



VARDHAN CAPITAL & FINANCE LIMITED

CIN: L67120MH1995PLC084465

05th December, 2020

To,
Corporate Relations Department
Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001.

Scrip Code: 542931

Subject: Submission of Annual Report for the financial year 2019-20

Dear Sir/ Madam,

Pursuant to Regulation 34(1) of SEBI (LODR) Regulations, 2015, enclosed herewith please find the copy of the Annual report for the financial year 2019-20 together with the Notice of 26th Annual General Meeting.

Please take the same on your records.

Yours Faithfully,

For Vardhan Capital and Finance Limited

AKASH VARDHAN
Managing Director
DIN: 03043186

Encl: As stated above.

26TH ANNUAL REPORT

2019-20

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Company's Registered Office:	Registrar & Share Transfer Agent
113, Commerce House, 140 N.M. Road, Fort, Mumbai, Maharashtra, 400023	Purva Sharegistry (India) Pvt. Ltd
Tel: 022-43226100/022-22672268	Address: Unit No.9, Ground Floor, Shiv Shakti Ind. Est, J.R. Boricha Marg, Lower Parel (East), Mumbai-400011
Email: vardhancapital@gmail.com	Tel: 022- 23018761/23012517
Website: www.vardhancapital.com	Email: support@purvashare.com

Team

Rajesh Vardhan	Non-Executive Director
Ramesh Vardhan	Non-Executive Director
Akash Vardhan	Managing Director
Arvind Kumar Kothari	Independent Non-Executive Director
Prashansa Bora	Independent Non-Executive Director
Sonam Dipesh Vardhan	Chief Financial Officer (CFO)
Anmol Jain	Company Secretary and Compliance Officer

Board Committees*Audit Committee*

Rajesh Vardhan
Arvind Kumar Kothari
Prashansa Bora

Stakeholders Relationship Committee

Rajesh Vardhan
Arvind Kumar Kothari
Ramesh Vardhan

Nomination and Remuneration Committee

Rajesh Vardhan
Arvind Kumar Kothari
Prashansa Bora

Asset Liability Management Committee

Rajesh Vardhan
Arvind Kumar Kothari
Ramesh Vardhan

Statutory Auditors

M/s JMT & Associates,
Chartered Accountants,
304/305, A-Wing, Winsway Complex,
Opp. Andheri Railway Station,
Andheri (East), Mumbai-400069

Secretarial Auditors

M/s Priti J. Sheth & Associates
Company Secretaries
Office no 804, 8th floor, G Square,
Jawahar Road, Opp Ghatkopar Station
Ghatkopar (East), Mumbai-400077

Website: www.pjsassociates.com
Email-Id: priti.pjsassociates@gmail.com

CIN: L67120MH1995PLC084465**Notice**

Notice is hereby given that the 26th Annual General Meeting of the Members of **Vardhan Capital and Finance Limited** will be held on **Monday, 28th December, 2020** at 11:00 a.m. at the Registered office of the Company at 113 Commerce House, 140 N.M. Marg, Fort, Mumbai – 400 001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet and the Profit & Loss Account together with the Reports of the Directors and Auditors thereon for the financial year ended 31st March, 2020.
2. To appoint a Director in place of Akash Vardhan (DIN: 03043186) who retires by rotation and being eligible has offered himself for re-appointment.

By Order of the Board

Date: 25th November, 2020
Place: Mumbai

Sd/-
Akash Vardhan
Managing Director
DIN: 03043186

Notes:

1. The route map showing directions to reach the venue of the 26th AGM is annexed.
2. A Member entitled to attend and vote at the Annual General Meeting (the meeting) is entitled to appoint a proxy to attend and vote instead of herself/himself and a proxy need not be a Member of the Company.
3. The proxy form should be deposited at the Registered Office of the Company not less than 48 (Forty-Eight) hours before the commencement of the AGM and in default, the instrument of proxy shall be treated as invalid. Proxies shall not have any right to speak at the meeting.
4. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
5. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the meeting.
6. In case of joint holders attending the AGM, only such joint holder who is higher in order of names will be entitled to vote.
7. The members who hold shares in electronic form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number, in attendance slip for attending AGM.
8. For the convenience of the Members, an Attendance Slip is annexed to the Proxy Form. Members are requested to affix their signature at the space provided and fill up the particulars and hand over the attendance slip at the place of the Meeting.
9. The Ministry of Corporate Affairs (MCA), Government of India as a part of its Green Initiatives had issued Circular No. 17/2011 and 18/2011, dated 21st April 2011 and 29th April 2011 respectively, allowing Companies to send official documents to their shareholders electronically as part of its green initiatives in Corporate Governance.

In this behalf, we are confident that you would appreciate the "Green Initiative" taken by MCA. We solicit your cooperation in helping the Company to implement the e-governance initiatives of the Government.

10. Shareholders are requested to dematerialize their Shares. The Company has appointed **M/s. Purva Shareregistry (India) Private Limited**, Mumbai for handling Share transfer job and also for

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maintaining electronic connectivity with NSDL AND CDSL who have allotted ISIN ACTIVATION NUMBER AS – ISIN No – **INE128G01018**.

11. Members are requested to notify immediately any change in their address:
 - to their Depository Participants (DPs) in respect of their electronic Share accounts; and
 - to Registrar & Share Transfer Agent @ support@purvashare.com of the Company in respect of their physical Shares folios along with Bank particulars.
12. Members desirous of making nomination in terms of Section 72 of the Companies Act, 2013 in respect of their shareholding may approach the Registrar for assistance. Shareholders holding shares in electronic form may approach their DP with whom they maintain their account for nomination.
13. Members desiring any information on the Accounts are requested to write to the Company at least one week before the meeting so as to enable the Management to keep the information ready & replies will be provided at the meeting.

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Annexure I

Details of the Directors seeking Reappointment at the 26th Annual General Meeting as per Secretarial Standard on General Meetings, Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015

Name of the Director	Mr. Akash Vardhan
Director Identification Number (DIN)	03043186
Date of Birth	17/02/1992
Age	27 Years
Date of Appointment (Original)	29/03/2019
Qualification	Masters in Business Administration
Brief Resume and Experience	He has worked as Executive Assistant to Ramesh Nair for 2 years in Jones Lang Lasalle. Thereafter, he has contributed his time to widen Vardhman Group.
Expertise in specific functional areas	Corporate Finance, Real Estate Finance , Project Marketing , Sales, HR & Administration
Directorships held in other companies (excluding section 8 and foreign companies)	<p>Private Companies</p> <ol style="list-style-type: none"> 2. Diwali Developers Private Limited 3. Vibuti Construction Private Limited 4. Flower Boom Builders Private Limited 5. Enso holdings & Finance Private Limited 6. Vardhman Residency Private Limited 7. Idelible Holdings Private Limited 8.Vardhman Entertainment & Hospitality Private Limited 9. Vardhman Multicuisine Private Limited 10. Stock Realtors Private Limited 11. Idelible Realtors Private Limited 12. Swift Techpro Private Limited 13. Vardhan Home Developers Private Limited. 14. Vardhan Growmore Developers Private Limited.
Memberships of committees across other companies (includes only Audit &	NA

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Shareholders'/Stakeholder Relationship Committee)	
Relationship between directors inter-se	Son of Rajesh Vardhan
Terms and Conditions of re-appointment	Managing Director liable to retire by rotation
Remuneration to be paid	As decided by the Members
Remuneration last drawn	Nil
Shareholding in the Company	11000 Shares (0.25%)
No. of Board Meetings attended/ held during the previous financial year	6

