	₹ strengthens by 10%	₹ weakens by 10%	₹ strengthens by 10%	₹ weakens by 10%
Impact on (profit) /loss for the year				
USD	–	–	–	–
EUR	–	–	0.63	(0.63)
CHF	–	–	0.24	(0.24)
JPY	0.18	(0.18)	0.42	(0.42)

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.

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(All amounts in crores, unless otherwise stated)

37 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd..)

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 (Rs. Crores)	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
USD / INR Buy forward	37	18	1.26	1.14	83.30	84.50
USD / INR Buy Option	5	2	0.94	0.60	43.87	48.99
USD / INR Sell forward	241	202	13.55	11.82	864.48	877.22
USD / INR Sell Option	93	31	6.80	1.78	130.14	131.32
EUR / USD Buy forward	9	–	0.14	–	12.13	–
EUR / INR Buy forward	4	2	0.26	0.05	22.39	4.37
EUR / INR Sell forward	13	26	0.67	0.75	57.79	61.54
CHF/INR Buy Forward	1	–	0.09	–	7.25	–
Fair value assets		–		–	17.85	–
Fair value liabilities		–		–	–	34.96

* 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.

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, 2021	Year ended March 31, 2020
	₹ If loans interest rate decreases by 1 %	₹ If loans interest rate decreases by 1 %
Increase in profit before tax by	21.31	21.97

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.

Notes to Standalone Financial Statement

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37 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd..)

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, 2021 would increase / decrease by Rs.0.11 crores (March 31, 2020: increase / decrease by Rs. 0.10 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, 2021 would increase / decrease by Rs. 6.97 crores (March 31, 2020 by Rs. 8.31 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.

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.

Notes to Standalone Financial Statement

for year ended March 31, 2021

(All amounts in crores, unless otherwise stated)

37 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd..)

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	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from top five customers	560.63	485.33
% of total sales of products	9.69%	7.67%

Financial assets for which loss allowance is measured:

Particulars	As at March 31, 2021	As at March 31, 2020
Loans - Non-current	1.31	1.48
Loans - Current	63.27	29.72
Other financial assets - Non-current	173.93	5.19
Other financial assets - Current	50.02	11.03
Trade receivables	986.60	794.81
	1,275.13	**842.23**
Loss allowance is as follows:-		
As at April 01, 2019		**4.97**
Provided during the year		1.93
Reversed during the year		(4.78)
As at March 31, 2020		**2.12**
Provided during the year		–
Reversed during the year		–
As at March 31, 2021		**2.12**

Other than financial assets mentioned above, none of the Company's financial assets are either impaired, and there were no indications that defaults in payment obligations would occur.

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

Notes to Standalone Financial Statement

for year ended March 31, 2021

(All amounts in crores, unless otherwise stated)

37 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd..)

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, 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	380.66	871.33
Trade Receivables	986.60	–	–	–	986.60
Cash and cash equivalents	31.17	–	–	–	31.17
Bank balances other than above	35.27	–	–	–	35.27
Loans	64.58	–	–	–	64.58
Other financial assets	223.95	–	–	–	223.95
	1,660.47	**121.77**	**50.00**	**380.66**	**2,212.90**
Financial liabilities					
Borrowings**	834.06	706.52	590.09	–	2,130.67
Trade payables	246.96	–	–	–	246.96
Other financial liabilities	159.30	–	–	–	159.30
	1,240.32	**706.52**	**590.09**	**–**	**2,536.93**

As at March 31, 2020	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*	473.30	388.15	–	1.96	863.41
Trade Receivables	794.81	–	–	–	794.81
Cash and cash equivalents	148.46	–	–	–	148.46
Bank balances other than above	3.25	–	–	–	3.25
Loans	31.20	–	–	–	31.20
Other financial assets	16.22	–	–	–	16.22
	1,467.24	**388.15**	**–**	**1.96**	**1,857.35**
Financial liabilities					
Borrowings**	930.43	694.50	509.64	62.00	2,196.57
Trade payables	291.92	–	–	–	291.92
Other financial liabilities	233.78	–	–	–	233.78
	1,456.13	**694.50**	**509.64**	**62.00**	**2,722.27**

* Investment value excludes investment in Subsidiaries/Associates of Rs. 168.09 crores (March 31, 2020: Rs. 168.09 crores)

** including Current Maturity of non-current borrowings

Notes to Standalone Financial Statement

for year ended March 31, 2021

(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, 2021	As at March 31, 2020
Sales tax, excise duty, etc*	6.13	6.36
Income-tax**	272.76	270.53
Others***	7.00	5.62

* Amount deposited Rs.0.65 crore (March 31, 2020 : Rs. 0.73 crore)

** Amount deposited Rs.117.89 crore (March 31, 2020 : Rs. 60.06 crore)

*** Amount deposited Rs.3.30 crore (March 31, 2020 : Rs. 3.30 crore)

b. Liability on account of bank guarantees and letter of credit of Rs.367.99 crores (March 31, 2020: Rs. 151.94 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 Rs. 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 last year 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, 2021	As at March 31, 2020
(i) Estimated Amount of contracts remaining to be executed on capital account & not provided for (net of advance)	412.38	93.21
(ii) Exports obligations under Export Promotion Capital Goods (EPCG) scheme*	1,162.32	733.96

* 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, 2021 is Rs.429.61 crores (March 31, 2020 Rs.342.99 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

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(All amounts in crores, unless otherwise stated)

39 The details of dues of excise duty, sales tax, value added tax, service tax and income-tax which have not been deposited as on March 31, 2021 on account of disputes are given below:

Nature of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates (various years covering the period)	Amount* (Rs. Crores)	Amount unpaid (Rs. In Crores)
Central Excise Laws	Excise Duty	CESTAT	FY 2007-08 to FY 2010-11	0.67	0.65
		Up-to Commissioner (Appeals)	FY 2011-12 to FY 2014-15, FY 2016-17 to FY 2018-19	4.38	4.17
Service Tax Laws	Service Tax	CESTAT	FY 2008-09	0.11	0.11
Sales Tax Laws	Central Sales Tax	Upto Commissioner (Appeals)	FY 2009-10	0.06	0.06
		Appellate Board	FY 2006-07, FY 2010-11 to FY 2012-13	0.68	0.38
	State Sales Taxes	Upto Commissioner (Appeals)	FY 2014-15 to FY 2017-18	0.07	0.05
Goods and Service Tax Laws	Goods and Service Tax	Upto Commissioner (Appeals)	FY 2017-18 , FY 2020-21	0.16	0.06
Income-tax Laws	Income-tax	CIT (Appeals)	AY 2016-17 to AY 2019-20	78.52	–
		Income-tax Appellate Tribunal (ITAT)	"AY 2010-11 AY 2014-15 AY 2015-16"	39.37	–

* 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:-

Nature of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates (various years covering the period)	Amount Involved * (Rs. In Crores)
Income-tax Laws	Income-tax	Income-tax Appellate Tribunal (ITAT)	AY 2010-11, AY 2014-15 AY 2015-16	121.02
		High Court	AY 2001-02 to AY 2007-08	25.95

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

40 (a) The Company was holding its own 15,98,741 equity shares of Rs. 10 each through a Trust, which were received by it in its capacity as a shareholder of Vardhman Holdings Limited, in accordance with the 'Scheme of Arrangement and Demerger'. Out of above, 1,36,539 shares were tendered during 2016-17 year in terms of buy back announced by the Company and remaining 14,62,202 shares were sold in 2017-18 in market.

40 (b) The Trust is also holding 5,32,911 equity shares (March 31, 2020: 5,32,911 nos.) of Rs. 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.

Notes to Standalone Financial Statement

for year ended March 31, 2021

(All amounts in crores, unless otherwise stated)

40 (Contd..)

As the aforesaid shares are held by a 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 (c) 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, 2021	As at March 31, 2020
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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from Operations		
Domestic	3,061.92	3,791.78
Overseas	2,725.72	2,533.37
	5,787.64	**6,325.15**
Non Current Segment Assets		
– Within India	4,265.96	4,248.52
– Outside India	–	–
	4,265.96	**4,248.52**

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 2020-21 and 2019-20.

Notes to Standalone Financial Statement

for year ended March 31, 2021

(All amounts in crores, unless otherwise stated)

42 EARNINGS PER SHARE

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Basic earnings per share (INR)	**60.91**	**94.86**
Diluted earnings per share (INR)	**60.53**	**94.16**
Profit attributable to the equity holders of the Company used in calculating basic earning per share	350.41	545.49
Weighted average number of equity shares for the purpose of basic earning per share (numbers)	5,75,29,080	5,75,01,936
Profit attributable to the equity holders of the Company used in calculating dilutive earning per share	350.41	545.49
Weighted average number of equity shares for the purpose of dilutive earning per share (numbers)	5,78,85,364	5,79,29,636

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, 2021	For the year ended March 31, 2020
Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year		
– Principal amount	13.87	27.23
–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 leave 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.

Notes to Standalone Financial Statement

for year ended March 31, 2021

(All amounts in crores, unless otherwise stated)

44 Leases (Contd..)

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.

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, Rs. 7.22 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 assets for the year ended March 31, 2021:

Particulars	Land	Building	Total
Balance as on April 01, 2019	**1.66**	**0.01**	**1.67**
Reclassified on account of adoption of Ind AS 116	7.22	–	7.22
Addition	–	–	–
Deletion	–	–	–
Depreciation/Amortisation	(0.13)	(0.00)	(0.13)
Balance as on March 31, 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**

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, 2021:

Particulars	As at March 31, 2021	As at March 31, 2020
Current Lease Liabilities	–	–
Non-Current Lease Liabilities	0.16	0.15
Total	**0.16**	**0.15**

Following is the movement in lease liabilities during year ended March 31, 2021

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning	0.15	1.67
Finance cost accrued during the period	0.01	–
Payment of Lease Liabilities	–	(1.52)
Balance at the end	**0.16**	**0.15**

Notes to Standalone Financial Statement

for year ended March 31, 2021

(All amounts in crores, unless otherwise stated)

44 Leases (Contd..)

The table below provide details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis:

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one year	–	–
One to five years	–	–
More than five years	8.42	8.42
Total	**8.42**	**8.42**

The following are the amounts recognised in statement of profit and loss:

Particulars	As at March 31, 2021	As at March 31, 2020
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)	1.07	1.18
Total Amount Recognised in Profit and Loss	**1.20**	**1.31**

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	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				

Notes to Standalone Financial Statement

for year ended March 31, 2021

(All amounts in crores, unless otherwise stated)

45 Share based payments - Employee Share option plan of the Company (Contd..)

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 99,300 equity shares (FY 2019-20 - 1,06,200 equity shares) was due but only 43,800 shares (FY 2019-20 26,700 shares) have been exercised during the year.

(v) Fair value of options/shares granted in the year

Call option value per option unit using Black Scholes Method is Rs.427.63. The following inputs have been used for computing the fair value:

Inputs into the model	Particulars
Grant date share price (Rs)	1,056.60
Exercise price (Rs.)	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	2020-21		2019-20	
	Number of options	Weighted Average Exercise price	Number of options	Weighted Average Exercise price
Balance at beginning of year	4,02,400	–	5,12,950	–
Granted during the year	–	–	–	–
Forfeited during the year	–	–	–	–
Exercised during the year	(43,800)	815	(26,700)	815
Lapsed during the year	(68,550)	–	(83,850)	–
Balance at end of year	**2,90,050**	**–**	**4,02,400**	**–**

(vii) Share options exercised during the year

	Allotment	Allotment Date	Share price at exercise date
Granted as per para (iii) above	43,800	04-Jan-21	815
	43,800		

(viii) Amount accounted for in profit and loss for Employee stock options is Rs.2.16 crores (FY 2019-20 0.97 crores).

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for year ended March 31, 2021

(All amounts in crores, unless otherwise stated)

46 RELATED PARTY TRANSACTIONS

46.1 Description of related parties

Subsidiaries	Key management personnel (KMP)
VMT Spinning Company Limited	Mr. S.P. Oswal, Chairman and Managing Director
Vardhman Acrylics Limited	Mrs. Suchita Jain, Vice-Chairperson & Joint Managing Director
VTL Investments Limited	Mr. Neeraj Jain, Joint Managing Director
Vardhman Nisshinbo Garments Company Limited	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)
Associates	Mr. Devendra Bhushan Jain (Independent Director) (upto November 7, 2020)
Vardhman Yarns and Threads Limited	Mr. Rajender Mohan Malla (Independent Director) (upto September 25, 2020)
Vardhman Spinning and General Mills Limited	Dr. Parampal Singh (Independent Director)
Vardhman Special Steels Limited	Mrs. Harpreet Kaur Kang (Independent Director)
Relatives of KMP	**Enterprises over which KMP have significant influence**
Ms. Soumya Jain	Vardhman Holdings Limited
Ms. Sagrika Jain	Vardhman Apparels Limited
	Smt. Banarso Devi Oswal Public Charitable Trust
Post Employment Benefit Plans Trust	Sri Aurobindo Socio Economic and Management Research Institute
Mahavir Employee Gratuity Fund Trust	Adhiswar Enterprises LLP
Mahavir Superannuation Scheme	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

Notes to Standalone Financial Statement

for year ended March 31, 2021

(All amounts in crores, unless otherwise stated)

46 RELATED PARTY TRANSACTIONS (Contd..)

46.2 Transactions with related parties

	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale /processing of goods to:#		
Subsidiaries	45.74	40.35
Associates	0.32	1.59
Enterprises over which KMP have significant influence	68.87	66.46
	114.93	**108.40**
Purchase/processing of goods from:#		
Subsidiaries	163.01	179.98
Associates	6.10	12.65
	169.11	**192.63**
Purchase of MEIS License		
Subsidiaries	0.24	–
	0.24	**–**
Sale of MEIS License		
Subsidiaries	0.63	3.00
Associates	0.69	2.03
	1.32	**5.03**
Purchase of property, plant & equipment from:		
Subsidiaries	0.09	0.58
	0.09	**0.58**
Sales of property, plant & equipment to:		
Subsidiaries	0.12	0.06
	0.12	**0.06**
Rent paid**		
Associates	0.00	–
Enterprises over which KMP have significant influence	0.13	0.13
	0.13	**0.13**
Rent received **		
Associates	0.25	0.25
	0.25	**0.25**
Dividend paid		
Subsidiaries	–	1.76
	–	**1.76**
Dividend received		
Subsidiaries	–	14.21
Associates	5.64	5.64
	5.64	**19.86**

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(All amounts in crores, unless otherwise stated)

46 RELATED PARTY TRANSACTIONS (Contd..)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest received		
Subsidiaries	1.74	1.26
Associates	–	0.97
	1.74	**2.23**
Reimbursement of expenses received from		
Subsidiaries	0.03	0.12
Associates	0.01	0.10
	0.04	**0.22**
Reimbursement of expenses paid		
Subsidiaries	0.30	0.08
Associates	0.08	0.09
	0.38	**0.17**
Recovery of Common Expenses incurred **		
Subsidiaries	1.52	1.52
Associates	4.31	4.31
	5.83	**5.83**
Payment against licence agreement		
Enterprises over which KMP have significant influence	0.94	1.10
	0.94	**1.10**
Donations to		
Enterprises over which KMP have significant influence	7.82	9.99
	7.82	**9.99**
Salary paid to		
Relatives of KMP	0.14	0.20
	0.14	**0.20**
Loan given to		
Subsidiaries	42.00	10.00
Associates	–	15.00
	42.00	**25.00**
Loan received back from		
Subsidiaries	7.00	–
Associates	–	30.00
	7.00	**30.00**
Contribution to post employment benefit plans		
Post Employment Benefit Plans Trust (also refer note 47)	9.00	2.27
	9.00	**2.27**

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(All amounts in crores, unless otherwise stated)

46 RELATED PARTY TRANSACTIONS (Contd..)

46.3 Outstanding Balances:

	As at March 31, 2021	As at March 31, 2020
Receivables		
Subsidiaries	6.21	9.72
Associates	0.03	0.16
Enterprises over which KMP have significant influence	0.01	0.01
Mahahir Share Trust	1.86	–
	8.11	**9.89**
Payables		
Associates	1.01	–
Enterprises over which KMP have significant influence	0.97	–
Mahavir Share Trust	–	9.00
	1.98	**9.00**
Loan given outstanding		
Subsidiaries	61.99	26.99
Associates	–	–
	61.99	**26.99**
Equity Investment outstanding		
Subsidiaries	105.32	105.32
Associates	52.77	52.77
	158.09	**158.09**
Preference Investment outstanding		
Subsidiaries	10.00	10.00
	10.00	**10.00**

46.4 Key management personnel compensation

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Compensation*	14.32	11.58
	14.32	**11.58**

* 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 Standalone Financial Statement

for year ended March 31, 2021
(All amounts in crores, unless otherwise stated)

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, 2021	For the year ended March 31, 2020
Superannuation fund	0.00	0.01
National Pension Scheme	1.63	1.72
Provident fund administered through Regional Provident Fund Commissioner	28.92	28.12
Employees' State Insurance Corporation	6.28	6.94
Other funds	1.19	1.20
	38.02	**37.99**

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.