By Order of the Board**Date: 25th November, 2020
Place: Mumbai****Sd/-
Akash Vardhan
Managing Director
DIN: 03043186**

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Form No. MGT-11

Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : _____
 Name of the Company : _____
 Registered Office : _____

Name of the member(s)	:	_____
Registered address	:	_____
Email Id	:	_____
Folio No. / Client Id	:	_____
DP ID	:	_____

I/We, being the member (s) of **Vardhan Capital and Finance Limited** hold _____ shares of the above named company, hereby appoint

1. Name: _____

Address: _____

E-mail Id: _____ Signature _____, or failing him /her

2. Name: _____

Address: _____

E-mail Id: _____ Signature _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the company, to be held on Monday, 28th December, 2020 at registered office of the Company at 113 Commerce House 140 N M Road Fort Mumbai-400023 and any adjournment thereof in respect of such resolutions as are indicated below:

Sr. no	Resolution	For	Against
1.	To consider and adopt Audited Financial Statements and Board Report as on 31 st March 2020.		
2.	To appoint a Director in place of Akash Vardhan (DIN: 03043186) who retires by rotation and being eligible has offered himself for re-appointment.		



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Signed this..... day of..... 20....

Member's Signature

Signature of 01st proxy

Signature of 02nd proxy

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Name of the Attending Member/ Proxy/Authorized Representative	:	
Member's Folio Number	:	
*DP ID & Client ID	:	
No of Shares held	:	

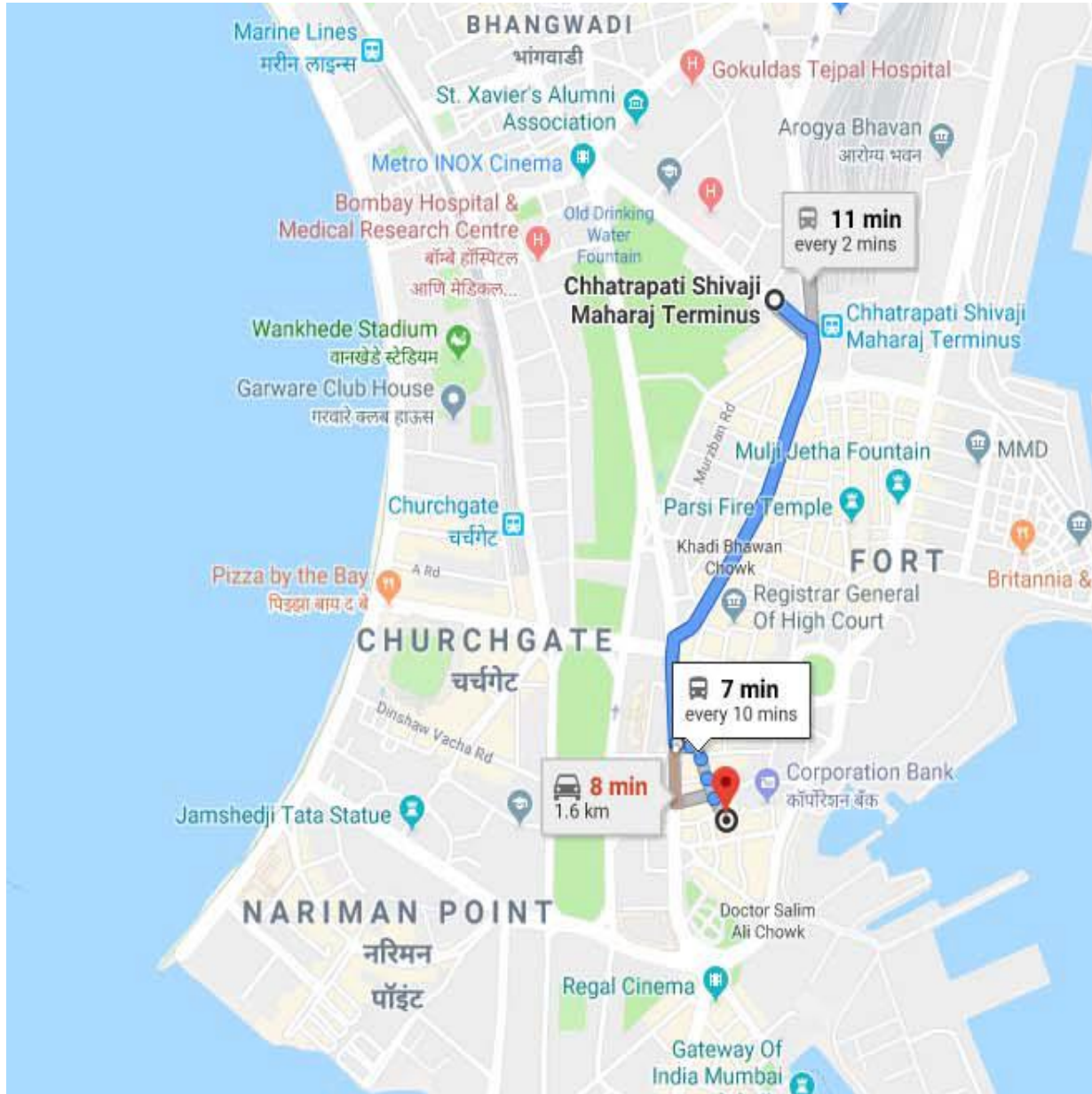
* **Note:** In case the shares are held in dematerialized form

I hereby record my presence at the 26th Annual General Meeting at the registered Office of the Company at 113 Commerce House 140 N M Road Fort Mumbai-400023 held on Monday, 28th December, 2020 or at any adjournment thereof.

Member's / Proxy Signature

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Route map to the 26th Annual General Meeting



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DIRECTORS' REPORT

Dear Members,

The Board of Directors hereby presents the report of the business and operations of your Company, along with the audited financial statements, for the financial year ended March 31, 2020. In line with the requirements of the Companies Act, 2013 and the rules framed thereunder, this report covers the financial results and other developments during the Financial Year 1st April, 2019 to 31st March 2020.

1. Summary of operations/results

The financial results of the Company for the year ended March 31, 2020 as compared to that of previous year are summarized as under:

Particulars	(Amount in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Total Income	731.12	793.23
(less) Expenses	674.06	735.68
Profit/(Loss) Before Income Tax	57.06	57.55
(less) Taxes	15.30	16.56
Net Profit/(Loss) after Tax	41.76	40.99

2. Company's Affairs

During the Financial Year ended March 31, 2020, the company has earned a net profit of Rs. 41.76 Lacs as compared to net Profit of Rs. 40.99 Lacs earned during the previous financial year ended March 31, 2019.

3. Transfer to general reserves

The Company has not transferred any amount to general reserves during the financial year ended March 31, 2020.

4. Transfer of Unclaimed / Unpaid Amount

The Company doesn't have any unclaimed/unpaid amount to be transferred in accordance of the provisions of Section 125(2) of the Companies Act, 2013.

5. Dividend

The Board has not recommended any dividend for the year under review.

6. Change in the Nature of Business and Financial Position

There are no changes in the nature of business during the Financial Year 2019-20 and till the date of issue of this report.

7. Material Changes and Commitments

There are no material Changes and Commitments affecting the Financial Position of the Company from 01st April, 2020 till the date of issue of this report.

8. Deposits

The Company has not accepted any deposits during the financial year as defined Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014, hence there is no default of re-payment, and any unpaid / unclaimed deposits, as on March 31, 2020.

9. RBI Prudential Norms

The Company is classified as Loan Company by RBI.

The Company continues to comply with all the applicable regulation prescribed by the Reserve Bank of India ("RBI") from time to time.

10. Share Capital

There were no changes in the Share Capital of the Company during the financial year ended March 31, 2020.

- A) **Issue of Equity Shares with Differential Rights:** The Company has not issued any equity shares with differential rights during the financial year ended March 31, 2020.
- B) **Issue of Sweat Equity Shares:** The Company has not issued any Sweat Equity Shares during the financial year ended March 31, 2020.
- C) **Issue of Employee Stock Options:** The Company has not issued any Employee Stock Options during the financial year ended March 31, 2020.

During the year under review, the Company's Shares listed on Ahmedabad Stock Exchange Limited, Pune Stock Exchange Limited, Jaipur Stock Exchange Limited and Vadodara Stock Exchange Limited were granted exit by SEBI and de-recognized as Stock Exchange. In the interest of the shareholders, the Board of Directors decided to list the Shares of the Company on Bombay Stock Exchange and shares were subsequently listed on BSE Limited through 'Direct Listing' route on 11th February, 2020.

Also, Company forfeited 651700 partly paid shares against which allotment money aggregating to Rs. 3258500/- was in arrears on 9th October, 2019.

11. Subsidiary, Associate and Joint Ventures Companies

The Company does not have any subsidiary as per Clause 2(87) or associate as per Clause 2(6) of the Companies Act, 2013. The Company has not entered into any Joint Venture during the Financial Year ended March, 2020.

12. Maintenance of Cost Records

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not applicable to the Company.

13. Board of Directors and Key Managerial Personnel

The Composition of Board of the Company as on March 31, 2020 is as follows:

Sr. No.	Name of Director	DIN/PAN	Category
1.	Akash Vardhan	03043186	Managing Director
2.	Rajesh Vardhan	00199986	Non-Executive Director
3.	Ramesh Vardhan	00207488	Non-Executive Director
4.	Arvind Kothari	02169509	Non-Executive Independent Director
5.	Prashansa Bora	0 8419397	Non-Executive Independent Director
6.	Sonam Vardhan	ACHPH7859M	Chief Financial Officer
7.	Anmol Jain	AXXPJ4634M	Company Secretary

There has been following changes in the Directors and KMP during the year under review:

➤ **Appointments / Re-appointments**

- i. Mr. Arvind Kumar Kothari was re-appointed as a Non-Executive Independent Director of the Company at the 25th AGM held on 28th September, 2019 for second term of five consecutive years i.e. from 28th September, 2019 to 27th September, 2024.
- ii. Ms. Prashansa Bora was appointed as an Additional Non-Executive Independent Director by the Board of Directors under Section 161 of the Companies Act, 2013 w.e.f, 12th April, 2019.
She was further appointed as Non-Executive Independent Director by Shareholders at the 25th AGM held on 28th September, 2019 for a term of 5 consecutive years from 12th April, 2019 upto 11th April, 2024.
- iii. Mr. Akash Vardhan was appointed as an Additional Director by the Board of Directors w.e.f 29th March, 2020. He was further appointed as a Managing Director of the Company at the 25th AGM held on 28th September, 2019 for a term of 3 years from 29th March, 2019 upto 28th March, 2022.
- iv. Mr. Rajesh Vardhan (DIN- 00199986), retired by rotation at the 25th AGM and was re-appointed as a director u/s 152 of the Companies Act, 2013 at the said AGM.

➤ **Resignations**

Foram Bhanukumar Mehta has resigned from the position of Director with effect from 19th April, 2019.

➤ **Retirement by rotation**

Pursuant to provisions of Companies Act, 2013, Mr. Akash Vardhan (DIN: 03043186) retires by rotation at the ensuing Annual General Meeting of the Company and being eligible seeks re-appointment.

14. Board Meetings and Attendance of Directors

During the Financial Year 2019-20, the Board of Directors duly met 8 times on 12th April, 2019; 19th April, 2019; 30th May, 2019; 13th August, 2019; 12th September, 2019, 09th October, 2019, 12th December, 2019, 14th February, 2020.

The maximum interval between two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

15. Declaration by Independent Directors

The Company has received necessary declaration from each independent directors under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

In the opinion of the Board, the Independent Directors appointed during the year possess appropriate balance of skills, experience and knowledge that enable the Board to discharge its functions and duties effectively.

The Board shall comment on proficiency once the independent directors appear for the online proficiency self-assessment test as applicable.

16. Familiarization programme for independent directors

All new independent directors appointed on the Board attend a familiarization programme. After appointment a formal letter is issued to the independent directors outlining his/her roles, functions, duties and responsibilities.

17. Performance Evaluation of the Board/ Committees and Independent Directors

The Board of Directors have evaluated the overall performance of the Board as a whole and also of each director individually including the Independent Director and found the same to be satisfactory.

The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and Non – Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

The performance of the committees was evaluated by the Board after seeking inputs from the Committee members on the basis of the criteria such as composition of Committees, effectiveness of committee meetings, etc.

18. Independent Directors Meeting

During the year under review, the Independent Directors met once inter alia, to discuss:

1. Evaluation of performance of Non-Independent Directors and the Board of Directors as a whole taking into account the views of Executive and Non-Executive Directors.
2. Performance evaluation of the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors and independent directors was done by the entire board, excluding the independent director being evaluated.
3. Evaluation of the quality, content and timelines of flow of information between the Management and the board that is necessary for the Board to effectively and reasonably perform its duties

19. Committees of the Board

Currently, the Board has five committees: Audit Committee, the Nomination and Remuneration Committee, the Stakeholders' Relationship Committee, the Risk Management Committee and Asset Liability Management Committee.

The details of the committees of Board are as follows:

Audit Committee

The Audit Committee of Directors is constituted as per the provisions of Section 177 of the Companies Act, 2013. The Composition of Audit Committee along with dates of meeting and directors attendance is as follows.

Name of the Member	Designation
Mr. Arvind Kothari	Chairman
Ms. Prashansa Bora*	Member
Mr. Rajesh Vardhan	Member

*The Audit committee was re-constituted effective 19th April, 2019, consequent to resignation of Ms. Forum Mehta; Ms. Prashansa Bora was inducted in place of Ms. Forum Mehta.

Audit Committee duly met 4 times during the F.Y 2019-20 on 30th May, 2019, 12th September, 2019, 12th December, 2019 and 14th February, 2020.

Nomination & Remuneration Committee

The Nomination & Remuneration Committee of Directors is constituted in accordance with the requirements of Section 178 of the Companies Act, 2013. The Composition of Nomination and

Remuneration Committee is as follows. The Company’s policy on Directors’ appointment and remuneration including all other matters shall be available at the registered office of the Company for inspection.

Name of the Director	Designation
Mr. Arvind Kothari	Chairman
Mr. Rajesh Vardhan	Member
Ms. Prashansa Bora *	Member

*The nomination and remuneration committee was re-constituted effective 19th April, 2019, consequent to resignation of Ms. Forum Mehta; Ms. Prashansa Bora was inducted in place of Ms. Forum Mehta and Mr. Rajesh Vardhan in place of Mr. Ramesh Vardhan.

The nomination and remuneration policy as required under Section 178 (3) of the Company is available on our website <https://www.vardhancapital.com/>

Nomination & Remuneration Committee duly met thrice during the F.Y 2019-20 on 12th April, 2019, 19th April, 2019 & 13th August, 2019.