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.

Notes to Standalone Financial Statement

for year ended March 31, 2021
(All amounts in crores, unless otherwise stated)

47 EMPLOYEE BENEFITS (Contd..)

(ii) The principal assumption used for the purpose of the actuarial valuation were as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Discount Rate	6.79%	6.80%
Salary increase	6.00%	6.00%
Expected average remaining working life	27.44	27.61 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, 2021	For the year ended March 31, 2020
Current Service cost	10.49	9.65
Net interest expenses	0.61	0.20
	11.10	**9.85**

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, 2021	For the year ended March 31, 2020
Actuarial gain/(losses) arising for the year on asset	3.89	(2.47)
Actuarial gain/(losses) arising from changes in financial assumptions	(0.07)	(5.09)
Actuarial gain/(losses) arising from changes in demographic assumptions	–	0.04
Actuarial gain/(losses) arising from changes in experience adjustments	2.09	3.21
	5.91	**(4.32)**

(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, 2021	As at March 31, 2020
Present value of funded defined benefit obligation	78.96	72.73
Fair Value of Plan Assets	80.82	63.73
Net assets / (liability)	**1.86**	**(9.00)**

Notes to Standalone Financial Statement

for year ended March 31, 2021
(All amounts in crores, unless otherwise stated)

47 EMPLOYEE BENEFITS (Contd..)

(vi) Movements in the present value of defined benefit obligation are as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening defined benefit obligation	72.73	61.93
Current Service Cost	10.49	9.65
Transfer to group company	(0.13)	–
Interest Cost	4.95	4.76
Actuarial (gain)/losses arising from changes in financial assumptions	0.07	5.09
Actuarial gain/(losses) arising from changes in demographic assumptions	–	(0.04)
Actuarial (gain)/losses arising from changes in experience adjustments	(2.09)	(3.21)
Benefits paid	(7.06)	(5.45)
Closing defined benefit obligation	**78.96**	**72.73**

(vii) Movements in the fair value of plan assets are as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening fair value of plan assets	63.73	59.39
Return on plan assets (excluding amounts included in net interest expenses)	8.21	2.07
Transfer to Group Company	(0.13)	-
Contributions from employer	9.00	2.27
Benefits paid	(0.00)	–
Closing fair value of plan assets	**80.82**	**63.73**

Plan assets comprises of mutual fund, Government of India securities and bank balances. The average duration of the defined benefit obligation is 13.87 years (2020: 13.91 years). The Company expects to make a contribution of Rs. 12.31 crores (March 31, 2020: Rs. 12.19 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, 2021	As at March 31, 2020
Discount Rate		
0.50% Increase	(3.48)	(3.15)
0.50% decrease	3.77	3.42
Future Salary increase		
0.50% Increase	3.67	3.31
0.50% decrease	(3.43)	(3.09)

Notes to Standalone Financial Statement

for year ended March 31, 2021

(All amounts in crores, unless otherwise stated)

47 EMPLOYEE BENEFITS (Contd..)

(ix) Maturity Profile of Defined Benefit Obligation

Year	Amount
a) 0 to 1 Year	9.04
b) 1 to 2 Year	4.89
c) 2 to 3 Year	4.45
d) 3 to 4 Year	4.02
e) 4 to 5 Year	4.63
f) 5 to 6 Year	4.38
g) 6 Year onwards	47.55

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 Rs. 5.20 crore (March 31, 2020 : Rs. 7.13 crore)

(ii) Amount taken to balance sheet

Particulars	2020-21	2019-20
Current	2.57	2.46
Non Current	15.26	14.45

48 Additional disclosures

48.1 Disclosure required by Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015:-

(i) The Company has given inter corporate deposits aggregating to Rs.37 Crores (March 31, 2020: Rs. NIL) to VMT Spinning Company Limited during the year. The maximum amount outstanding during the year was Rs.30 Crores (March 31, 2020: Rs. NIL). The Balance outstanding as on March 31, 2021 is Rs.30 Crores (March 31, 2020: Rs. NIL).

(ii) The Company has given inter corporate deposits aggregating to Rs.Nil (March 31, 2020: Rs. 15 crore) to Vardhman Special Steels Limited during the year. The maximum amount outstanding during the year was Rs. Nil (March 31, 2020: Rs. 30.00 crore). The balance outstanding as on March 31, 2021 is Rs.Nil (March 31, 2020: Rs. NIL).

(iii) The Company has given inter corporate deposits aggregating to Rs.5 crore (March 31, 2020: Rs. 10.00 crore) to Vardhman Nisshinbo Garments Company Limited during the year. The maximum amount outstanding during the year was Rs.31.99 crores (March 31, 2020: Rs. 26.99 crores). The balance outstanding as on March 31, 2021 is Rs.31.99 crores (March 31, 2020: Rs. 26.99 crores).

Notes to Standalone Financial Statement

for year ended March 31, 2021
(All amounts in crores, unless otherwise stated)

48 Additional disclosures (Contd..)

48.2 Assets pledged as security:

Particulars	As at March 31, 2021	As at March 31, 2020
Current assets		
Financial assets		
Trade receivables	986.60	794.81
Non-financial assets		
Inventory	2,624.20	2,506.16
Total current assets pledged as security	**3,610.80**	**3,300.97**
Non-current assets		
Property, plant & equipment	3,389.40	3,470.54
Total non-current assets pledged as security	**3,389.40**	**3,470.54**
Total assets pledged as security	**7,000.20**	**6,771.51**

48.3 Amount required to be spent as per section 135 of the Companies Act 2013.

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

a) Gross amount required to be spent by the Company during the year was Rs.14.24 crore (March 31, 2020 Rs.18.99 crore).

b) Amount spent during the year :Rs.8.74 crore (March 31, 2020 19.26 crore)

c) Amount unspent during the year was Rs.5.50 crore (March 31, 2020 Rs. NIL)."

d) Activity

Activity	Amount
Promotion of Education	3.36
Preventive Health Care	3.23
Rural Development	1.08
Environment & Sustainability	0.02
Promotion of Nationally Recognised Sports	0.31
Welfare of Armed force veterans	0.13
Promoting Art & Culture	0.08
Others	0.53
Total	**8.74**

Notes to Standalone Financial Statement

for year ended March 31, 2021

(All amounts in crores, unless otherwise stated)

48.4 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.

48.5 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.

48.6 The Board of Directors, in its meeting held on May 27, 2020 has approved a Scheme of Amalgamation (the "Scheme") under Sections 230 to 232 of the Companies Act, 2013 ('the 2013 Act') and other applicable provisions of the 2013 Act, as per pooling of interest method, between the Company and its subsidiaries, by the name of VMT Spinning Company Limited and Vardhman Nisshinbo Garments Company Limited. The amalgamation will be from April 1, 2020 being the appointed date and is subject to other approvals as may be required in this case.

48.7 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 25, 2021

Consolidated Financial Statements

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 31 March 2021, 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 2021, 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 matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Uncertain income-tax positions-Refer to Notes 2.18, 2.24.6 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 31 March 2021. • 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.
2	**Valuation of Inventory** **Refer to Notes 2.17, 2.24.8 and 8 to the consolidated financial statement:** The Parent's inventory primarily comprises cotton, yarn and fabric. Inventories are valued at lower of cost or net realizable value. There is a risk that inventories may be stated at values that are more than their net realizable value ('NRV'). We identified the valuation of inventories as a key audit matter because the Company held significant inventories at the reporting date and significant degree of management judgement and estimation was involved in valuing the inventories.	**Principal audit procedures:** • Evaluating the accounting policy followed for valuation of inventory and appropriateness thereof with respect to relevant accounting standards in this respect. • Obtained an understanding of and performed the test of design, implementation and operating effectiveness of the Parent's key internal controls over the process for valuation of inventories. • Compared the cost of raw materials with supplier invoices for selected samples. For work-in-progress and finished goods, we understood the determination of the net realizable value and assessing, testing and evaluating the reasonableness keeping in view the significant judgements applied by the management concerning overhead allocation by assessing the cost of the items included in overhead absorption for selected samples. • In connection with NRV testing, we have compared carrying value to the selling price prevailing around and subsequent to the year end for the selected samples.

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 four subsidiaries whose financial statements reflect total assets of ₹798.13 crores as at 31 March 2021, total revenues of ₹561.34 Crores and net cash outflows amounting to ₹ 4.84 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 ₹ 20.33 crores for the year ended 31 March 2021, 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

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 31 March, 2021 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 31 March, 2021 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.

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

Rajesh Kumar Agarwal
(Partner)
(Membership No. 105546)
(UDIN: 21105546AAAACX9746)

Place: New Delhi
Date:25 May 2021

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 31 March 2021, 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 31 March 2021, 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 four 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: 21105546AAAACX9746)

Place: New Delhi
Date:25 May 2021

Consolidated Balance Sheet as at March 31, 2021

(All amounts in crores, unless otherwise stated)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3A	3,504.35	3,593.24
(b) Right-of-Use Asset	43	19.96	20.24
(c) Capital work-in-progress	3A	77.96	141.64
(d) Other intangible assets	3B	2.26	2.45
(e) Goodwill	4	12.50	12.50
(f) Financial assets			
(i) Investment in associates	5A	129.31	114.33
(ii) Investments	5B	437.55	458.20
(iii) Loans	6A	1.37	1.48
(iv) Others financial assets	6B	173.98	63.03
(g) Other non-current assets	7	65.53	63.87
Total Non-current assets		**4,424.77**	**4,470.98**
Current assets			
(a) Inventories	8	2,796.05	2,681.05
(b) Financial assets			
(i) Investments	9	507.67	572.38
(ii) Trade receivables	10	1,038.62	821.00
(iii) Cash and cash equivalents	11	92.64	214.85
(iv) Bank balances other than above	11A	118.86	65.04
(v) Loans	12	1.34	2.82
(vi) Other financial assets	13	54.76	13.36
(c) Current tax assets(net)	14	-	42.33
(d) Other current assets	15	592.12	469.56
(e) Assets held-for-sale	15A	0.15	0.15
Total Current assets		**5,202.21**	**4,882.54**
TOTAL ASSETS		**9,626.98**	**9,353.52**
Equity and Liabilities			
Equity			
(a) Equity share capital	16	56.56	56.52
(b) Other equity	17	6,417.31	5,991.35
Equity attributable to the owners of the Company		**6,473.87**	**6,047.87**
(c) Non-controlling interests		133.20	120.64
Total Equity		**6,607.07**	**6,168.51**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	1,296.60	1,266.14
(ii) Lease Liability	19A	0.16	0.15
(iii) Other financial liabilities	19	2.81	3.98
(b) Provisions	20	16.96	16.17
(c) Deferred tax liabilities (Net)	21	256.91	243.49
(d) Other non-current liabilities	22	17.83	19.58
Total Non-current liabilities		**1,591.27**	**1,549.51**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	551.63	736.92
(ii) Trade payables	24		
(a) total outstanding dues of micro enterprises and small enterprise		14.72	27.76
(b) total outstanding dues of trade payables other than micro enterprises and small enterprises		284.54	329.45
(iii) Other financial liabilities	25	453.74	460.86
(b) Provisions	26	2.70	2.62
(c) Current tax liabilities (net)	14	37.20	0.62
(d) Other current liabilities	27	84.11	77.27
Total Current liabilities		**1,428.64**	**1,635.50**
TOTAL EQUITY AND LIABILITIES		**9,626.98**	**9,353.52**
See accompanying notes to the consolidated financial statements	1 - 49		

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 : New Delhi
Date: May 25, 2021

Place : Ludhiana
Date: May 25, 2021

Consolidated Statement of Profit and Loss

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

	Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I	Revenue from operations	28	6,139.87	6,735.00
II	Other income	29	201.56	174.47
III	**Total Income (I+II)**		**6,341.43**	**6,909.47**
IV	**Expenses :**			
	Cost of materials consumed	30	3,188.63	3,604.19
	Purchases of stock-in-trade	31	5.13	9.01
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	32	66.70	(58.25)
	Employee benefits expense	33	590.11	595.93
	Finance costs	34	113.32	135.27
	Depreciation and amortization	3A, 3B & 43	363.81	333.22
	Other expenses	35	1,475.46	1,646.77
	Total Expenses		**5,803.16**	**6,266.14**
V	**Profit before tax (III-IV)**		**538.27**	**643.33**
VI	Share of profit of associates		20.63	12.14
VII	**Profit before tax (V+VI)**		**558.90**	**655.47**
VIII	**Tax expense:**	36		
	Current tax		123.63	144.34
	Deferred tax		12.80	(79.84)
IX	**Profit for the year (VII-VIII)**		**422.47**	**590.97**
X	**Other Comprehensive Income**	17		
	Items that will not be reclassified to profit or loss			
(a)	(i) Remeasurements of the defined benefits plans		6.29	(4.49)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(1.55)	1.13
(b)	(i) Equity instruments through other comprehensive income		0.05	(0.28)
	(ii) Income taxes relating to items that will not be reclassified to profit or loss		(0.04)	0.01
XI	Total other comprehensive income		**4.75**	**(3.63)**
XII	**Total comprehensive income for the year (IX+XI)**		**427.22**	**587.34**
	Profit attributable to:			
	- Owners of the Company		409.91	577.52
	- Non-controlling interests		12.56	13.45
			422.47	**590.97**
	Other Comprehensive Income attributable to:			
	- Owners of the Company		4.60	(3.54)
	- Non-controlling interests		0.15	(0.08)
			4.75	**(3.63)**
	Total Comprehensive Income attributable to:			
	- Owners of the Company		414.51	573.97
	- Non-controlling interests		12.71	13.37
			427.22	**587.34**
	Earnings per equity share (amount in ₹)	41		
	(1) Basic		72.52	102.22
	(2) Diluted		72.07	101.45
	See accompanying notes to the consolidated financial statements	1 - 49		

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 : New Delhi
Date: May 25, 2021

Place : Ludhiana
Date: May 25, 2021

Consolidated Cash Flow Statement

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	558.90	655.47
Adjustments for:		
Share of profit of associates	(20.63)	(12.14)
Finance costs	98.98	123.13
Fair valuation gain on investment	(40.97)	(43.17)
Subsidy from Government	(27.58)	(16.31)
Interest income	(34.41)	(26.51)
Dividend on current investments	(0.01)	(16.19)
Net gain on sale / discarding of property, plant and equipment	(0.69)	(4.76)
(Profit)/Loss on sale of Investments (Net)	(22.69)	(33.38)
Provision no longer required written back(Net)	(6.90)	(1.86)
Amortisation of processing charges	0.70	0.09
Asset written off	1.92	2.44
Bad debt written off	0.51	6.20
Allowances for doubtful trade receivables and advances	-	(2.71)
Depreciation and amortisation expense	363.81	333.22
Share options outstanding account	2.15	0.97
Adjustments for (increase) / decrease in operating assets :-		
Trade receivables	(218.13)	(21.41)
Inventories	(115.00)	(70.80)
Loans (Current)	1.48	14.87
Loans (Non-current)	0.11	(0.75)
Other assets (Current)	(96.49)	(27.03)
Other assets (Non-current)	(3.59)	20.19
Others financial assets (Current)	(33.17)	56.02
Others financial assets (Non Current)	(107.65)	(53.97)
Adjustments for increase / (decrease) in operating liabilities :-		
Trade payables and other liabilities	(51.05)	43.50
Provisions (Non Current)	0.79	3.81
Provisions (Current)	0.08	(0.33)
Others financial liabilities (Current)	(46.58)	37.20
Others financial liabilities (Non-Current)	(1.16)	(0.35)
Other liabilities (Non-current)	0.42	0.83
Other liabilities (Current)	11.50	(3.53)
Cash generated from operations	**214.65**	**962.75**
Income taxes paid	(46.27)	(113.33)
Net cash generated by operating activities	**168.38**	**849.41**

Consolidated Cash Flow Statement

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investments	(743.81)	(473.72)
Proceeds from sale of investments	892.83	763.23
Interest received	22.88	26.36
Payment for purchase of property, plant and equipment, capital work in progress and other intangible assets	(243.02)	(657.01)
Bank balances not considered as cash and cash equivalents	(53.82)	(61.24)
Proceeds from disposal of property, plant and equipment	3.39	7.16
Dividend on associates, other investments	5.65	16.19
Net cash used in investing activities	**(115.90)**	**(379.02)**
C CASH FLOW FROM FINANCING ACTIVITIES*		
Proceeds from equity share capital/share application	9.19	3.42
Proceeds from borrowings (non-current)	325.00	357.00
Repayment of borrowings (non-current)	(228.92)	(264.53)
Repayment of borrowings (current)	(185.28)	(149.50)
Corporate dividend tax paid	-	(21.89)
Dividends on equity share capital paid	(0.29)	(98.97)
Capital Subsidy received	-	(0.01)
Finance costs paid	(94.39)	(121.11)
Net cash generated/(used) in financing activities	**(174.69)**	**(295.59)**
Net increase / (decrease) in cash and cash equivalents	**(122.21)**	**174.80**
Cash and cash equivalents at the beginning of the year	214.85	40.05
Cash and cash equivalents at the end of the year	**92.64**	**214.85**

*There are no non cash changes arising from financing activities

See accompanying notes to the consolidated financial statements 1 - 49

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 : New Delhi
Date: May 25, 2021

Place : Ludhiana
Date: May 25, 2021

Consolidated Statement of Changes in Equity

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

a. Equity share capital

	Amount
Balance as at April 01, 2019	56.48
Issue of equity shares under employee stock option plan (Refer note 44)	0.04
Balance as at March 31, 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**

b. Other equity

	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, 2019	1.13	0.40	8.58	40.43	10.18	49.68	15.23	1,463.84	3,943.52	2.01	5,535.00
Profit for the year	-	-	-	-	-	-	-	-	577.52	-	577.52
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	(3.36)	(0.27)	(3.63)
Total comprehensive income for the year									574.16	(0.27)	573.89
Final Equity Dividend for the financial year 2018-19 (Amount ₹ 15 per share)	-	-	-	-	-	-	-	-	(98.88)	-	(98.88)
Tax on Dividend	-	-	-	-	-	-	-	-	(21.89)	-	(21.89)
Employee stock options accrued upto March 2020 (Refer note 44)	-	-	-	-	-	-	0.97	-	-	-	0.97
Transfer to equity shares due to issue of employee stock options (Refer note 44)	(1.13)	-	-	-	-	-	-	-	-	-	(1.13)
Securities premium on shares under Employee stock options	-	-	-	-	3.39	-	-	-	-	-	3.39
Transfer from Employee Stock Options accounts to General Reserve	-	-	-	-	-	-	(1.49)	1.49	-	-	-
Transfer to debenture redemption reserve on account of issue of debentures	-	-	-	-	-	7.94	-	-	(7.94)	-	-
Transfer to Statutory Reserve under 45-IC of RBI Act	-	-	0.62	-	-	-	-	-	(0.62)	-	-
Balance as at March 31, 2020	**-**	**0.40**	**9.20**	**40.43**	**13.57**	**57.62**	**14.71**	**1,465.33**	**4,388.35**	**1.74**	**5,991.35**

Consolidated Statement of Changes in Equity

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

b. Other equity (Contd..)

	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	-	-	-	-	-	-	-	-	409.91	-	409.91
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	4.74	0.01	4.75
Total comprehensive income for the year									414.65	0.01	414.66
Share Application Money received under employee stock options.	5.62	-	-	-	-	-	-	-	-	-	5.62
Employee stock options accrued/(Lapsed) during April-March 2021 (Refer note 44)	-	-	-	-	-	-	2.16	-	-	-	2.16
Securities premium on shares under Employee stock options	-	-	-	-	5.35	-	-	-	-	-	5.35
Transfer to equity shares due to issue of employee stock options (Refer note 45)							(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**	**18.92**	**57.62**	**12.39**	**1,467.98**	**4,802.36**	**1.75**	**6,417.31**

See accompanying notes to the consolidated financial statements 1 - 49

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 : New Delhi
Date: May 25, 2021

Place : Ludhiana
Date: May 25, 2021

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (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 and woven fabric. 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 25,2021.

2 SIGNIFICANT ACCOUNTING POLICIES, SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS AND APPLICABLITY OF NEW AND REVISED 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 year ended March 31, 2021 (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.

In case any goodwill impairment is identified the same is approved by the board of directors and recorded in the books of accounts and disclosed appropriately.

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.

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the 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

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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.

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.

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For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b. net interest expense or income; and

c. re-measurement

The 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

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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.

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.

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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:

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.

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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.

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.

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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 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

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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.

2.19.1.3 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.

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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 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.

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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.

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

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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"

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.

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for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

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.

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.

Transition

Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. In respect of leases previously classified as an operating lease applying Ind AS 17, the Group adopts the transition option to recognise Right-of-Use asset (ROU) at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before transition option to recognise Right-of-Use asset (ROU) at an amount equal to the lease liability, on the date of initial application. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate. Comparatives as at and for the year ended March 31, 2020 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2020.

"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

Notes To Consolidated Financial Statement

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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. The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

3. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17. "

"The difference between the lease obligation recorded as of March 31, 2020 under Ind AS 17 disclosed under Note 44 of the 2019 Annual Report and the value of the lease liability as of April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 9%."

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."

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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):- 24.90 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, 2021 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 year ended March 31, 2021 (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

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2020, notifies new standards or amendments to the standards. There is no such new notification which would be applicable from April 1, 2021.

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

	As at March 31, 2021	As at March 31, 2020
Carrying amount of		
Freehold land	103.88	102.96
Buildings	996.32	967.12
Plant and equipment	2,372.86	2,487.85
Furniture and fixtures	9.20	8.99
Vehicles	7.05	8.58
Office equipment	15.04	17.75
Total Property, plant and equipment	**3,504.35**	**3,593.24**
Capital work-in-progress	77.96	141.64
	3,582.31	**3,734.88**

	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Cost or Deemed Cost							
Balance at April 01, 2019	95.95	965.14	3,194.07	12.40	13.82	47.61	4,328.99
Addition	7.44	157.35	568.87	2.65	2.09	5.62	744.02
Disposal	(0.43)	(0.12)	(19.25)	(0.18)	(0.62)	(0.08)	(20.68)
Balance at March 31, 2020	**102.96**	**1,122.37**	**3,743.69**	**14.87**	**15.29**	**53.15**	**5,052.33**
Addition	0.94	69.64	201.09	1.94	0.68	3.80	278.09
Disposal	(0.01)	(1.68)	(5.52)	(0.17)	(0.86)	(0.86)	(9.10)
Balance at March 31, 2021	**103.89**	**1,190.33**	**3,939.26**	**16.64**	**15.11**	**56.09**	**5,321.32**
Accumulated depreciation							
Balance at April 01, 2019	**-**	**118.92**	**985.10**	**4.54**	**5.49**	**28.70**	**1,142.75**
Depreciation	-	36.35	285.86	1.52	1.75	6.70	332.18
Disposal	-	(0.01)	(15.12)	(0.17)	(0.53)	(0.01)	(15.84)
Balance at March 31, 2020	**-**	**155.26**	**1,255.84**	**5.89**	**6.71**	**35.39**	**1,459.09**
Depreciation	-	39.13	313.39	1.68	1.78	6.40	362.38
Disposal	-	(0.37)	(2.83)	(0.11)	(0.43)	(0.76)	(4.50)
Balance at March 31, 2021	**-**	**194.02**	**1,566.40**	**7.46**	**8.06**	**41.03**	**1,816.97**
Carrying amount							
Balance at April 01, 2019	**95.95**	**846.22**	**2,208.97**	**7.86**	**8.33**	**18.91**	**3,186.24**
Addition	7.44	157.35	568.87	2.65	2.09	5.62	744.02
Disposal	(0.43)	(0.11)	(4.13)	(0.01)	(0.09)	(0.07)	(4.84)
Depreciation	-	(36.35)	(285.86)	(1.52)	(1.75)	(6.70)	(332.18)
Balance at March 31, 2020	**102.96**	**967.11**	**2,487.85**	**8.98**	**8.58**	**17.76**	**3,593.24**
Addition	0.94	69.64	201.09	1.94	0.68	3.80	278.09

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

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

	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Disposal	(0.01)	(1.31)	(2.69)	(0.06)	(0.43)	(0.10)	(4.60)
Depreciation	-	(39.13)	(313.39)	(1.68)	(1.78)	(6.40)	(362.38)
Balance at March 31, 2021	**103.89**	**996.31**	**2,372.86**	**9.18**	**7.05**	**15.06**	**3,504.35**

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 ₹7.11 Crore (FY 2019-20 8.08 Crores) (related to non cenvatable portion of total duty saved) for financial year 2020-21, such benefit is related to Property, Plant and Equipment and Capital work in progress.

3 Buildings includes ₹ 2.48 crores (March 31, 2020: ₹ 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 2020-21 such amount deducted from Property, Plant and Equipment is ₹Nil Crores (Financial year 2019-20 ₹0.25 Crores).

5 Borrowing cost capitalised during the year ₹Nil (March 31, 2020 0.93 Crores)

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.

3B Other intangible assets

	As at March 31, 2021	As at March 31, 2020
Carrying amount of		
Computer softwares	2.23	2.41
Contribution to CETP	-	-
Right to use power lines	0.03	0.04
	2.26	**2.45**

	Computer softwares	Contribution to CETP	Right to use power lines	Total
Cost or Deemed Cost				
Balance as at April 01, 2019	12.40	0.64	4.56	17.60
Addition	0.90	-	-	0.90
Disposal	-	-	-	-
Balance as at March 31, 2020	**13.30**	**0.64**	**4.56**	**18.50**

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3B Other intangible assets (Contd..)

	Computer softwares	Contribution to CETP	Right to use power lines	Total
Addition	0.95	-	-	0.95
Disposal	-	-	-	-
Balance as at March 31, 2021	**14.25**	**0.64**	**4.56**	**19.45**
Accumulated amortisation				
Balance as at April 01, 2019	**10.60**	**0.64**	**4.51**	**15.75**
Amortization expenses	0.79	-	0.01	0.80
Balance as at March 31, 2020	**11.39**	**0.64**	**4.52**	**16.55**
Amortization expenses	1.13	-	0.01	1.14
	-	-	-	-
Balance as at March 31, 2021	**12.52**	**0.64**	**4.53**	**17.69**
Carrying amount				
Balance as at April 01, 2019	**2.30**	**-**	**0.05**	**2.35**
Addition	0.90	-	-	0.90
Amortisation expenses	(0.79)	-	(0.01)	(0.80)
Balance as at March 31, 2020	**2.41**	**-**	**0.04**	**2.45**
Addition	0.95	-	-	0.95
Amortisation expenses	(1.13)	-	(0.01)	(1.14)
Balance as at March 31, 2021	**2.23**	**-**	**0.03**	**2.26**

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*

	As at March 31, 2021	As at March 31, 2020
Deemed Cost	12.50	12.50
Additions	-	-
Disposal	-	
Carrying Value at the end	12.50	12.50
* Refer note 2.5		
	12.50	**12.50**
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
VMT Spinning Company Limited	10.04	10.04
	12.50	**12.50**

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for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

4 Goodwill* (Contd..)

Vardhman Acrylics Limited

No indications for impairment. No impairment losses have been recognised.

VMT Spinning Company Limited

No indications for impairment. No impairment losses have been recognised.

5A Investments in Associates**

		As at March 31, 2021	As at March 31, 2020
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, 2020: 1,00,86,333) Equity shares of ₹ 10/- each fully paid up of Vardhman Special Steels Limited	62.27	51.11
	Unquoted		
	62,69,699 (March 31, 2020: 62,69,699) Equity shares of ₹ 10/- each fully paid up of Vardhman Yarns & Threads Limited	66.96	63.14
	25,000 (March 31, 2020 : 25,000) Equity shares of ₹10/- each fully paid-up of Vardhman Spinning and General Mills Limited	0.08	0.08
	Total 5A	**129.31**	**114.33**

5B Other Investments (Non-Current)

Particulars		As at March 31, 2021	As at March 31, 2020
II	**Financial assets measured at fair value through other comprehensive income**		
(i)	**Investment in equity instruments (unquoted)**		
	41,000 (March 31, 2020: 41,000) Equity-Shares of ₹ 10/- each fully paid-up of Shivalik Solid Waste Management Limited (Section 25 Company)	0.11	0.09
	1,40,625 (March 31, 2020: 1,40,625) Equity shares of ₹ 10/- each fully paid-up of Nimbua Greenfield (Punjab) Limited	1.84	1.66
	2,225 (March 31, 2020: 2,225) Equity shares of ₹ 10/- each fully paid-up of Devakar Investment & Trading Company Private Limited	0.20	0.23
	16,47,525 (March 31, 2020: 16,47,525) Equity Shares of Narmada Clean Tech Limited. of ₹ 10/- each fully paid up	2.68	2.79

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5B Other Investments (Non-Current) (Contd..)