Stakeholders Relationship Committee

Pursuant to Section 178 of the Companies Act, 2013, the Board of Directors has constituted the Stakeholders Relationship Committee. The Composition of Stakeholders Relationship Committee is as follows:

Name of the Member	Designation
Mr. Arvind Kothari	Chairman
Ms. Rajesh Vardhan*	Member
Mr. Ramesh Vardhan	Member

*The Stakeholders Relationship committee was re-constituted effective 19th April, 2019, consequent to resignation of Ms. Forum Mehta; Mr. Rajesh Vardhan was inducted in place of Ms. Forum Mehta.

Stakeholders Relationship Committee met once during the F.Y 2019-20 on 19th April, 2019

Asset Liability Management Committee (ALCO)

The Board of Directors has constituted the ALCO Committee as required under RBI’s NBFC regulations. Composition of the same is as follows:

Name of the Member
Mr. Rajesh Vardhan
Mr. Arvind Kothari*
/Mr. Ramesh Vardhan

*The ALCO committee was re-constituted effective from 19th April, 2019, consequent to resignation of Ms. Forum Mehta; Mr. Arvind Kothari was inducted in place of Ms. Forum Mehta.

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Risk Management Committee

The Board of Directors has constituted the Risk Management Committee as required under RBI's NBFC regulations. Composition of the same is as follows:

Name of the Member
Mr. Rajesh Vardhan
Mr. Ramesh Vardhan

20. Particulars of transaction between the Company and the Non-Executive Directors

During the year under review the Company has not entered into any Transaction with its Non-Executive Director.

21. Management Discussion and Analysis

The Management Discussion and Analysis report forms integral part of this Annual Report.

22. Conservation of Energy and Technology Absorption

The information relating to conservation of energy and technology absorption by the Company is annexed to the report as "Annexure A"

23. Foreign Exchange Earnings and Outgo

There was no earning in Foreign Exchange nor was there any outflow during the year under review

24. Extract of Annual Return

Annual return for the financial year 2019-20, once filed shall be available on the on the website of the Company <https://www.vardhancapital.com/>

25. Corporate Governance

Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, provide threshold for applicability of corporate governance rules. Your company does not exceed such threshold. Hence, provision of corporate governance is not applicable on your company.

26. Vigil Mechanism for Directors and Employees

The Company has a Vigil Mechanism policy to report genuine concerns or grievances as per the provisions of section 177 of the Companies Act, 2013 and regulation 22 of SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015.

27. Internal Financial Control and their Adequacy

The Company has internal financial control and risk mitigation system which is constantly assessed and strengthened. The Audit committee actively reviews the adequacy and effectiveness of the Internal Financial control and suggests the improvements for the same.

28. Risk Management Policy

The Board of Directors in consultation with the Audit Committee have framed a policy for management and mitigation of risk faced by the Company in its day to day operations, further the

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Board of Directors and the Senior Management of the Company have been entrusted with the responsibility of identification, development and implementation of the same across the organization.

29. Corporate Social Responsibility

The provisions of Section 135 with regards to Corporate Social Responsibility are not applicable to the Company.

30. Auditors' Report

The Statements made by the Auditors in their report are self-explanatory and doesn't require any comments by the Board of Directors.

31. Fraud Reported by Auditors

During the year under review, there have been no instances of fraud, which required the Statutory Auditors to report to the Audit Committee and/or Board or Central Government under Section 143(12) of Act and Rules framed thereunder.

32. Statutory Auditors

In accordance with the provisions of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, M/s. Amar Bafna & Associates, Chartered Accountants, statutory auditors were appointed for 5 years from the conclusion of 23rd AGM till the conclusion of the 28th AGM to be held for the year 2022.

M/s. Amar Bafna & Associates, Chartered Accountants, shall continue as Statutory Auditors for the remaining period of the term till the AGM to be held for the year 2022.

As per the communication received vide letter dated 21st October, 2020 from the office of the Auditors of the Company, the Statutory Auditors M/s Amar Bafna & Associates (FRN: 114854W) have merged with M/s. JMT & Associates (FRN: 104167W) and consequently name of the auditor's firm has been changed to JMT & Associates, Chartered Accountants (FRN: 104167W) with effect from 21.10.2020

33. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act 2013 and the rules made there under the Company has appointed **M/s. Priti J Sheth & Associates**, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2020.

The Secretarial Audit Report is included as "**Annexure B**" and forms an integral part of this report.

34. Directors Comment on qualification or observation

With regards to the remarks by the Secretarial Auditor of the Company, the management would state as under:

1. *Due to low business operations, the Company has not appointed an internal auditor; however, considering the business environment, the management is in the process to appoint one.*

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2. *Proof of dispatch of notices to the shareholders have been misplaced and hence could not be presented during the process of secretarial Audit.*

Other remarks are self-explanatory and do not require any further clarifications.

35. Particulars of Employees

The Company wishes to place on record its appreciation to the contribution made by the employees to the operations of the company during the period.

During the year under review, there were no employees who were in receipt of the remuneration beyond the limits prescribed under Rule 5 (2) of Companies (Appointment and Remuneration) Rules, 2014 and therefore no disclosures need to be made under the said section.

Further, the details of the top 10 employees in terms of remuneration drawn pursuant to Rule 5(2) of Companies (Appointment and Remuneration) Rules, 2014 shall be available at the registered office of the Company during the business hours and the details of ratios of the remuneration of each Director to the median remuneration to the employees of the Company for the year under review are enclosed as "Annexure C" to the Board's Report.

36. Related Party Transactions

The details of Related Party Transactions entered into by the Company are annexed hereto in "Annexure D" in form AOC-2.

Further, the disclosure of Related Party Transactions in compliance with Accounting Standards form a part of Note No. 25 of the financial statements.

37. Particulars of Loans, Guarantees and Investments

The Company being a Non-Banking Financial Company, its Main Business is of giving loans and making investments. The details of loans given and investments made are provided in Notes to financial statements.

38. Listing of Shares

Formerly, the Company's Shares were listed on Ahmedabad Stock Exchange Limited, Pune Stock Exchange Limited, Jaipur Stock Exchange Limited and Vadodara Stock Exchange Limited. These stock exchanges were granted exit by SEBI and de-recognized as Stock Exchange.

In the interest of the shareholders, the Board of Directors decided to list the Shares of the Company on Bombay Stock Exchange Limited. Accordingly, shares were listed on BSE Limited through 'Direct Listing' route on 11th February, 2020.

39. Significant and Material Orders passed by the Regulators or Courts or Tribunal

There are no significant material orders passed by the Courts/Tribunals.

The Bombay Stock Exchange Limited granted approval for listing of Company's Shares on 11th February, 2020.

40. Directors' Responsibility Statement

In terms of Section 134(5) of the Companies Act, 2013 in relation to financial statements for the year ended 31st March 2020, the Board of Directors state that:

- In the preparation of the Annual Accounts, the applicable accounting standards had been followed;
- The Directors had selected such Accounting Policies and applied them consistently and 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 at the end of the financial year and of the profit and loss of the Company for that period;
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors had prepared the Annual Accounts on a going concern basis;
- The Directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively;
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

41. Disclosure under sexual harassment of women at workplace

In order to prevent sexual harassment of women at work place, your Company has adopted a Policy for prevention of Sexual Harassment of Women at Workplace. During the year under review, the Company has not received any complaints in this regard.

Further, the provisions relating to constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are not applicable.

42. Acknowledgments

The Directors wish to place on record their appreciation of the contribution made by the executives and employees at all levels for their outstanding professionalism, initiatives and commitment to organizations growth and success and helping the organization in its continuous drive towards progress.

Your Directors also appreciate with gratitude the continuous support of clients, bankers, institutions, the Shareholders and well-wishers.