	Particulars	As at March 31, 2021	As at March 31, 2020
	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, 2020 :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, 2020 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, 2020:10,000) 16.46% Non-convertible redeemable cumulative preference shares of ₹ 7,500/- each fully paid of IL&FS Financial Services Limited	-	-
	9,24,143 (March 31, 2020:NIL) units of ₹1000/- each of BHARAT Bond ETF - April 2030 -Growth	104.83	-
	4,99,97,500.125 (March 31, 2020:NIL) units of ₹1000/- each of Edelweiss NIFTY PSU Bond Plus SDL Index Fund - 2026 - Direct Plan Growth - P6D1	50.54	-
	24,998,750 (March 31, 2020: Nil) Units of ₹ 10/- each of Edelweiss NIFTY PSU Bond Plus SDL Index Fund - 2026 Direct Plan Growth	25.27	-
	246,634 (March 31, 2020: Nil) Units of ₹ 1000/- each of Edelweiss Bharat Bond ETF 2025	25.26	-
	* Nil (March 31, 2020 :5,00,00,000) units of ₹10/- each of Kotak FMP Series 216 Direct-Growth	-	59.70
	* Nil (March 31, 2020:4,00,00,000) units of ₹10/- each of Aditya Birla Sunlife Fixed Term Plan Series-PI (1140 Days) -Direct Growth	-	47.28
	* Nil (March 31, 2020: 2,50,00,000) units of ₹10/- each of HDFC FMP 1158 Days Direct Growth	-	29.72
	* Nil (March 31, 2020: 1,50,00,000) units of ₹10/- each of UTI Fixed Term Income Fund Series XXIV-XIV (1831 Days) Direct Growth Plan	-	20.54
	* Nil (March 31, 2020: 5,00,00,000)units of ₹10/- each of SBI Debt Fund Series C - 10 (1150 DAYS) Direct Growth	-	59.23
	* Nil (March 31, 2020 : 5,00,00,000) units of ₹10/- each of ICICI Prudential Fixed Maturity Plan Series 82-1203 days Plan K-Direct Plan Cumulative	-	59.49
	3,24,12,364 (March 31, 2020: 3,24,12,364) units of ₹10/- each of Kotak FMP Series 254 - 1250 Days -Direct Plan - Growth	40.21	37.05
	6,50,00,000 (March 31, 2020: 6,50,00,000) units of ₹10/- each of Kotak FMP Series 251 - 1265 Days -Direct Plan - Growth	81.55	75.15
	* NIL (March 31, 2020: 26,000,000) Units of ₹ 10/- each of HDFC FMP1150D March 2018 (1) Direct Growth Series -39	-	30.80
	NIL (March 31,2020: 50,00,000) Units of ₹ 10- each of DSP Blackrock ACE DIRECT GROWTH FUND	-	4.98

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

5B Other Investments (Non-Current) (Contd..)

Particulars	As at March 31, 2021	As at March 31, 2020
* NIL (March 31, 2020: 25,000,000) Units of ₹ 10/- each of SBI SDFC C - 16 (1100 Days) Direct Growth	-	29.51
4,99,97,500.125 (March 31, 2020: Nil) units of ₹10/- each of SBI FMP Series 41 - 1498 Days -Direct Growth	50.00	-
2,99,98,500.075 (March 31, 2020: Nil) units of ₹10/- each of SBI FMP Series 42 - 1857 Days -Direct Growth	30.00	-
2,50,00,000.100 (March 31, 2020:NIL) units of ₹1000/- each of IDFC Gilt 2027 Index Fund Direct Plan- Growth	25.06	-
Total 5B	**437.55**	**458.20**
1. Aggregate book value of quoted investments	495.01	504.56
2. Aggregate Market Value of quoted investments	572.18	494.39
3. Aggregate carrying value of unquoted investments	71.85	67.98

* Investments having maturity period of less than 12 months from March 31, 2021 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 19-20 ₹NIL) as FVTPL adjustment.

6A Loans (Non Current)

	As at March 31, 2021	As at March 31, 2020
Financial assets at amortized cost		
(unsecured considered good unless otherwise stated)		
Loan to employees	1.37	1.48
	1.37	**1.48**

6B Other Financial Assets (Non Current)*

	As at March 31, 2021	As at March 31, 2020
Financial assets at amortized cost		
(unsecured considered good unless otherwise stated)		
Fixed Deposits with banks more than twelve months maturity	169.72	57.86
Interest Receivable	3.32	0.02
Other Recoverable	0.94	5.15
	173.98	**63.03**

* Refer note 37

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

7 Other Non Current Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Non Financial Assets at amortized cost		
(unsecured considered good unless otherwise stated)		
Capital advances	20.07	22.00
Balance with government authorities	6.18	6.40
Prepaid (Deferred) Expense for employee benefit	0.10	0.20
Prepaid expenses-others	1.69	0.79
Security deposits	37.49	34.48
	65.53	**63.87**

8 Inventories

Particulars	As at March 31, 2021	As at March 31, 2020
(at cost or net realisable value, whichever is lower)		
Raw materials*	1,984.03	1,778.37
Work-in-progress	171.20	171.72
Finished Goods	480.11	545.58
Stores and Spares*	165.92	187.68
Less: Unrealised profit on consolidation	(5.21)	(2.30)
	2,796.05	**2,681.05**
*above items include goods in transit as per below		
Raw materials	4.94	69.19
Stores and Spares	14.07	13.77
	19.01	**82.96**

(i) The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹3,188.63 Crores (March 31, 2020: ₹ 3,604.19 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.

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

9 Other Investments (Current)**

	Particulars	As at March 31, 2021	As at March 31, 2020
	Financial assets measured at fair value through Profit and loss		
(i)	**Investment in Liquid Funds (Quoted)**		
	Nil (March 31, 2020: 5,59,391) units of ₹1000/- each of SBI Overnight Fund	-	186.31
	Nil (March 31,2020: 30,561.81) units of ₹1000/-each of Kotak Liquid Fund	-	12.27
	5,739,341 (March 31, 2020: 8,975,084) Units of ₹ 10/- each of IDFC Arbitrage Fund - Growth (Direct Plan)	15.36	23.09
	1,81,429 (31 March 2020: 67,870) Units of ₹ 1000/- each of SBI Liquid Fund Direct Growth	58.45	21.37
	62,656.588 (March 31,2020: NIL) units of ₹1000/-each of SBI Overnight Fund	21.00	-
	2,23,66,201 (March 31,2020 Nil) Units of ₹ 10- each of DSP Liquidity Fund Direct Growth D798	6.56	-
(ii)	**Investment in Debt Funds/ Monthly Income Plans/ Debentures/ Bonds/ Preference shares/Mutual Funds/Fixed Maturity Plans (Quoted)**		
#	5,00,00,000 (March 31, 2020 :NIL) units of ₹10/- each of Kotak FMP Series 216 Direct Growth	63.80	-
#	4,00,00,000 (March 31, 2020:NIL) units of ₹10/- each of Aditya Birla Sunlife Fixed Term Plan Series-PI (1140 Days)	50.32	-
#	2,50,00,000 (March 31, 2020: NIL) units of ₹10/- each of HDFC FMP 1158 Days Direct Growth	31.48	-
#	1,50,00,000 (March 31, 2020: NIL) units of ₹10/- each of UTI Fixed Term Income Fund Series XXIV-XIV (1831 Days)Direct Growth Plan	21.87	-
#	5,00,00,000 (March 31, 2020: NIL)units of ₹10/- each of SBI Debt Fund Series C10 (1150 DAYS) Direct Growth	62.97	-
#	5,00,00,000 (March 31, 2020 : NIL) units of ₹10/- each of ICICI Prudential Fixed Maturity Plan Series 82-1203 days Plan K-Direct Plan Cumulative	63.17	-
	NIL (March 31, 2020:2,50,00,000) units of ₹10/- each of Aditya Birla Sunlife Fixed Term Plan Series OK -Growth-Direct (1135 Days)	-	31.04
#	26,000,000 (31 March 2020: NIL) Units of ₹ 10/- each of HDFC FMP1150D March 2018 (1) Direct Growth Series -39	32.62	-
#	25,000,000 (31 March 2020: NIL) Units of ₹ 10/- each of SBI SDFC C - 16 (1100 Days) Direct Growth	31.42	-
#	10,185,882 (31 March 2020: Nil) Units of ₹ 10/- each of Kotak Equity Arbitrage Fund- Direct Growth	30.84	-
	4,819,695 (31 March 2020: Nil) Units of ₹ 10/- each of ICICI Equity Arbitrage Fund - Direct Growth	13.52	-
	NIL (March 31, 2020:2,50,00,000) units of ₹10/- each of SBI Debt Fund Series - B-49 Direct - (1170 Day)Growth	-	31.00
	NIL (March 31, 2020: 3,50,00,000) units of ₹10/- each of Kotak FMP Series 202 Direct - Growth	-	43.31

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

9 Other Investments (Current)** (Contd..)

	Particulars	As at March 31, 2021	As at March 31, 2020
	NIL (March 31, 2020: 2,50,00,000) units of ₹10/- each of ICICI Prudential FMP Series 80-1233 Days Plan O Direct Plan Cumulative	-	31.22
	NIL (March 31, 2020: 2,50,00,000) units of ₹ 10/- each of Nippon India Fixed Horizon Fund- XXXIII- Series 3- Direct Plan Growth Plan	-	31.29
	NIL (March 31, 2020: 2,50,00,000) units of ₹10/- each of Nippon India Fixed Horizon Fund- XXXIII- Series 4- Direct Plan Growth Plan	-	31.29
	Nil (31 March 2020: 18,647,984) Units of ₹ 10/- each of ICICI Equity Arbitrage Fund - Direct Dividend	-	50.32
	NIL (March 31, 2020: 4,00,00,000) units of ₹10/- each of Kotak FMP Series 200 Direct - Growth	-	49.67
(iii)	**Investment in preference shares (unquoted)**		
	Nil (March 31, 2020: 12,50,000) 8.20% cumulative compulsorily convertible preference shares of ₹100 each of Tata motor Finance Limited (formerly known as Sheeba Properties Limited)	-	28.93
(iv)	**Investment in equity share (quoted)**		
	5,30,000 (March 31, 2020 :5,80,000) Equity shares of ₹ 1 /- each fully paid up of Welspun India Limited	4.29	1.25
		507.67	**572.38**
	1. Aggregate amount of quoted investments	507.67	543.45
	2. Aggregate market value of quoted investments	507.67	543.45
	3. Aggregate carrying value of unquoted investments	-	28.93

Investments having maturity period of less than 12 months from March 31, 2021 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, 2021	As at March 31, 2020
Receivable from related parties (Refer Note 45)		
- Unsecured, considered good	-	0.00
Receivable from others		
- Secured, considered good	-	-
- Unsecured Secured good	1,038.62	821.00
- Significant increase in Credit risk	2.42	2.45
- Credit impaired	-	-
Less: Allowances for doubtful trade receivables	(2.42)	(2.45)
	1,038.62	**821.00**

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (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 (2019-20 :45 days) in case of domestic yarn and 90 days (2019-20: 90 days) in case of domestic fabric. In case of exports maximum credit period of 120 days (2019-20 120 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, 2021	As at March 31, 2020
Less than 180 days	-	1.93
More than 180 days	2.42	0.52
	2.42	**2.45**

(iv) Age of Receivables:

Particulars	As at March 31, 2021	As at March 31, 2020
Less than 180 days	1,024.33	818.19
More than 180 days	16.71	5.26
	1,041.04	**823.45**

(v) Movement in expected credit loss allowance

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	2.45	5.17
Reversal of provision during year	(0.03)	(4.78)
Provision provided during the year	(0.00)	2.06
Balance at the end of the year	**2.42**	**2.45**

(vi) The concentration of credit risk is limited due to the fact that customer base is large and unrelated.

* Refer note 37

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

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, 2021	As at March 31, 2020
a) Balances with banks		
- In current accounts	40.95	138.43
- In deposit accounts with maturity upto three months	50.86	75.39
b) Cheques on hand	0.65	0.84
c) Cash on hand	0.18	0.19
	92.64	**214.85**

11A Bank Balances other than Cash and cash equivalents#

Particulars	As at March 31, 2021	As at March 31, 2020
a) Other bank balances		
- Earmarked balances with banks*	5.55	3.84
- Deposits with more than twelve months maturity	169.72	57.86
- Deposits with more than three months but less than twelve months maturity	113.31	61.20
	288.58	**122.90**
Less: Amounts disclosed as other financial non current assets (Refer note 6B)	169.72	57.86
	118.86	**65.04**

* Earmarked balances with banks includes ₹3.16 crores (March 31, 2020: ₹ 3.45 crores) pertaining to dividend accounts with banks and ₹ 2.39 crore (March 31, 2020:₹ 0.39 crore) pledged with government authorities and others.

Refer note 37

12 Loans (Current)#

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets at amortized cost		
(Unsecured and considered good, unless otherwise stated)		
Loans to related parties	-	-
Loan to employees	1.34	2.82
	1.34	**2.82**

Refer note 37

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

13 Other financial assets (Current)**

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets at amortized cost		
(Unsecured and considered good, unless otherwise stated)		
Recoverable from related parties (Refer Note 45)	0.04	0.03
Interest receivables (Refer note 45) (including from related parties)	9.07	0.84
Claims receivable	3.08	1.39
Other Recoverable	25.02	8.74
Financial assets at Fair value through Profit and loss		
Derivative Financial Instruments*	17.55	2.36
	54.76	**13.36**

* 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

14 Current tax

Particulars	As at March 31, 2021	As at March 31, 2020
Current tax assets (net)		
Taxes paid (net)	-	42.33
Current tax liabilities (net)		
Income-tax payable (net)	37.20	0.62
Total	**(37.20)**	**41.71**

15 Other current assets

Particulars	As at March 31, 2021	As at March 31, 2020
(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	113.39	88.95
- Doubtful	0.04	0.04
Less: Doubtful advances	(0.04)	(0.04)
	113.39	**88.95**
Balance with government authorities	271.79	245.98
Prepaid (Deferred) Expense for employee benefit	0.17	0.33
Gratuity Trust	2.37	-

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

15 Other current assets (Contd..)

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expenses others	7.75	7.55
Other recoverables :		
- Considered good	192.00	122.10
- Doubtful	0.01	0.02
Less: Allowances for Doubtful other recoverables	(0.01)	(0.02)
	192.00	**122.10**
	592.12	**469.56**

15A Assets Held for sale

Particulars	As at March 31, 2021	As at March 31, 2020
Land held for Sale	0.15	0.15
	0.15	**0.15**

The company intends to dispose off a parcel of freehold land it no longer utilises in the next 12 months. No impairment loss was recognised on reclassification of the land as held for sale as at March 31, 2021 as the company had received advance of ₹1.50 Crore (March 31,2020 ₹1.00 Crore) shown in other current liabilities (Refer Note.27) against sale value of 1.50 Crore.

16 Equity share capital

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised share capital:		
9,00,00,000 equity shares of ₹ 10 each (March 31, 2020: 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, 2020: 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:		
5,65,59,087 equity shares of ₹ 10 each (March 31, 2020: 5,65,15,287 equity shares of ₹ 10 each)	56.56	56.52
	56.56	**56.52**

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (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 ₹10/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting. In the event of liquidation of the 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 99,300 options/shares (1,06,200 options/shares 2019-20) during the year 2020-21. Out of these, 43,800 shares/options (FY 2019-20 40,600 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

	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Balance as at the beginning of the year	5,65,15,287	56.52	5,64,74,687	56.48
Add:- Issue of equity shares under employee stock option plan (Refer note 44)	43,800	0.04	40,600	0.04
Balance as at the end of the year	**5,65,59,087**	**56.56**	**5,65,15,287**	**56.52**

16.5 Details of shares held by the holding Company

There is no holding / ultimate Company of the Company

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

	As at March 31, 2021		As at March 31, 2020	
	Number of shares	% holding	Number of shares	% holding
Vardhman Holdings Limited	1,58,95,095	27.61%	1,53,53,628	26.69%
Adishwar Enterprises LLP	1,03,18,863	17.93%	1,03,18,863	17.94%
Devakar Investment and Trading Company Private Limited	63,37,564	11.01%	62,36,506	10.84%
HDFC Trustee Company Ltd	34,97,558	6.08%	29,50,460	5.13%

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

17 Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
Share application money pending allotment	5.62	-
Capital reserve	0.40	0.40
Statutory Reserve u/s 45 IC of RBI	9.84	9.20
Capital redemption reserve	40.43	40.43
Security premium	18.92	13.57
Debenture redemption reserve	57.62	57.62
Share options outstanding account	12.39	14.71
General reserve	1,467.98	1,465.33
Retained earnings	4,802.36	4,388.35
Equity instrument through other comprehensive income	1.75	1.74
	6,417.31	**5,991.35**

	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, 2019	1.13	0.40	8.58	40.43	10.18	49.68	15.23	1,463.84	3,943.52	2.01	5,535.00
Profit for the year	-	-	-	-	-	-	-	-	577.52	-	577.52
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	(3.36)	(0.27)	(3.63)
Total comprehensive income for the year	-	-	-	-	-	-	-	-	574.16	(0.27)	573.89
Final Equity Dividend for the financial year 2018-19 (Amount ₹ 17.50 per share)	-	-	-	-	-	-	-	-	(98.88)	-	(98.88)
Tax on Dividend	-	-	-	-	-	-	-	-	(21.89)	-	(21.89)
Employee stock options accrued upto March 2020 (Refer note 44)	-	-	-	-	-	-	0.97	-	-	-	0.97
Transfer to equity shares due to issue of employee stock options (Refer note 44)	(1.13)	-	-	-	-	-	-	-	-	-	(1.13)
Securities premium on shares under Employee stock options	-	-	-	-	3.39	-	-	-	-	-	3.39
Transfer from Employee Stock Options accounts to General Reserve	-	-	-	-	-	-	(1.49)	1.49	-	-	-
Transfer to debenture redemption reserve on account of issue of debentures	-	-	-	-	-	7.94	-	-	(7.94)	-	-

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

17 Other equity (Contd..)

	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	
Transfer to Statutory Reserve under 45-IC of RBI Act	-	-	0.62	-	-	-	-	-	(0.62)	-	-
Balance at March 31, 2020	**-**	**0.40**	**9.20**	**40.43**	**13.57**	**57.62**	**14.71**	**1,465.33**	**4,388.35**	**1.74**	**5,991.35**
Profit for the year	-	-	-	-	-	-	-	-	409.91	-	409.91
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	4.74	0.01	4.75
Total comprehensive income for the year	-	-	-	-	-	-	-	-	414.65	0.01	414.66
Share Application Money received under employee stock options.	5.62	-	-	-	-	-	-	-	-	-	5.62
Employee stock options accrued/(Lapsed) during April-March 2021 (Refer note 44)	-	-	-	-	-	-	2.16	-	-	-	2.16
Securities premium on shares under Employee stock options	-	-	-	-	5.35	-	-	-	-	-	5.35
Transfer to equity shares due to issue of employee stock options (Refer note 45)							(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**	**18.92**	**57.62**	**12.39**	**1,467.98**	**4,802.36**	**1.75**	**6,417.31**

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.

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

17 Other equity (Contd..)

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 is 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 including senior executives 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.

18 Borrowings (Non Current)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured - at amortised cost		
Term loans		
**From banks*	1,035.74	984.00
Less: Current maturities (refer note-25)	133.94	67.66
	901.80	**916.34**

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

18 Borrowings (Non Current) (Contd..)

Particulars	As at March 31, 2021	As at March 31, 2020
Debentures		
Series A 7.59% 1500 Debentures of ₹10,00,000/-each	-	150.00
Series B 7.69% 1500 Debentures of ₹10,00,000/-each	150.00	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	-
Less: Current maturities (refer note-25)	150.00	150.00
	394.80	**349.80**
Total	**1,296.60**	**1,266.14**

* Net of unamortized processing charges: March 31, 2021: ₹ 1.08 crores (March 31, 2020 : ₹1.78 crores)

** Includes External Commercial borrowing from Citi bank amounting ₹43.87 Crores (March 31,2020 ₹45.42 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 Decemer 18, 2020. The NCDs shall be 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, 2021 is 2.14 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 year 1,500 7.59% Series A NCDs of ₹10 lacs each amounting to ₹150 Cr were redeemed on 08-September 2020.

CRISIL has assigned a rating of AA+ with Stable outlook to the said NCDs of the Company on December 18, 2020. 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, 2021 is 2.14 times.

(d) There have been no breach of covenants mentioned in the loan agreements during the reporting years.

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

18 Borrowings (Non Current) (Contd..)

18 (e) Terms of repayment of loan/debentures

Particulars	Frequency of principal repayments	Interest rate	Repayments during				Total
			FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-26	
Term loans	Quarterly Payments	6.70% to 8.50%	133.94	263.20	29.25	36.56	462.95
Term loans	Bullet Payment	7.05% to 7.35%	-	2.00	3.00	525.00	530.00
*ECB Loan	Bullet Payment	3 M Libor plus 0.65%.	-	-	14.27	29.60	43.87
7.69% Series A Non-convertible debentures	Yearly	7.69%	150.00	-	-	-	150.00
7.75% Series A Non-convertible debentures	Yearly	7.75%	-	199.80	-	-	199.80
6.83% 1950 Debentures of ₹ 10,00,000/- each	Yearly	6.83%	-	-	195.00	-	195.00
			283.94	**465.00**	**241.52**	**591.16**	**1,581.62**

18 (f) Also refer note 37 for fair value disclosures.

*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, 2021	As at March 31, 2020
Financial liabilities at amortized cost		
Retention money	2.81	3.98
	2.81	**3.98**

*Refer note 37

19 A Lease liabilities (Non Current)*

Particulars	As at March 31, 2021	As at March 31, 2020
Financial liabilities at amortized cost		
Lease Liability	0.16	0.15
	0.16	**0.15**

* Refer Note:-43

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

20 Provisions (Non Current)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits :		
- Leave (Refer note 46)	16.32	15.47
- Gratuity	0.64	0.70
Total	**16.96**	**16.17**

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, 2021	As at March 31, 2020
Deferred tax liabilities	275.06	266.87
Deferred tax assets	18.15	23.38
Total (Net)	**256.91**	**243.49**

* Refer note 36

22 Other non-current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Income for Capital subsidy	16.45	18.62
Due to employees	0.09	0.06
Other	1.29	0.90
Total	**17.83**	**19.58**

23 Borrowings (Current)*

Particulars	As at March 31, 2021	As at March 31, 2020
Loans repayment on demand		
- From banks (secured at amortised cost)	551.63	678.48
- From banks (unsecured at amortised cost)	-	58.44
Total	**551.63**	**736.92**

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (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, 2020: Nil) for commercial paper issued by the Group. The maximum amount outstanding during the year is ₹450 crores (including interest) (FY 2019-20: ₹ 550 crores (Including interest)).

*Refer Note 37

24 Trade payables*

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payables (refer note 42)		
- Total outstanding dues of micro enterprises and small enterprises	14.72	27.76
- Total outstanding dues of other than micro enterprises and small enterprises	282.92	329.41
Due to related parties (Refer Note 45)	1.62	0.04
Total	**299.26**	**357.21**

* Refer Note 37

25 Other financial liabilities (Current)**

Particulars	As at March 31, 2021	As at March 31, 2020
Financial liabilities at amortized cost		
Current maturities of non current debt	283.94	217.66
Interest accrued but not due on borrowings	30.02	25.44
Other payables		
- Retention money	9.54	12.31
- Security deposits	2.09	2.33
- Expense payable	28.32	49.65
- Payables for purchase of fixed assets		
- Total outstanding dues of micro enterprises and small enterprises	0.10	-
- Total outstanding dues of other than micro enterprises and small enterprises	16.96	46.97
- Due to employees	80.70	71.54
Financial liabilities at Fair value through Profit and loss		
Derivative Financial Instruments*	2.07	34.96
Total	**453.74**	**460.86**

* This includes net mark to market loss of 2.07 Crores (March 31, 2020 : Nil) 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

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

26 Provisions (Current)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits : (Refer note 46)		
Leave	2.70	2.62
	2.70	**2.62**

27 Other current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory remittances*	20.36	16.10
Deferred Income for Capital subsidy	1.80	1.93
Unpaid dividends **	3.16	3.45
Gratuity	0.02	8.92
Advances from customers (Contract Liability)#	45.19	37.10
Other Liabilities	12.08	8.77
Advance against Sale of Property Plant and Equipment	1.50	1.00
Total	**84.11**	**77.27**

* Statutory remittances include contribution to provident fund and Employee state insurance corporation, tax deducted at source, VAT/sales tax, 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, 2021	As at March 31, 2020
As at beginning of the year	37.10	43.30
Less:-Recognised as revenue	(37.10)	(43.30)
Add:- Advances received during the year related to closing balance	45.19	37.10
As at end of the year	**45.19**	**37.10**

28 Revenue from operations

Particulars	For the year ended March, 31 2021	For the year ended March 31, 2020
Sale of products (Net of Rebate & Discount)**	6,060.61	6,654.44
Sale of services	2.67	2.99
Other operating revenues :		
- Export benefits*	59.34	62.55
- Others	17.25	15.02
	6,139.87	**6,735.00**

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

28 Revenue from operations # (Contd..)

Ministry of Corporate affairs has notified Ind AS 115 'Revenue from Contracts with customers' which is effective from April 1, 2018. The new standard outlines a single comprehensive control based model for revenue recognition and supersedes current revenue recognition guidance based on risk and rewards.

The Group has assessed the impact on the financial statement of adopting Ind-AS 115 and it is not expected to have a impact on the group's profitability, liquidity and capital resources as financial position. The Group has not applied any significant judgements in applying the revenue recognition criteria. The introduction of the standard have extended the disclosure requirements.

The following is an analysis of the companies revenue from its products and services

Particulars	For the year ended March, 31 2021	For the year ended March 31, 2020
Sale of Yarn	4,039.15	3,924.03
Sale of Fabric	1,812.38	2,474.46
Acrylic Fibre	209.08	255.95
Service income	2.67	2.99
Others (Sale of scrap, waste etc)	17.25	15.02
	6,080.53	**6,672.45**
The following is analysis on the Companies revenue disaggregates on the basis of timing of revenue recognition.		
- At point of time	6,080.53	6,672.45
- 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) Merchandise Exports from India Scheme(MEIS)	7.52	19.54
(b) Duty drawback benefits	51.82	43.01
	59.34	**62.55**

** Revenue from operations does not include ₹Nil (March 31, 2020 ₹0.01 crore) for sales during the trial run which has been capitalised during the year.

29 Other income

Particulars	For the year ended March, 31 2021	For the year ended March 31, 2020
(a) Interest income		
Interest income	34.41	26.51
Interest income on employee loans	-	0.10
(b) Dividend income		
Dividend income from investments- carried at fair value through Profit or Loss	0.01	16.19
(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)	22.69	33.38
Net gain on fair valuation of Investments	40.97	43.17

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

29 Other income (Contd..)

Particulars	For the year ended March, 31 2021	For the year ended March 31, 2020
(d) Other gain		
Claims received (net of expenses)	1.23	2.34
Provisions no longer required written back	6.90	1.86
Subsidy from Government	27.58	16.31
Net gain on disposal of property, plant and equipment	0.69	4.76
Foreign Exchange Fluctuation Gain (Net)	40.54	-
Allowances for doubtful trade receivables and advances written back (net)	-	2.71
Others	26.54	27.14
	201.56	**174.47**

30 Cost of materials consumed

Particulars	For the year ended March, 31 2021	For the year ended March 31, 2020
Cotton	2,558.40	2,791.91
Manmade fibre	432.29	523.51
Yarn	11.11	10.28
Fabric	17.42	34.53
Acrylonitrile	151.27	219.30
Others	18.14	24.66
	3,188.63	**3,604.19**

This expense does not include amount of ₹Nil (March 31, 2020 ₹ 1.85 Crore) incurred in trial run which is capitalised during the year.

31 Purchases of Stock-in-trade:

Particulars	For the year ended March, 31 2021	For the year ended March 31, 2020
Yarn	1.85	3.64
Fabric	-	1.78
Others	3.28	3.59
	5.13	**9.01**

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (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 2021	For the year ended March 31, 2020
Inventories at the beginning of the year		
Work-in-progress	171.72	166.89
Finished goods	545.58	489.94
	717.30	**656.83**
Add:-Material Received from Trial Run	-	2.22
	717.30	**659.05**
Inventories at the end of the year		
Work-in-progress	171.56	171.72
Finished goods	479.04	545.58
	650.60	**717.30**
	66.70	**(58.25)**

33 Employee benefits expense *#

Particulars	For the year ended March, 31 2021	For the year ended March 31, 2020
Salaries and wages	544.22	548.88
Contribution to provident and other funds	40.51	40.81
Staff welfare expenses	5.38	6.24
	590.11	**595.93**

* Also refer note 46

This expense does not include amount of ₹Nil (March 31,2020 ₹0.06 crore) incurred in trial run which has been capitalised during the year

34 Finance costs

Particulars	For the year ended March, 31 2021	For the year ended March 31, 2020
Interest expense*	98.98	123.13
Other borrowing costs	14.34	12.14
	113.32	**135.27**

*Interest expense is net of interest reimbursement of ₹14.41 crores (March 31, 2020 ₹ 21.33 crores) under Technology upgradation fund scheme and ₹29.73 crores (March 31, 2020 ₹ 16.73 crores) under Madhya Pradesh state interest reimbursement on term loan.

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for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

35 Other expenses*

Particulars	For the year ended March, 31 2021	For the year ended March 31, 2020
Power and fuel***	606.63	754.87
Consumption of stores and spare parts	32.16	36.63
Packing materials and charges	78.86	83.06
Dyes and Chemical consumed	155.90	219.86
Rent	2.30	2.74
Repairs and maintenance to buildings	20.41	30.25
Repairs and maintenance to machinery	165.05	184.32
Insurance	14.48	17.05
Rates and taxes	5.22	6.02
Auditors remuneration:		
- Audit fee	0.68	0.61
- Tax audit fee	0.10	0.10
- Reimbursement of expenses	0.01	0.07
- In other capacity	0.03	0.09
Bad debts written off	0.51	6.20
Forwarding charges and octroi	155.04	119.42
Commission to selling agents	39.54	41.51
Assets written off	1.92	2.44
Foreign exchange fluctuation loss (net)	-	4.74
Cotton Hedging Derivative Loss	87.90	-
Other miscellaneous expenses (Refer note 47.3)#**	108.72	136.79
	1,475.46	**1,646.77**

* Other expense does not include amount of ₹Nil (March 31, 2020 ₹ 0.06 Crores) incurred in trial run which is capitalised during the year.