By Order of the Board

Date: 25th November, 2020
Place: Mumbai

Sd/-
Akash Vardhan
Managing Director
DIN: 03043186

Sd/-
Rajesh Vardhan
Director
DIN: 00199986

CIN: L67120MH1995PLC084465**“Annexure A” to Director’s report**

The information relating to conservation of energy and technology absorption by the Company

(A) Conservation of Energy

- i. the steps taken or impact on conservation of energy: **As the Company is not engaged in any manufacturing activity the consumption of energy is relatively low.**
- ii. the steps taken by the company for utilizing alternates source of energy: **NIL**
- iii. the Capital Investment on energy conservation equipments: **NIL**

(B) Technology Absorption

- i. the efforts made towards technology absorption: **NIL**
- ii. the benefits derived like product improvement, cost reduction, product development or import substitution: **NIL**
- iii. in case of imported technology (imported during last three years reckoned from beginning of financial year)
 - (a) Details of technology imported: **Nil**
 - (b) Year of Import: **Nil**
 - (c) Whether technology has been fully absorbed: **Nil**
 - (d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof: **Nil**
- iv. The expenditure incurred on Research and Development: **Nil**

By Order of the Board

Date: 25th November, 2020
Place: Mumbai

Sd/-
Akash Vardhan
Managing Director
DIN: 03043186

Sd/-
Rajesh Vardhan
Director
DIN: 00199986

CIN: L67120MH1995PLC084465**“Annexure B” to Directors Report
Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020*****[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*****To,
The Members,
Vardhan Capital and Finance Limited**

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

Based on my/our verification of the **Vardhan Capital and Finance Limited** 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020, 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Vardhan Capital and Finance Limited (“the Company”) for the financial year ended on 31st March, 2020 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; (Not Applicable during the Audit Period)
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

CIN: L67120MH1995PLC084465

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009/2018 (Not Applicable during the Audit Period)

V. Other Laws applicable to the Company namely:

- (a) The Reserve Bank of India Act, 1934
(b) Non-Banking Financial Regulations issued by Reserve Bank of India from time to time

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable

Formerly, the Company's Shares were listed on Ahmedabad Stock Exchange Limited, Pune Stock Exchange Limited, Jaipur Stock Exchange Limited and Vadodara Stock Exchange Limited. These stock exchanges were granted exit by SEBI and de-recognized as Stock Exchange.

The Shares of the Company were listed on Bombay Stock Exchange Limited through 'Direct Listing' route on 11th February, 2020.

Accordingly, compliance with the applicable clauses of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were reviewed for the period 11th February, 2020 to 31st March, 2020

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- 1. The Company has not appointed an internal auditor required to be appointed by the company pursuant to section 138 of the Companies Act, 2013 and Companies (Accounts) Rules, 2014;*
- 2. The Public Notice by way of advertisement pursuant to Rule 20 of the Companies (Management and Administration) Rules 2014 has not been published in Newspapers.*
- 3. Proof of dispatch of notices to the shareholders could not be verified.*
- 4. Since the exchanges on which the Company was listed were not operational (under dissemination) the Company was not able to comply with mandatory submissions stipulated in listing regulations.*
- 5. Company has not published Notice of Board Meeting and financial results for Quarter 3 (December, 2019) as stipulated under Regulation 29 and Regulation 33 respectively of SEBI (LODR), 2015.*
- 6. The Company has not provided E-Voting facility to its Shareholders for the Annual General Meeting held in the year 2019 as required under Section 108 of Companies Act, 2013*

I 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.

All the decisions at the Board & Committee Meetings were carried out unanimously.

I 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.

I further report that during the audit period the company was not involved in any activity which is having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above

For **Priti J. Sheth & Associates**
Company Secretaries

Sd/-

Priti J. Sheth
(Proprietor)
C.P. No.: 5518
F.C.S. No.: 6833

Place: Mumbai
Dated: 24th November, 2020
UDIN: F006833B001298453

CIN: L67120MH1995PLC084465**Annexure to the Secretarial Audit Report**

To,
The Members,
Vardhan Capital and Finance Limited

Our Secretarial Audit Report dated **24th November, 2020** 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 make a report based on the secretarial records produced for 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 that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our report.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as it is taken care in the statutory audit.
4. We have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
5. Compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. This Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Priti J. Sheth & Associates
Company Secretaries

Sd/-

Priti J. Sheth
(Proprietor)
C.P. No.: 5518
F.C.S. No.: 6833

Place: Mumbai
Dated: 24th November, 2020

CIN: L67120MH1995PLC084465

“Annexure C” to Directors Report

PARTICULARS OF EMPLOYEES

- i. Ratio of remuneration of each director to the median remuneration of employees of the Company for the financial year 2019-20.

Name of the Director/KMP	Designation	Total Remuneration paid in F.Y 2019-20	Ratio of remuneration of director to the median remuneration	% increase in remuneration
Rajesh Vardhan	Non-Executive Director	1,20,000/-	1.65	Nil
Anmol Jain	Company Secretary	4,23,888	5.83	38.80%

- ii. the percentage increase in the median remuneration of employees in the financial year- (0.58%)
- iii. the number of permanent employees on the rolls of company- 10
- iv. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

percentile increase in the salaries of employees	percentile increase in managerial personnel	Justification
-5.53%	21.79%	During the year under review, there is no change in the Payment of remuneration to Director Mr. Rajesh Vardhan. However Remunertaion to Company Secretary has increased by 38.80%

- v. *The Board of Directors hereby affirm that the remuneration is as per the remuneration policy of the Company.*

By Order of the Board

Date : 25th November, 2020

Place: Mumbai

Sd/-

Akash Vardhan

Managing Director

DIN: 03043186

Sd/-

Rajesh Vardhan

Director

DIN: 00199986

CIN: L67120MH1995PLC084465**“Annexure D” to the Board's Report****FORM NO. AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

- I. Details of contracts or arrangements or transactions not at Arm's length basis: NIL
- II. Details of material contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	Vardhman Developers Limited
2	Nature of contracts /arrangements / transaction	Payment of Business Support Charges
3	Duration of the contracts / arrangements / transaction	Renewed Annually
4	Salient terms of the contracts or arrangements or transaction including the value, if any	Payment of Business Support Charges of Rs. 14,16,000/-
5	Justification for entering into such contracts or arrangements or transactions'	Business Support Charges paid
6	Date of approval by the Board	12 th April, 2019
7	Amount paid as advances, if any	Nil

By Order of the Board

Sd/-

Sd/-

Akash Vardhan

Rajesh Vardhan

Date : 25th November, 2020

Managing Director

Director

Place: Mumbai

DIN: 03043186

DIN: 00199986

Management discussion and analysis Report

The key issues of the Management Discussion and Analysis are given below.

Industry Structure and Developments

With various initiatives by the Government of India, the Management is expecting a boost in the overall development of Industry.

Opportunities and Threats

Being a primarily investment company fluctuating markets and interest rate pose a threat to the business of the Company, however the same can be converted into opportunity proper planning and implementation.

Risk and Concerns

As per the Management of the Company, the major risk and concerned that might affect the overall Growth and Development of the Company is the inflation, interest rate, dynamic regulatory environment and fast changing Government policies.

Segment wise performance

There were no major operations in the Company during the year, no segmental results are given.

Outlook

The Management of the Company is optimistic towards the growth and future of the Company.