** 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 ₹Nil (FY 2019-20 ₹ 4.35 crore) as political contribution via Electoral Bond Scheme.

*** Power & Fuel expense amount is net of Subsidy amounting ₹7.36 Crores (March 31,2020 ₹ 7.18 Crores).

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for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

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
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)	-	-	4.30
Others	-	-	-	-	-
	18.43	**(0.62)**	**0.34**	**-**	**18.15**
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**	**(12.80)**	**-**	**(256.91)**

Particulars	Opening Balance	MAT Credit Adjustment	Recognised in profit or loss	Recognised in OCI	Closing Balance
2019-20					
Deferred tax assets					
Expenses deductible in future years	9.45	-	3.51	-	12.96
Provision for doubtful debts / advances	1.76	-	(1.21)	-	0.55
MAT credit recoverable	4.92	-		-	4.92
Others	0.77	-	4.18	-	4.95
	16.90	**-**	**6.48**	**-**	**23.38**
Deferred tax liabilities					
Property, plant and equipment and Intangible assets	(310.79)	-	66.62	-	(244.16)
Investment in bonds, mutual funds and equity instruments	(22.30)	-	8.84	(0.01)	(13.49)
Provision for dividend distribution tax	(7.12)	-	(1.56)		(8.68)
Others	-	-	(0.54)		(0.54)
	(340.21)	**-**	**73.36**	**(0.01)**	**(266.87)**
Net deferred tax liabilities	**(323.31)**	**-**	**79.84**	**(0.01)**	**(243.49)**

Note: Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

36 Tax balances (Contd..)

36.2 Income tax recognised in profit or loss

Particulars	For the year ended March, 31 2021	For the year ended March 31, 2020
Current tax		
In respect of the current year	123.63	144.34
Deferred tax		
In respect of the current year	12.80	(79.84)
Total income tax expense recognised	**136.43**	**64.50**

The income tax expense for the year can be reconciled to the accounting profit as follows

Particulars	For the year ended March, 31 2021	For the year ended March 31, 2020
Profit before tax	558.90	655.47
Tax at the Indian Tax Rate of 25.168 %	140.66	167.70
Differential tax rate on capital gain on sale of investments	2.79	(3.67)
Effect of exempted dividend income	-	(8.60)
Effect of indexation benefit on value of investment	(7.74)	(6.11)
Deductions u/s 80IA/80IC/80JJAA	(2.00)	-
Effect of expenses that are not deductible in determining taxable profit	4.60	2.17
Effect of change in tax rate	(0.17)	(88.09)
Others	(1.71)	1.10
	136.43	**64.50**

36.3 Income tax recognised in other comprehensive income

Particulars	For the year ended March, 31 2021	For the year ended March 31, 2020
Arising on income and expenses recognised in other comprehensive income	1.59	(1.14)
Total income tax recognised in other comprehensive income	**1.59**	**(1.14)**

36.4 The Company along with some of its subsidiaries and associates, during FY 2019-20 had 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, it has recognised provision for taxation and re-measured its deferred tax liabilities basis the rate prescribed in the said section and the impact of tax expense of current year and re-measurement of deferred tax liabilities is recognised in previous financial statements.

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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, 2021	As at March 31, 2020
Debt	2,132.17	2,220.72
Cash & cash equivalents	92.64	214.85
Net Debt	**2,039.53**	**2,005.87**
Total Equity	**6,473.87**	**6,047.87**
Net debt to equity ratio	**0.32**	**0.33**

37.2 Financial instruments by category

Particulars	As at March 31, 2021				As at March 31, 2020			
	FVTPL	Fair Value (Derivative Instruments)	Amortised Cost#	FVTOCI	FVTPL	Fair Value (Derivative Instruments)	Amortised Cost#	FVTOCI
Financial Assets								
Investments	940.41	-	-	4.81	1,025.82	-	-	4.76
Trade Receivables	-	-	1,038.62	-	-	-	821.00	-
Cash and cash equivalents	-	-	92.64	-	-	-	214.85	-
Bank balances other than above	-	-	118.86	-	-	-	65.04	-
Loans	-	-	2.71	-	-	-	4.30	-
Other financial assets	-	17.55	211.19	-	-	2.36	74.03	-
	940.41	**17.55**	**1,464.02**	**4.81**	**1,025.82**	**2.36**	**1,179.22**	**4.76**

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37 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd..)

37.2 Financial instruments by category (Contd..)

Particulars	As at March 31, 2021			As at March 31, 2020		
	FVTPL	Fair Value (Derivative Instruments)	Amortised Cost#	FVTPL	Fair Value (Derivative Instruments)	Amortised Cost#
Financial Liabilities						
Borrowings (including current maturity of term loan)	-	-	2,132.17	-	-	2,220.72
Trade Payables	-	-	299.26	-	-	357.21
Other financial liabilities	-	2.07	170.54	-	34.96	212.22
Lease Liability			0.16			0.15
	-	**2.07**	**2,602.13**	**-**	**34.96**	**2,790.30**

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, 2021

Particulars	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 derivative 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 derivative contracts	-	2.07	-	2.07
	-	**2.07**	**-**	**2.07**

As at March 31, 2020

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in mutual funds/bonds/preference shares	298.35	726.22	-	1,024.57
Foreign currency / commodity derivative contracts	-	2.36	-	2.36
Quoted equity instruments	1.25	-	-	1.25
Unquoted equity instruments	-	-	4.76	4.76
	299.60	**728.58**	**4.76**	**1,032.94**
Financial Liabilities				
Foreign currency / commodity derivative contracts	-	34.96	-	34.96
	-	**34.96**	**-**	**34.96**

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

37 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd..)

37.2 Financial instruments by category (Contd..)

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.

Reconciliation of Level 3 fair value measurements

Particulars	Unlisted equity instruments
As at April 01, 2019	**5.05**
Purchases	-
Gain / (loss) recognised in OCI	(0.28)
As at March 31, 2020	**4.76**
Purchases	
Gain / (loss) recognised in OCI	0.05
As at March 31, 2021	**4.81**

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37 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd..)

37.3 Financial Risk Management

The Group'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 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 47 %(FY 2019-20 : 40%) 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.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods expressed in ₹, are as follows:

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	0.58	0.07	0.02	2.95
Borrowings	0.60	-	-	-

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

37 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd..)

37.3 Financial Risk Management (Contd..)

37.3.1 Market Risk (Contd..)

A. Foreign Currency Risk Management (Contd..)

As at March 31, 2021	USD	EUR	CHF	JPY
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**

As at March 31, 2020	USD	EUR	CHF	JPY
Financial assets				
Trade receivables	5.35	0.41	-	-
Foreign exchange derivative contracts*	(13.60)	(0.75)	-	-
Net exposure to foreign currency risk (assets)	-	-	-	-
Financial liabilities				
Trade payables and other financial liabilities	0.61	0.13	0.03	5.96
Borrowings	0.60	-	-	-
Foreign exchange derivative contracts	(2.40)	(0.05)	-	-
Net exposure to foreign currency risk (liabilities)	-	**0.08**	**0.03**	**5.96**
Net exposure to foreign currency risk (net)	-	**0.08**	**0.03**	**5.96**

*Excess forwards sold 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, 2021*		Year ended March 31, 2020	
	₹ strengthens by 10%	₹ weakens by 10%	₹ strengthens by 10%	₹ weakens by 10%
Impact on (profit) /loss for the year				
USD	-	-	-	-
EUR	-	-	0.64	(0.64)
CHF	-	-	0.26	(0.26)
JPY	0.21	(0.21)	0.42	(0.42)

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

37 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd..)

37.3 Financial Risk Management (Contd..)

37.3.1 Market Risk (Contd..)

A. Foreign Currency 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 Millions)		Nominal Amount (₹ Crores)	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
USD / INR Buy forward	48	33	2.15	1.80	148.20	132.39
USD / INR Buy Option	5	2	0.94	0.60	43.87	42.83
USD / INR Sell forward	243	202	13.57	11.82	868.28	877.22
USD / INR Sell Option	93	31	6.80	1.78	130.14	132.84
EUR / USD Buy forward	9	-	0.14	-	12.13	-
EUR / INR Buy forward	5	2	0.26	0.05	22.50	4.37
EUR / INR Sell forward	13	26	0.67	0.75	57.79	61.54
CHF/INR Buy Forward	1	-	0.09	-	7.25	-
Fair value assets					17.55	2.36
Fair value liabilities					-	-

* Sensitivity on the above derivative contracts in respect of foreign currency exposure is insignificant

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

37 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd..)

37.3 Financial Risk Management (Contd..)

37.3.1 Market Risk (Contd..)

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.

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, 2021	Year ended March 31, 2020
	₹ loans interest rate decreases by 1 %	₹ loans interest rate decreases by 1 %
Increase in profit before tax by	21.32	22.21

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, 2021 would increase / decrease by ₹0.24 crore (for the year ended March 31, 2020: increase / decrease by ₹ 0.24 crore) as a result of the change in fair value of equity investment measured at FVTOCI.

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

37 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd..)

37.3 Financial Risk Management (Contd..)

37.3.1 Market Risk (Contd..)

C. Security Price Risk Management (Contd..)

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, 2021 would increase / decrease by ₹9.45 crores (for the year ended March 31, 2020 by ₹ 9.95 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

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:

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for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

37 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd..)

37.3 Financial Risk Management (Contd..)

37.3.2 Credit Risk Management (Contd..)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from top five customers	560.63	485.33
% of total sales of products	9.68%	7.68%

Financial assets for which loss allowance is measured:

Particulars	As at March 31, 2021	As at March 31, 2020
Loans - Non-current	1.37	1.48
Loans - Current	1.34	2.82
Other financial assets - Non-current	173.98	63.03
Other financial assets - Current	54.76	13.36
Trade receivables	1,038.62	821.00
Total	**1,270.07**	**901.69**

Particulars	As at March 31, 2021	As at March 31, 2020
Loss Allowance is as follows:-		
As at April 01, 2019		**5.17**
Provided during the year		2.06
Reversed during the year		(4.78)
As at March 31, 2020		**2.45**
Provided during the year		-
Reversed during the year		(0.03)
As at March 31, 2021		**2.42**

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.

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:

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

37 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd..)

37.3 Financial Risk Management (Contd..)

37.3.3 Liquidity Risk Management (Contd..)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities:

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**

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 liabilities					
Borrowings#	835.57	706.52	590.09	-	**2,132.18**
Trade payables	299.26	-	-	-	**299.26**
Other financial liabilities	322.61	-	-	-	**322.61**
	1,457.44	**706.52**	**590.09**	**-**	**2,754.05**

As at March 31, 2020	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	577.36	448.46	-	4.76	**1,030.58**
Trade Receivables	821.00	-	-	-	**821.00**
Cash and cash equivalents	214.85	-	-	-	**214.85**
Bank balances other than above	65.04	-	-	-	**65.04**
Loans	2.82	1.48	-	-	**4.30**
Other financial assets	13.36	63.03	-	-	**76.39**
	1,694.43	**512.97**	**-**	**4.76**	**2,212.16**

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

37 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd..)

37.3 Financial Risk Management (Contd..)

37.3.3 Liquidity Risk Management (Contd..)

As at March 31, 2020	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 liabilities					
Borrowings#	954.58	694.50	509.64	62.00	**2,220.72**
Trade payables	357.21	-	-	-	**357.21**
Other financial liabilities	247.18	-	-	-	**247.18**
	1,558.97	**694.50**	**509.64**	**62.00**	**2,825.11**

* Investment value excludes investment in Subsidiaries/Associates of ₹ 129.31 crores (March 31, 2020: ₹ 114.33 crores)

** including Current Maturity of non-current borrowings

38 CONTINGENT LIABILITIES AND COMMITMENTS

	Particulars	As at March 31, 2021	As at March 31, 2020
a	**Claims against the Group not acknowledged as debts:**		
	Sales tax, excise duty, etc*	6.56	10.47
	Income-tax**	274.70	272.64
	Others***	7.00	5.72

* Amount deposited ₹ 0.68 crores (2020 : ₹ 1.02 crore)

** Amount deposited ₹ 118.13 crores (2020 : ₹60.38 crore)

*** Amount deposited ₹ 3.30 crores (2020 : ₹3.30 crore)

b. Liability on account of bank guarantees and letter of credit of ₹ 373.86 crores (2020: ₹ 155.02 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 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 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.

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

38 CONTINGENT LIABILITIES AND COMMITMENTS (Contd..)

e. The Hon'ble Supreme Court in a ruling last year had has 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, 2021	As at March 31, 2020
(i) Estimated Amount of contracts remaining to be executed on capital account & not provided for (net of advance)	416.01	94.06
(ii) Export obligation under EPCG Scheme*	1,177.93	733.96

* 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, 2021 is ₹438.40 crores (March 31, 2020 ₹342.99 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 ₹9.31 Crores (March 31,2020 ₹5.51 Crores)

39 (a) The Company was holding its own 15,98,741 equity shares of ₹ 10 each through a Trust, which were received by it in its capacity as a shareholder of Vardhman Holdings Limited, in accordance with the 'Scheme of Arrangement and Demerger'. Out of above, 1,36,539 shares were tendered during 2016-17 year in terms of buy back announced by the Company and remaining 14,62,202 shares were sold in 2017-18 in market.

39 (b) The aforesaid Trust is holding 5,32,911 equity shares (March 31, 2020: 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 a 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 (c) 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, 2021	As at March 31, 2020
Cost of shares of Vardhman Special Steels Limited	4.64	4.64
Other recoverable	0.01	0.01
	4.65	**4.65**

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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	5,926.24	6,478.92	280.19	334.37	6,206.43	6,813.29
	Inter Segment Sales	-	-	(66.56)	(78.29)	(66.56)	(78.29)
	External Sales	**5,926.24**	**6,478.92**	**213.63**	**256.08**	**6,139.87**	**6,735.00**
	Other Income	107.64	54.84	15.22	27.51	122.86	82.35
	Unallocated Other Income					78.70	92.12
	Total Revenue	**6,033.88**	**6,533.76**	**228.85**	**283.59**	**6,341.43**	**6,909.47**
(ii)	**Result**						
	Segment results	568.07	700.23	43.06	24.89	611.13	725.12
	Unallocated Corporate expenses/ (Income) (Net)					(40.46)	(53.48)
	Operating profit					**651.59**	**778.60**
	Finance cost					113.32	135.27
	Income from Associates					20.63	12.14
	Profit before tax					**558.90**	**655.47**
	Provision for taxation						
	Current tax and deferred tax					136.43	64.50
	Profit after tax					**422.47**	**590.97**
(iii)	**Segment Assets and Liabilities**						
	Segment assets	7,867.03	7,543.28	127.08	125.70	7,994.11	7,668.98
	Unallocated corporate assets					1,632.87	1,684.54
	Total assets					**9,626.98**	**9,353.52**
	Total Equity and Liabilities						
	Equity (Share capital and other equity)					6,473.87	6,047.87
	Non controlling interest					133.20	120.64
	Segment Liabilities	493.88	565.11	49.19	60.48	543.07	625.59
	Secured and unsecured loans					2,132.17	2,220.72
	Unallocated Corporate Liabilities					87.76	95.21
	Deferred Tax Liabilities					256.91	243.49
	Total equity and liabilities					**9,626.98**	**9,353.52**

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (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
(iv)	**Capital expenditure**					279.04	744.91
(v)	Depreciation and Amortisation					359.15	328.92
	Unallocated Corporate Depreciation and Amortisation					4.66	4.30
	Total Depreciation					363.81	333.22

Geographical Information:	For the year ended March, 31 2021	For the year ended March 31, 2020
Segment Revenue-External Turnover		
- Within India	3,297.85	4,099.32
- Outside India	2,842.02	2,635.68
Total Revenue	**6,139.87**	**6,735.00**
Non-Current Segment Assets		
- Within India	4,424.77	4,470.98
- Outside India	-	-
	4,424.77	**4,470.98**

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.

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for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

41 EARNINGS PER SHARE

Particulars	For the year ended March, 31 2021	For the year ended March 31, 2020
Basic earnings per share (INR)	72.52	102.22
Diluted earnings per share (INR)	72.07	101.45
Profit attributable to the equity holders of the Company used in calculating basic earning per share	409.91	577.52
Weighted average number of equity shares for the purpose of basic earning per share (numbers)	5,65,25,579	5,64,98,463
Profit attributable to the equity holders of the Company used in calculating dilutive earning per share	409.91	577.52
Weighted average number of equity shares for the purpose of dilutive earning per share (numbers)	5,68,80,881	5,69,26,163

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	For the year ended March, 31 2021	For the year ended March 31, 2020
Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year	14.72	27.76
- Principal amount	-	-
- Interest due thereon	-	-
Amount of payments made to suppliers beyond the appointed day during the year		
- Principal amount	-	-
- Interest actually paid under section 16 of MSMED	-	-
Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding interest under MSMED	-	-
Interest accrued and remaining unpaid at the end of the year	-	-
- Interest accrued during the year	-	-
- Interest remaining unpaid as at the end of the year	-	-
Interest remaining disallowable as deductible expenditure under the Income-tax Act, 1961	-	-

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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 leave 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.

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, 2021:

Particulars	Land	Building	Total
Balance as on April 01, 2019	1.66	0.01	1.67
Reclassified on account of adoption of Ind AS 116	18.85	-	18.85
Addition	-	-	-
Deletion	-	-	-
Depreciation	(0.28)	(0.00)	(0.28)
Balance as on March 31, 2020	**20.23**	**0.01**	**20.24**
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**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the interim condensed statement of Profit and Loss.

The following is the break up of current and non current lease liabilities as at March 31, 2021:

Particulars	As at March 31, 2021	As at March 31, 2020
Current Lease Liabilities	-	-
Non-Current Lease Liabilities	0.16	0.15
Total	**0.16**	**0.15**

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for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

43 Leases (Contd..)

Following is the movement in lease liabilities during year ended March 31, 2021

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance at the beginning	0.15	1.67
Finance cost accrued during the period	0.01	-
Payment of Lease Liabilities	-	(1.52)
Balance at the end	**0.16**	**0.15**

The table below provide details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis:

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one year	0.15	0.15
One to five years	0.62	0.62
More than five years	18.97	19.12
Total	**19.74**	**19.89**

The following are the amounts recognised in statement of profit and loss:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation Expenses on Right to use Assets	0.28	0.29
Interest expense on lease liabilities	0.01	-
Expense relating to short-term leases (included in other expenses)	1.07	1.18
Total Amount Recognised in Profit and Loss	**1.36**	**1.47**

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.

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

44 Share based payments - Employee Share option plan of the Company (Contd..)

(iii) The following share payments arrangement is in existence during the period.

Particulars	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 99,300 equity shares (FY 2019-20 - 1,06,900 equity shares) was due but only 43,800 shares (FY 2019-20 26,700 shares) have been exercised during the year.

(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%

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44 Share based payments - Employee Share option plan of the Company (Contd..)

(vi) Moment of share options

Particulars	2020-21		2019-20	
	Number of options	Weighted Average Exercise price	Number of options	Weighted Average Exercise price
Balance at beginning of year	4,02,400	-	5,12,950	-
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
*Exercised during the year	(43,800)	815	(26,700)	815
Expired during the year	(68,550)	-	(83,850)	-
Balance at end of year	**2,90,050**	**-**	**4,02,400**	**-**

(vii) Share options exercised during the year*

Particulars	Exercised	Exercise date	Share price at exercise date
Granted as per para (iii) above	43,800	04-Jan-21	815

(viii) Amount accounted for in profit and loss for Employee stock options is ₹2.16 crores (FY 2019-20 ₹0.97 crores).

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

Post Employment Benefit Plans Trust

Mahavir Employee Gratuity Fund Trust

Mahavir Superannuation scheme

VAL Gratuity Trust Fund

VMT Gratuity Trust Fund

VAL 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)

Dr. Parampal Singh (Independent Director)

Ms. Apinder Sodhi (Independent Director)

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

45 RELATED PARTY TRANSACTIONS (Contd..)

45.1 Description of related parties (Contd..)

	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. Anil Sood, Chief Financial Officer (upto 4th July,2019)
	Mr Amit Jain, Chief Financial Officer (upto 28th Feb 2020)
	Mr Amit Khullar, Chief Financial Officer (w.e.f 01st March 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

45.2 Transactions with related parties

Particulars	For the year ended March, 31 2021	For the year ended March 31, 2020
Sale /processing of goods to:#		
Associates	0.51	1.64
Enterprises over which KMP have significant influence	70.48	67.15
	70.99	**68.79**
Purchase/processing of goods and utilities from:#		
Associates	7.02	14.89
	7.02	**14.89**
Sale of MEIS License		
Associates	0.90	2.16
	0.90	**2.16**

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

45 RELATED PARTY TRANSACTIONS (Contd..)

45.2 Transactions with related parties (Contd..)

Particulars	For the year ended March, 31 2021	For the year ended March 31, 2020
Rent paid		
Associates	0.00	-
Enterprises over which KMP have significant influence	0.13	0.13
	0.13	**0.13**
Rent received		
Associates	0.25	0.25
	0.25	**0.25**
Dividend received		
Associates	5.64	5.64
	5.64	**5.64**
Interest received		
Associates	-	0.97
	-	**0.97**
Reimbursement of expenses received from		
Associates	0.01	0.10
	0.01	**0.10**
Reimbursement of expenses paid		
Associates	0.08	0.09
	0.08	**0.09**
Recovery of Common Expenses incurred **		
Associates	4.31	4.31
	4.31	**4.31**
Payment against licence agreement		
Enterprises over which KMP have significant influence	1.22	1.67
	1.22	**1.67**
Donations to		
Enterprises over which KMP have significant influence	7.82	9.99
	7.82	**9.99**
Salary paid to		
Relatives of KMP	0.14	0.20
	0.14	**0.20**
Loan given to		
Associates	-	15.00
	-	**15.00**
Loan received back from		
Associates	-	30.00
	-	**30.00**

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

45 RELATED PARTY TRANSACTIONS (Contd..)

45.2 Transactions with related parties (Contd..)

Particulars	For the year ended March, 31 2021	For the year ended March 31, 2020
Contribution to post employment benefit plans		
Post Employment Benefit Plans Trusts	9.07	2.27
(Refer Note 46)	**9.07**	**2.27**

45.3 Outstanding Balances:

Particulars	As at March 31, 2021	As at March 31, 2020
Receivables		
Associates	0.03	0.16
Enterprises over which KMP have significant influence	0.01	0.01
Post Employment Benefit Plans Trust	2.37	-
	2.41	**0.17**
Payables		
Associates	1.62	0.18
Enterprises over which KMP have significant influence	0.98	-
Post Employment Benefit Plans Trust	9.59	-
	12.19	**0.18**

45.4 Key management personnel compensation

	For the year ended March, 31 2021	For the year ended March 31, 2020
Compensation*	16.52	13.91
	16.52	**13.91**

* 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

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (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 2021	For the year ended March 31, 2020
National pension Scheme	1.72	1.72
Superannuation fund	-	0.08
Provident fund administered through Regional Provident Fund Commissioner	30.80	30.16
Employees' State Insurance Corporation	6.72	6.79
Other Funds	1.28	2.06
	40.52	**40.81**

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 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 year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

46 EMPLOYEE BENEFITS

46.2 Defined benefit plans (Contd..)

(ii) The principal assumption used for the purpose of the actuarial valuation were as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Discount Rate	6.79%	6.80%
Salary increase	6.00%	6.00%
Expected average remaining working life	24.28 years to 29.79 Years	24.66 years to 30.81 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:

	For the year ended	
	March 31, 2021	March 31, 2020
Current Service cost	11.10	10.29
Net interest expenses	0.65	0.24
	11.75	**10.53**

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:

	For the year ended	
	March 31, 2021	March 31, 2020
Actuarial gain/(losses) arising for the year on asset	4.19	(2.61)
Actuarial gain/(losses) arising from changes in financial assumptions	(0.07)	(5.38)
Actuarial gain/(losses) arising from changes in demographic assumptions	-	0.04
Actuarial gain/(losses) arising from changes in experience adjustments	2.17	3.46
	6.29	**(4.49)**

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

46 EMPLOYEE BENEFITS

46.2 Defined benefit plans (Contd..)

(v) The amount included in balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

	As at	
	March 31, 2021	**March 31, 2020**
Present value of funded defined benefit obligation	82.62	76.89
Fair Value of Plan Assets	84.99	67.31
Net assets / (liability)	**2.37**	**(9.58)**
Unfunded Liability	0.66	-

(vi) Movements in the present value of defined benefit obligation are as follows:

	For the year ended	
	March 31, 2021	**March 31, 2020**
Opening defined benefit obligation	76.89	66.01
Current Service Cost	11.10	10.29
Interest Cost	5.23	5.07
Transfer to group company	(0.13)	
Actuarial (gain)/losses arising from changes in financial assumptions	0.07	5.38
Actuarial gain/(losses) arising from changes in demographic assumptions	-	(0.04)
Actuarial (gain)/losses arising from changes in experience adjustments	(2.18)	(3.46)
Benefits paid	(7.71)	(6.36)
Closing defined benefit obligation	**83.27**	**76.89**

(vii) Movements in the fair value of plan assets are as follows:

	For the year ended	
	March 31, 2021	**March 31, 2020**
Opening fair value of plan assets	67.31	62.93
Return on plan assets (excluding amounts included in net interest expenses)	8.75	2.21
Transfer to Group Company	(0.13)	-
Contributions from employer	9.07	2.27
Benefits paid	(0.01)	(0.10)
Closing fair value of plan assets	**84.99**	**67.31**

Plan assets comprises of mutual fund, Government of India securities and bank balances. The average duration of the defined benefit obligation is 12.88 years to 14.70 years (March 31, 2020: 12.96 years to 14.93 years). The Group expects to make a contribution of ₹ 13.11 crores (March 31, 2020: ₹ 12.67 crores) to the defined benefit plans during the next financial year.

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

46 EMPLOYEE BENEFITS (Contd..)

46.2 Defined benefit plans (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, 2021	As at March 31, 2020
Discount Rate		
0.50% Increase	(3.66)	(3.33)
0.50% decrease	3.97	3.62
Future Salary increase		
0.50% Increase	3.88	3.51
0.50% decrease	(3.62)	(3.28)

(ix) Maturity Profile of Defined Benefit Obligation

Particulars	Year	Amount
a)	0 to 1 Year	9.35
b)	1 to 2 Year	5.06
c)	2 to 3 Year	4.65
d)	3 to 4 Year	4.29
e)	4 to 5 Year	4.89
f)	5 to 6 Year	4.60
g)	6 Year onwards	50.44

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 ₹5.62 crore (March 31, 2020 ₹ 7.67 crore)

(ii) Amount taken to balance sheet

Particulars	2020-21	2019-20
Current	2.70	2.62
Non Current	16.32	15.47

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for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

47 Additional disclosures

47.1 Disclosure required by Regulation 34 read with Schedule V of SEBI (Listing obligations and Disclosure Requirements) Regulations,2015:-

(i) The Company has given inter corporate deposits aggregating to ₹Nil (March 31, 2020: ₹ Nil) to Vardhman Special Steels Limited. The maximum amount outstanding during the year was ₹ Nil crores (March 31, 2020: ₹ 30.00 crore). The balance outstanding as on March 31, 2021 is ₹Nil (March 31, 2020: ₹ Nil).

47.2 Assets pledged as security:

Particulars	As at March 31, 2021	As at March 31, 2020
Current assets		
Financial assets		
Trade receivables	1,038.62	821.00
Non-financial assets		
Inventory	2,796.05	2,681.05
Total current assets pledged as security	**3,834.67**	**3,502.05**
Non-current assets		
Property, plant & equipment	3,504.35	3,593.24
Total non-current assets pledged as security	**3,504.35**	**3,593.24**
Total assets pledged as security	**7,339.02**	**7,095.29**

47.3 Amount required to be spent as per section 135 of the Companies Act 2013.

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

a) Gross amount required to be spent by the Group during the year was ₹15.42 crores (March 31, 2020 ₹19.90 crores).

b) Amount spent during the year :₹10.35 crores (March 31, 2020 ₹19.95 crores)

c) Amount unspent during the year was 5.07 Crores (March 31, 2020 ₹ Nil).

(d) Activity

Particulars	Amount
Promotion of Education	3.87
Preventive Health Care	4.02
Rural Development	1.39
Environment & Sustainability	0.02
Promotion of Nationally Recognised Sports	0.31
Welfare of Armed force veterans	0.13
Promoting Art & Culture	0.08
Others	0.53
Total	**10.35**

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

47 Additional disclosures (Contd..)

47.4 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.

47.5 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.

47.6 The Board of Directors, in its meeting held on May 27, 2020 has approved a Scheme of Amalgamation (the "Scheme") under Sections 230 to 232 of the Companies Act, 2013 ('the 2013 Act') and other applicable provisions of the 2013 Act, as per pooling of interest method, between the Company and its subsidiaries, by the name of VMT Spinning Company Limited and Vardhman Nisshinbo Garments Company Limited. The amalgamation will be from April 1, 2020 being the appointed date and is subject to other approvals as may be required in this case.

47.7 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 .