Risk Mitigation

Although the Company has been following the principle of risk minimization as is the norm in every industry, it has now become a compulsion. The Board members were informed about risk assessment and minimization procedures after which the Board formally adopted steps for framing, implementing and monitoring the risk management plan for the Company through Audit Committee. The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

Management Perception and Initiatives

The Management looks forward to better risk-reward scenarios in the future. We also expect to expand loan spectrum of the Company as the economy stabilizes more progressive borrowers are in look out for loans.

Internal control systems and their adequacy

Considering the size of the Company, the Management of Company is of the opinion that the internal control systems are adequate. However the Management of the Company is always striving to improve and develop the Internal Control Systems.

Discussion on financial performance with respect to operational performance

During the year under review the Company earned Profits from its operations and the management is of the opinion that the Company will be able to sustain and be able to increase the same in future years.

Material developments in Human Resources / Industrial Relations front

The Company has in place a policy for Human Resource Management and the Board of Directors are assigned with the responsibility to maintain Industrial relationship.

Disclosure of Accounting Treatment

The company has followed all the relevant and applicable Accounting Standards while preparing the Financial Statements.

There are no changes of more than 25% in any of the significant key financial ratios.

By Order of the Board

Date : 25th November, 2020

Place: Mumbai

Sd/-

Akash Vardhan

Managing Director

DIN: 03043186

Sd/-

Rajesh Vardhan

Director

DIN: 00199986

CIN: L67120MH1995PLC084465**INDEPENDENT AUDITORS' REPORT ON AUDIT OF ANNUAL STANDALONE FINANCIAL**

To

The Board of Directors of
Vardhan Capital and Finance Limited.

Opinion and Conclusion

We have (a) audited the Standalone Financial Results for the year ended March 31 2020 and (b) reviewed the Standalone Financial Results for the quarter ended March 31 2020 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of 'Standalone Financial Results for the Quarter and Year Ended March 31 2020" of **Vardhan Capital and Finance Limited** (the "Company"), (the "Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

(a) Opinion on Annual Financial Results

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Financial Results for the year ended March 31, 2020:

- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year then ended.

(b) Conclusion on Unaudited Standalone Financial Results for the quarter ended March 31 2020

With respect to the Standalone Financial Results for the quarter ended March 31 2020, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Standalone Financial Results for the quarter ended March 31 2020, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Basis for Opinion on the Audited Standalone Financial Results for the year ended March 31 2020

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the

CIN: L67120MH1995PLC084465

Standalone Financial Results for the year ended March 31 2020 under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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.

Management's Responsibilities for the Statement

This Statement which includes the Standalone Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Standalone Financial Results for the year ended March 31 2020 has been compiled from the related audited standalone financial statements. This responsibility include; the preparation and presentation of the Standalone Financial Results for the quarter and year ended March 31 2020 that give a true and fair view of the net loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down In the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 rule reasonable and prudent; and the 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 Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities**(a) Audit of the Standalone Financial Results for the year ended Much 31 2020**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results for the year ended March 31 2020 as a whole is 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 this Standalone Financial Results.

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 Annual Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company 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 Statement 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 Annual Standalone Financial Results, including the disclosures, and whether the Annual Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the Company to express an opinion on the Annual Standalone Financial Results.

Materiality is the magnitude of misstatements in the Annual Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Standalone Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Standalone Financial Results.

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

CIN: L67120MH1995PLC084465

other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

(b) Review of the Standalone Financial Results for the quarter ended March 31 2020

We conducted our review of the Standalone Financial Results for the quarter ended March 31 2020 in accordance with the Standard on Review Engagements ("SRE") 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consist of making inquiries, primarily of. The Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SAs specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Other Matter

The Statement includes the results for the Quarter ended March 31 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report on the Statement is not modified in respect of this matter.

Our report on the Statement is not modified in respect of this matter.

For AMAR BAFNA & ASSOCIATES

Chartered Accountants
Firm Regn No. 114854W

Sd/-

Amar Bafna
Partner
M. No: 048639

Place: MUMBAI
Date: 31st July, 2020

UDIN: 20048639AAAADF4538

CIN: L67120MH1995PLC084465

VARDHAN CAPITAL AND FINANCE LTD.				
(CIN: L67120MH1995PLC084465)				
Statement of Assets & Liability as at 31st March, 2020				
(in ₹)				
PARTICULARS	Note	As at 31st Mar, 2020	As at 31st Mar, 2019	As at 1st Apr, 2018
		Audited	Audited	Audited
ASSETS				
1				
Financial Assets				
Cash and cash equivalents	2	632,485	158,295	1,422,251
Loans & Advances	3	982,048,808	785,431,250	634,465,231
Investments	4	8,697,953	10,696,553	10,556,858
Other financial assets	5	8,088,751	11,445,416	9,194,110
Total Financial Assets		999,467,997	807,731,514	655,638,450
2				
Non-Financial Assets				
Deferred Tax Assets (Net)		4,953,307	4,525,470	4,557,432
Other Non financial assets		-	-	-
Total Non-Financial Assets		4,953,307	4,525,470	4,557,432
Total Assets		1,004,421,303	812,256,983	660,195,882
EQUITY AND LIABILITIES				
1				
Equity				
Equity attributable to Owners of Parent				
Equity share capital	6A	46,744,500	46,744,500	46,744,500
Other equity	6B	16,459,277	14,219,925	10,013,377
Total Equity attributable to Owners of Parent		63,203,777	60,964,425	56,757,877
Non Controlling Interest		-	-	-
Total Equity		63,203,777	60,964,425	56,757,877
2				
Liabilities				
2.1				
Financial Liabilities				
Borrowings (Other than Debt Securities)	7	938,090,166	743,909,131	597,594,166
Other financial liabilities	8	3,127,360	7,383,427	5,843,839
Total Financial Liabilities		941,217,526	751,292,558	603,438,005
Other Non Financial liabilities		-	-	-
Total Non-Financial Liabilities		-	-	-
Total Liabilities		941,217,526	751,292,558	603,438,005
TOTAL EQUITY AND LIABILITIES		1,004,421,303	812,256,983	660,195,882
See accompanying notes to the financial statements		1 - 25.		
As per our report of even date.		For and on behalf of the Board		
For AMAR BAFNA & ASSOCIATES				
CHARTERED ACCOUNTANTS				
Firm Regn No. 114854W				
Sd/-	Sd/-	Sd/-		
AMAR BAFNA	AKASH R. VARDHAN	RAJESH B. VARDHAN		
PARTNER	(DIN : 03043186)	(DIN : 00199986)		
M. No. 048639	Managing Director	Director		
UDIN :20048639AAAADF4538				
	Sd/-	Sd/-		
PLACE MUMBAI	SONAM D. VARDHAN	ANMOL JAIN		
DATED 31.07.2020	Chief Financial Officer	Company Secretary		

CIN: L67120MH1995PLC084465

VARDHAN CAPITAL AND FINANCE LTD.			
(CIN : 67120MH1995PLC084465)			
CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 31ST March 2020			
No.	PARTICULARS	As at 31st Mar, 2020	As at 31st Mar, 2019
		Audited	Audited
A.	Cash Flow from Operating Activities:		
	Net Profit as per Profit & Loss a/c	2,734,244	4,207,267
	Adjustment for:		
	Provision for Tax	1,530,000	1,655,000
	OCI due to Change in FMV	1,229,307	-139,694
	Investment written off	504,198	-
	Loss on Sale of Investment	136,412	-
	Tax effect on OCI	-427,837	31,962
	Prior period expenses	-496,056	-
	Dividend Income	-33,140	-33,929
	Operating Cash Profit Before Working Capital Changes	5,177,128	5,720,605
	Adjustment for:		
	Increase/ (Decrease) in Short Term Borrowings	194,181,035	99,772,362
	Increase/ (Decrease) in Current Liabilities	-4,256,067	1,539,588
	(Increase)/ Decrease in Short Term Loans & Advances	-196,617,558	-104,423,416
	(Increase)/ Decrease in Other Current Assets & Non Current Investment	3,356,665	-2,251,306
	Cash Flow From Operations	1,841,203	357,833
	Income Tax (Paid)/ Refund	1,528,836	1,655,718
	Net Cash Inflow/ (Outflow) From Operating Activities	312,367	-1,297,885
B	Cash Flow from Investing Activities:		
	Sale of Investment	128,682	-
	Dividend Income	33,140	33,929
	Net Cash Inflow/ (Outflow) From Investing Activities	161,822	33,929
C	Cash Flow from Financing Activities:		
	Net Increase/ Decrease) in Cash & Cash Equivalents (A + B + C)	474,190	-1,263,955
	Add: Balance at the Beginning of the Year	158,295	1,422,251
	Cash and Cash Equivalent at the Close of the Year	632,485	158,295

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.