48 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	Proportion of Ownership of Interest		
		Activities	As at March 31, 2021	As at March 31, 2020
A. Subsidiaries				
(i) Vardhman Acrylics Limited	India	Fibre	70.74%	70.74%
(ii) VMT Spinning Co. Limited	India	Textiles	100.00%	100.00%
(iii) VTL Investments Limited	India	Lending & Investing	100.00%	100.00%
(iv) Vardhman Nisshinbo Garments Co. Limited	India	Manufacturing & Sales of Garments	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 of Steels	24.90%	24.97%

Notes To Consolidated Financial Statement

for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

48 Interest in Other Entities (Contd..)

(b) Summarized Financial Information

Particulars	Associates					
	Vardhman Yarns & Threads Limited		Vardhman Spinning & General Mills Limited		Vardhman Special Steels Limited	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
I. Assets						
(A) Non Current Assets	271.02	293.21	-	-	320.45	409.37
(B) Current Assets						
i) Cash & Cash Equivalent	12.72	5.53	0.02	0.02	2.34	2.30
ii) Others	428.90	396.66	0.18	0.17	479.94	358.56
Total Current Assets	**441.62**	**402.19**	**0.20**	**0.19**	**482.28**	**360.87**
Total Assets (A+B)	**712.64**	**695.40**	**0.20**	**0.19**	**802.73**	**770.24**
II. Liabilities						
(A) Non Current Liabilities						
i) Financial Liabilities	8.05	12.88	-	-	110.91	109.51
ii) Non Financial Liabilities	7.60	10.96	-	-	1.95	1.44
Total Non Current Liabilities	**15.65**	**23.84**	**-**	**-**	**112.87**	**110.95**
(B) Current Liabilities						
i) Financial Liabilities	103.52	119.14			220.68	237.58
ii) Non Financial Liabilities	16.41	10.11	0.05	0.04	9.82	8.08
Total Current Liabilities	**119.93**	**129.25**	**-**	**-**	**230.50**	**245.66**
Total Liabilities (A+B)	**135.57**	**153.09**	**0.05**	**0.04**	**343.37**	**356.61**
Net Assets (I-II)	**577.07**	**542.31**	**0.15**	**0.15**	**459.36**	**413.63**

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for year ended March 31, 2021 (All amounts in crores, unless otherwise stated)

48 Interest in Other Entities (Contd..)

(c) Summarized Financial Information

Particulars	Associates					
	Vardhman Yarns & Threads Limited		Vardhman Spinning & General Mills Limited		Vardhman Special Steels Limited	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Revenue from Operations	703.77	842.00	0.01	0.01	937.08	846.20
Profit Before Tax	113.20	134.79	0.00	0.01	66.38	(2.32)
Tax Expense	28.45	28.98	0.00		22.18	(5.66)
Profit after Tax	84.75	105.81	0.00	0.01	44.19	3.34
Other Comprehensive Income	1.32	(1.14)			0.63	(0.84)
Total Comprehensive Income	86.06	104.67	0.00	0.01	44.82	2.50
Depreciation & Amortisation	28.31	28.85	-	-	30.23	25.72
Interest Expense (Net of Interest Income)	3.98	5.39	0.00	0.00	19.71	25.72

(d) Movement of Investment in Associates using equity method

Particulars	Associates					
	Vardhman Yarns & Threads Limited		Vardhman Spinning & General Mills Limited		Vardhman Special Steels Limited	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Investment as at the beginning of the Period	63.14	57.27	0.08	0.08	51.11	50.49
Add: Share of profit for the period	9.32	11.64	0.00	0.00	11.00	0.83
Add: Share of OCI for the period	0.14	(0.12)	-	-	0.16	(0.21)
Less: Dividend distributed during the period (including DDT)	(5.64)	(5.65)	-	-	-	
Investment as at the end of the Period	66.96	63.14	0.08	0.08	62.27	51.11

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49 For Disclosure mandated by Schedule III of Companies Act 2013, by way of additional information, refer below:

Particulars	As at March 31, 2021		As at March 31, 2020		As at March 31, 2021		As at March 31, 2020	
	Net Assets i.e total assets minus total liabilities		Net Assets i.e total assets minus total liabilities		Share in Total comprehensive income		Share in Total comprehensive income	
	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	91.30%	6,032.51	91.86%	5,666.21	85.63%	354.96	94.48%	542.29
Less:- Unrealised profit on Stock	-0.08%	(5.21)	-0.04%	(2.30)				
Subsidiaries								
Indian								
Vardhman Acrylics Limited	6.03%	398.37	5.76%	355.43	10.36%	42.94	8.01%	45.99
VMT Spinning Co. Limited	2.27%	150.04	2.18%	134.24	3.81%	15.80	1.65%	9.47
VTL Investment Limited	0.90%	59.65	0.91%	56.34	0.83%	3.42	0.21%	1.20
Vardhman Nisshinbo Garments Limited	0.05%	3.05	0.10%	6.24	-0.73%	(3.03)	-0.16%	(0.90)
Adjustment due to consolidation	-3.65%	(240.97)	-3.85%	(237.55)	-1.81%	(7.51)	-3.98%	(22.85)
Non Controlling Interest in subsidiaries	2.02%	133.20	1.96%	120.64	-3.07%	(12.71)	-2.33%	(13.37)
Associates (Investment as per the equity method)								
Indian								
Vardhman Special Steels Limited	0.94%	62.27	0.83%	51.11	2.69%	11.16	0.11%	0.62
Vardhman Spinning & General Mills Limited	0.00%	0.08	0.00%	0.08	0.00%	0.00	0.00%	-
Vardhman Yarns & Threads Limited	1.01%	66.96	1.02%	63.14	2.28%	9.47	2.01%	11.52
Less:- Investments in Associates	-0.80%	(52.77)	-0.86%	(52.77)	-	-	-	-
Add/Less:- Deferred Tax Liabilities on undistributed profits on associates	0.00%	(0.12)	0.12%	7.70	-	-	-	-
Total	**100%**	**6,607.07**	**100%**	**6,168.51**	**100%**	**414.51**	**100%**	**573.97**

For and on behalf of the Board of Directors

Place : Ludhiana
Date: May 25, 2021

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

FORM AOC-1, PURSUANT TO SECTION 129(3) OF COMPANIES ACT, 2013 RELATING TO SUBSIDIARY COMPANIES

Part A

(₹ in crore)

	Particulars	VMT Spinning Company Limited	VTL Investments Limited	Vardhman Acrylics Limited	Vardhman Nisshinbo Garments Company Limited
		Current Year	Current Year	Current Year	Current Year
a)	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	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.	N.A.	N.A.
c)	Capital	20.70	4.00	80.36	14.00
d)	Reserves	129.34	55.65	318.01	(10.95)
e)	Total Assets	195.83	59.66	485.11	57.41
f)	Total Liabilites	195.83	59.66	485.11	57.41
g)	Details of investment (Except in case of investment in the subsidiaries)	-	14.77	231.87	-
h)	Turnover (net)	224.44	4.07	280.19	35.72
i)	Profit before taxation	20.82	4.07	57.11	(3.16)
j)	Provision for taxation	5.05	0.76	14.19	-
k)	Profit after Taxation	15.77	3.31	42.92	(3.16)
l)	Proposed dividend(including tax thereon)	-	-	-	-
m)	Total Comprehensive Income for the period	15.80	3.31	42.95	(3.03)
n)	% of shareholding	100.00%	100.00%	70.74%	100.00%

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	31.03.2021
2. Shares of Associate held by the company on the year end	
No.	9,708,333
Amount of Investment in Associate	₹ 25.24 crore
Extend of Holding %	23.97%
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	...

Name of Associates	Vardhman Special Steels Limited
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	₹ 110.11 crore
6. Profit / Loss for the year	₹ 44.82 crore
i. Considered in Consolidation	₹ 11.16 crore
ii. Not Considered in Consolidation	N.A.

Name of Associates	Vardhman Spinning & General Mills Limited
1. Latest audited Balance Sheet Date	31.03.2021
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	₹ 0.002 crore
i. Considered in Consolidation	₹ 0.001 crore
ii. Not Considered in Consolidation	N.A.

Name of Associates	Vardhman Yarns and Threads Limited
1. Latest audited Balance Sheet Date	31.03.2021
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	6,269,699
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	₹ 63.48 crore
6. Profit / Loss for the year	₹ 86.06 crore
i. Considered in Consolidation	₹ 9.47 crore
ii. Not Considered in Consolidation	N.A.

NOTICE

Notice is hereby given that the **48TH ANNUAL GENERAL MEETING** of Vardhman Textiles Limited will be held on Tuesday, the 28th day of September, 2021 at 11:30 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, 2021, together with Report of Board of Directors and Auditors thereon.

Item No. 2 – To declare Dividend:

To declare a dividend of ₹ 17.50 per equity share for the year ended 31st March, 2021.

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

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

SPECIAL BUSINESS:

Item No. 4 – To ratify remuneration payable to Cost Auditors for the financial year ending 31st March, 2022:

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, 2022, be paid the remuneration of ₹ 5,78,906/- 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 re-appoint Mrs. Harpreet Kaur Kang 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), Mrs. Harpreet Kaur Kang (DIN: 03049487), Independent Director, whose period of office is expiring on 5th February, 2022 and who has submitted a declaration confirming she meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment for a second term in accordance with the provisions of the Companies Act, 2013 and rules made thereunder and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company not liable to retire by rotation for a term of five (5) consecutive years w.e.f. 5th February, 2022."

Item No. 6 – To re-appoint Mrs. Suchita Jain as Vice-Chairperson & 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** pursuant to the provisions of Section 196, 197, 203 & Schedule V of Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mrs. Suchita Jain (DIN: 00746471) be and is hereby re-appointed as Vice-Chairperson & Joint Managing Director of the Company for a term of 5 (five) consecutive years starting from 24th August, 2021 to 23rd August, 2026.

RESOLVED FURTHER THAT Mrs. Suchita 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 ₹ 8,50,000/- to ₹ 11,50,000/- 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 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, 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.

By Order of the Board

Place: Ludhiana
Dated: 25th May, 2021

(Sanjay Gupta)
Company Secretary

NOTES:

1. Considering the ongoing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its circular dated January 13, 2021 read together with circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 (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 Chairpersons 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 Directors retiring by rotation/ seeking 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 re-appointment.

7. The Register of Members and the Share Transfer Books of the Company shall remain closed from 18th September, 2021 to 28th September, 2021 (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 January 15, 2021 and May 12, 2020, Notice of the AGM along with the Annual Report 2020-21 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 2020-21 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 the 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 address with the relevant Depository Participant.

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

(i) The Remote e-Voting period commences on 25th September, 2021 (9:00 a.m.) and ends on 27th September, 2021 (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 21st September, 2021, may cast their vote electronically. The Remote e-Voting module shall be disabled by CDSL for voting after the end of voting period on 27th September, 2021.

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 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 abovementioned website.

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at 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 and 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** Date of Birth (DOB)	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. • 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: 210830057 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 Members through the e-Voting available during the AGM and if the same Members have not participated in the meeting through VC/OAVM facility, then the votes cast by such Members 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.

16. Dividend income is taxable in the hands of the Members and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961. In general, no tax will be deducted on payment of dividend to category of Members who are resident individuals (with valid PAN details updated in their folio/client ID records) and the total dividend amount payable to them does not exceed ₹ 5,000/-. Members not falling in the said category, can go through the detailed note with regard to applicability of tax rates for various other categories of Members and the documents that need to be submitted for nil or lower tax rate, which has been provided on the Company's website at https://www.vardhman.com/user_files/investor/VTXL_Shareholder%20Intimation%20(TDS)%20-%202021-22.pdf.

By Order of the Board

Place: Ludhiana
Dated: 25th May, 2021

(Sanjay Gupta)
Company Secretary

Annexure to the Notice:

Statement pursuant to Section 102 of the Companies Act, 2013:

Item No. 4 of the Special Business:

Pursuant to the provisions of 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 25th May, 2021, 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 Financial Year ending 31st March, 2022.

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 ₹ 5,78,906/- to the Cost Auditors for the Financial Year ending 31st March, 2022. 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 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:

Mrs. Harpreet Kaur Kang was appointed as an Independent Director of the Company for a term of three consecutive years, pursuant to approval of the Members under the provisions of the Companies Act, 2013 through resolution passed at the 46th Annual General Meeting held on 30th September, 2019. Now, her term of appointment is expiring on 5th February, 2022.

Considering the rich experience, knowledge, skills, valuable contribution to the Company and overall performance evaluation of Mrs. Harpreet Kaur Kang, the Board of Directors of the Company in its meeting held on 25th May, 2021 had approved and recommended her re-appointment as an Independent Directors for a second term of five (5) consecutive years to the Members of the Company for their approval.

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

Mrs. Harpreet Kaur Kang has given declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, she fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as an Independent Director.

The Company has received notice in writing from a Member proposing the candidature of Mrs. Harpreet Kaur Kang to be re-appointed as an Independent Director of the Company in accordance with the provisions of the Companies Act, 2013.

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

The Board of Directors recommends the Special Resolution as set out at Item No. 5 for approval of the Members. Accordingly, your approval is solicited.

Memorandum of Interest:

Except Mrs. Harpreet Kaur Kang, 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. 5.

Item No. 6 of the Special Business:

The Board of Directors vide its resolution dated 24th August, 2016 had re-appointed Mrs. Suchita Jain as Joint Managing Director of the Company for a term of 5 (five) consecutive years starting from 24th August, 2016 to 23rd August, 2021. Her appointment was approved by the Members vide their resolution dated 2nd February, 2017 passed through Postal Ballot. Further, on recommendation of the Nomination & Remuneration Committee, the Board of Directors in its meeting held on 6th February, 2019 had elevated Mrs. Suchita Jain to the designation of Vice-Chairperson & Joint Managing Director.

Now, the Board of Directors vide its resolution dated 25th May, 2021 had re-appointed Mrs. Suchita Jain as Vice-Chairperson & Joint Managing Director of the Company for a period of five consecutive years starting from 24th August, 2021 to 23rd August, 2026. The terms and conditions of the remuneration being paid to her are detailed in the resolution. Her appointment is subject to approval of the Members of the Company.

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

Memorandum of Interest:

Except Mrs. Suchita Jain, being appointee, Mr. Shri Paul Oswal and Mr. Sachit Jain, being appointee's relative, 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.

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

Name of the Director	Mrs. Suchita Jain	Mr. Sachit Jain	Mrs. Harpreet Kaur Kang
Date of Birth	20.03.1968	08.07.1966	20.09.1973
Date of Appointment	29.01.2010	13.06.1994	06.02.2019
Expertise in specific functional area	Business Executive having experience of more than 28 years in Textile Industry.	Business Executive having experience of more than 31 years in Textile and Steel Industry.	Expertise in subjects: International business, Consumer Behavior, Business Communication, HRM.
Qualification	M. Com	B. Tech., MBA	Advance Business Program Graduate in International Business and International Marketing from Harvard University, USA.
Directorships in other Listed Companies as on 31st March, 2021	1. Vardhman Special Steels Limited 2. Vardhman Holdings Limited 3. Vardhman Acrylics Limited	1. Vardhman Special Steels Limited 2. Vardhman Holdings Limited 3. Vardhman Acrylics Limited	Sportking India Limited
Chairman/Member of Committees of other Listed Companies as on 31st March, 2021	**Stakeholders' Relationship Committee:** Vardhman Special Steels Limited	**Stakeholders' Relationship Committee:** Vardhman Holdings Limited	**Audit Committee:** Sportking India Limited
Shareholding in the Company	2,44,424 equity shares	Nil	Nil
Relationship with other Director(s)	Mr. S.P. Oswal is father and Mr. Sachit Jain is husband of Mrs. Suchita Jain	Mr. S.P. Oswal is father-in-law and Mrs. Suchita Jain is wife of Mr. Sachit Jain	Not related to any Director

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

Dr. Parampal Singh

Mrs. Harpreet Kaur Kang

Mrs. Suchita Jain
Vice-Chairperson & Joint Managing Director

Mr. Neeraj Jain
Joint Managing 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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