As per our report of even date.
For AMAR BAFNA & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn No. 114854W

For and on behalf of the Board

Sd/-
AMAR BAFNA
PARTNER
M. No. 048639
UDIN :20048639AAAADF4538

Sd/-
AKASH R. VARDHAN
(DIN : 03043186)
Managing Director

Sd/-
RAJESH B. VARDHAN
(DIN : 00199986)
Director

PLACE | MUMBAI
DATED | 31.07.2020

Sd/-
SONAM D. VARDHAN
Chief Financial Officer

Sd/-
ANMOL JAIN
Company Secretary

CIN: L67120MH1995PLC084465

VARDHAN CAPITAL AND FINANCE LTD. (CIN: L99999MH1982PLC028556) Statement of Profit & Loss For the year ended 31st Mar., 2020 (Amount in Rs.)				
Particulars		Note	As at 31st Mar, 2020	As at 31st Mar, 2019
I	INCOME			
	Revenue From Operations	9	72,690,023	78,989,810
	Other Income	10	422,420	333,320
	Total Income		73,112,443	79,323,130
II	EXPENSES			
	Employee benefits expense	11	1,828,347	1,922,812
	Finance costs	12	59,428,970	69,231,513
	Other expenses	13	6,148,802	2,414,271
	Total expenses		67,406,119	73,568,596
III	Profit/(loss) before exceptional items and tax (I - II)		5,706,324	5,754,535
IV	Exceptional Item		-	-
V	Profit/(loss) before tax (III - IV)		5,706,324	5,754,535
VI	Tax expense:			
	(1) Current tax		1,530,000	1,655,000
	(2) Deferred tax		-	-
VII	Profit (Loss) for the period from continuing operations (V - VI)		4,176,324	4,099,535
VIII	Profit/(loss) from discontinued operations		-	-
IX	Tax expense of discontinued operations		-	-
X	Profit/(loss) from Discontinued operations (after tax) (VIII - IX)		-	-
XI	Profit/(loss) for the period (VII + X)		4,176,324	4,099,535
XII	Other Comprehensive Income/(Expenses)			
	A (i) Items that will not be reclassified to profit or loss			
	(ii) Income tax relating to items that will not be reclassified to profit or			
	B (i) Items that will be reclassified to profit or loss	14	-1,869,917	139,694
	(ii) Income tax relating to items that will be reclassified to profit or loss		427,837	-31,962
XIII	Total Comprehensive Income for the period (XI + XII) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		2,734,244	4,207,267
XIV	Earnings per equity share (for continuing operation):			
	(1) Basic		0.89	0.88
	(2) Diluted		-	-
XV	Earnings per equity share (for discontinued operation):			
	(1) Basic		-	-
	(2) Diluted		-	-
XVI	Earnings per equity share(for discontinued & continuing operations)			
	(1) Basic		0.89	0.88
	(2) Diluted		-	-
See accompanying notes to the financial statements		1 - 25.		
As per our report of even date. For AMAR BAFNA & ASSOCIATES CHARTERED ACCOUNTANTS Firm Regn No. 114854W				
Sd/- AMAR BAFNA PARTNER M. No. 048639 UDIN :20048639AAAADF4538		Sd/- AKASH R. VARDHAN (DIN : 03043186) Managing Director		Sd/- RAJESH B. VARDHAN (DIN : 00199986) Director

CIN: L67120MH1995PLC084465

VARDHAN CAPITAL AND FINANCE LTD.				
Standalone Statement of Changes in Equity for the year ended 31st March 2020				
(A) Equity Share Capital		(Rs. in Crores)		
	Notes	Amount		
As at 1st April, 2018	6A	50,003,000		
Changes in equity share capital		-		
As at 1st April, 2019		50,003,000		
Changes in equity share capital		-		
As at 31st March 2020		50,003,000		
(B) Other Equity (Refer Note 6B)				
	Reserves and Surplus			Total
	Capital Reserves	General Reserves	Retained Earnings	
Balance as at 31st March, 2018	11,000	1,200,000	24,163,790	25,374,790
Adjustment for Fair Market Value of Investment under Other Comprehensive Income as at Date of Transit	-	-	-19,918,845	-19,918,845
Tax Effect on OCI	-	-	4,557,432	4,557,432
Balance as at 1st April, 2018	11,000	1,200,000	8,802,377	10,013,377
Balance as at 1st April, 2018	11,000	1,200,000	8,802,377	10,013,377
Profit for the year	-	-	4,099,535	4,099,535
Prior Period Expenses	-	-	-718	-718
Other Comprehensive Income for the year	-	-	139,694	139,694
Tax Effect on OCI	-	-	-31,962	-31,962
Balance as at 31st March, 2019	11,000	1,200,000	13,008,925	14,219,925
Balance as at 1st April, 2019	11,000	1,200,000	13,008,925	14,219,925
Profit for the year	-	-	4,176,324	4,176,324
Prior Period Expenses	-	-	-494,892	-494,892
Other Comprehensive Income for the year	-	-	-1,869,917	-1,869,917
Tax Effect on OCI	-	-	427,837	427,837
Balance as at 31st March, 2020	11,000	1,200,000	15,248,277	16,459,277
<p>The accompanying notes are an integral part of these standalone financial statements This is the Statement of changes in Equity referred to in our report of even date</p> <p>As per our report of even date. For AMAR BAFNA & ASSOCIATES CHARTERED ACCOUNTANTS Firm Regn No. 114854W</p>				
Sd/- AMAR BAFNA PARTNER M. No. 048639 UDIN :20048639AAAADF4538	Sd/- AKASH R. VARDHAN (DIN : 03043186) Managing Director	Sd/- RAJESH B. VARDHAN (DIN : 00199986) Director		
PLACE MUMBAI DATED 31.07.2020	Sd/- SONAM D. VARDHAN Chief Financial Officer	Sd/- ANMOL JAIN Company Secretary		

VARDHAN CAPITAL AND FINANCE LTD.

Note 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

I

Brief Profile:

VARDHAN CAPITAL & FINANCE LIMITED is registered with the Reserve Bank of India ("RBI") as a Systemically Important Non-Deposit Accepting Core Investment Company ("NBFC-CIC"). As an NBFC-CIC, the Company carries out only such activities as are permitted under the guidelines issued by RBI for NBFC-CICs.

Vardhan Capital and Finance Limited is a strong player in the Non banking financial sector and was established in 1995. Headquartered in Mumbai, Vardhan capital and Finance Limited offers funding services to different sectors like trade, industry, Commercial loans, Individual and corporate.

Company is involved in to the business of providing loans and advances to the various companies, Vardhan Capital's Financial Advisory Services practice provides a diverse and comprehensive service offering that meets the demands of today's transaction environment by providing innovative customized financing solutions to different clients, Vardhan Capital provides services related with Investment Banking and expertise and comprehensive services for the private capital community. Using an industry-first approach, our senior experts work with the leading private equity firms, hedge funds and investment banks, providing pragmatic, transaction and execution-oriented services that drive shareholder value throughout the deal life cycle.

II

Significant Accounting Policies followed by the Company

A

Basis of preparation

i

Compliance with Ind AS

The financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 read with sub-section (1) of section 210A of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations require a different treatment. The financial statements for the year ended March 31, 2020 of the Company is the first financial statements prepared in compliance with Ind AS. The date of transition to Ind AS is April 1, 2019. The financial statements upto the year ended March 31, 2019, were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") and other relevant provisions of the Act. The figures for the year ended March 31, 2019 have now been restated under Ind AS to provide comparability.

The accounting policies are applied consistently to all the periods presented in the financial statements.

ii

Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

1. certain financial assets and liabilities that are measured at fair value;
2. assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
3. defined benefit plans - plan assets measured at fair value;

iii

Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act") applicable for Non-Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Amounts in the financial statements are presented in Indian Rupees.

iv

Current non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

v

Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupees as per the requirement of Schedule III, unless otherwise stated.

B

Use of Estimates and judgements

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/ materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

C

Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, bank overdraft, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

D

Borrowings

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

G

Borrowing costs

Interest and other borrowing costs attributable to qualifying assets are capitalised. All other interest and borrowing costs are charged to Statement of Profit and Loss.

H Provisions and Contingent liabilities

A provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent Liability is disclosed in case of:

- a. A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- b. A possible obligation, unless the probability of outflow of resources is remote.

Contingent Assets are neither recognized nor disclosed.

Contingent liabilities not provided for

Contingent Assets are neither recognized nor disclosed.

I Contingencies and Events Occurring after the Balance Sheet date

Adjustment to assets and liabilities are made for events occurring between balance sheet date and the date on which the financial statements are approved that provide additional information materially affecting the determination of the amounts relating to the conditions existing at the balance sheet date.

J Prior period items

Prior period items are income and expenses that arises in the current period as a result of errors and omissions in the preparation of the financial statements of the one and more prior periods. Prior period does not include other adjustments necessitated by circumstances, which though related to prior periods, are determined in the current period.

K Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable as reduced for estimated customer credits and other similar allowances. Interest income is recognised in the Statement of Profit and Loss and for all financial instruments except for those classified as held for trading or those measured or designated as at fair value through profit or loss (FVTPL) is measured using the effective interest method (EIR). The calculation of the EIR includes all fees and points paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL transaction costs are recognised in profit or loss at initial recognition. The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)). For financial assets originated or purchased credit-impaired (POCI) the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset. Dividend income is recognised when the Company's right to receive dividend is established by the reporting date and no significant uncertainty as to collectability exists. Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/loss in the statement of profit and loss. In cases there is a net gain in aggregate, the same is recognised in "Net gains or fair value changes" under revenue from operations and if there is a net loss the same is disclosed "Expenses", in the statement of profit and loss. Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

L Employee benefits

a) Short term employee benefits are recognized as expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

b) Post employment and other long term employee benefits are recognized as an expense in the Statement of Profit and Loss of the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit and Loss.

Retirement benefits

a) Contributions to the provident fund, a defined contribution scheme, are charged to the Statement of Profit and Loss.

b) Gratuity has been accounted on actuarial valuation. Any curtailment in the liability during the year is recognized as Income and credited to Statement of Profit & Loss.

c) Presently, the Company does not have any other defined benefit for staff payable on retirement/ cessation of service.

M Taxation

Income tax comprises of Current Tax and Deferred Tax. Current Tax is the amount of tax payable as determined in accordance with the provisions of Income Tax Act, 1961. Deferred Tax charge or credit is recognized using the tax rates and tax laws that have been substantially enacted at the Balance Sheet date. There is no Deferred Tax Liability and Asset for the year under review.

Undisputed assessment dues if any, are accounted on cash basis and disputed matters under appeal are disclosed by way of contingent liabilities.

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Note 2 Cash and cash equivalents			
	As at 31st Mar, 2020	As at 31st Mar, 2019	As at 1st April, 2018
Cash on hand	78,879	1,10,580	1,45,930
Balances with Banks - In current accounts			
HDFC Bank Ltd	7,939	31,922	12,60,365
Oriental Bank of Commerce(St. Exch)	5,45,666	15,793	15,955
Total	6,32,485	1,58,295	14,22,251
Note 3 Loans & Advances			
	As at 31st Mar, 2020	As at 31st Mar, 2019	As at 1st April, 2018
Unsecured - Considered Good			
Inter Corporate Deposit to Related Parties			
M/s Bluestock Investment Pvt Ltd	-	1,64,44,154	2,13,52,706
M/s Vardhman Developers Ltd	87,31,06,615	69,21,35,153	56,74,05,582
M/s Vardhman Residency Pvt Ltd	60,95,000	45,50,000	14,05,000
M/s Stork Realtors Pvt Ltd	26,25,000	-	-
M/s Swift Tech Pro Pvt Ltd	5,65,000	-	-
Inter Corporate Deposit to Others	6,38,00,150	5,00,00,000	2,20,00,000
Loans and Advances to Related Parties			
M/s Vardhman Resources	34,48,100	-	-
Loans and Advances to Others	3,24,08,943	2,23,01,943	2,23,01,943
Total	98,20,48,808	78,54,31,250	63,44,65,231
Note 4 Investments			
	As at 31st Mar, 2020	As at 31st Mar, 2019	As at 1st April, 2018
Fair Value			
IN EQUITY SHARES			
I - QUOTED			
<i>In Associates Concerns</i>			
Vardhman Concrete Limited	61,83,128	65,39,847	64,20,940
<i>In Other Companies</i>			
Jaihind Synthetics Ltd.	6,375	20,500	14,100
Nagarjuna Fertilizers & Chemicals Ltd	36,036	79,233	1,78,448
Nagarjuna Oil Refinery Ltd.	2,625	3,465	37,380
NTPCL Ltd	2,65,230	4,26,353	4,45,463
NTPCL - Debiture	34,309	33,101	33,443
Peninsula Land Ltd	35,100	1,24,800	3,04,500
Reliance Communication Ltd.	660	4,140	21,750
Reliance Ind. Ltd.	-	-	-
Reliance Ind. Ltd. (Conv.- RPL - 5958)	15,44,081	20,28,218	13,13,606
Reliance Power Ltd	24,481	2,27,950	7,25,386
State Bank of India	2,63,913	4,29,872	3,35,134
Suzlon Energy Ltd	3,500	10,763	18,795
Tech Mahindra Eq	2,64,397	3,63,262	2,98,724
II - UNQUOTED			
In Other Companies			
As per Annexure Attached	-	-	-
Advance Biotech Foods Ltd.	-	37,400	37,400
Apple Amusements Ltd.	-	80,458	80,458
Ascent Capitals Ltd.	-	36,773	36,773
B.L. Industries Ltd.	-	6,200	6,200
Benzo Petro International Ltd	-	6,510	6,510
BPL Engg. Ltd.	-	12,080	12,080
Finolex Pipes	-	3,423	3,423
G. R. Magnets Ltd.	-	23,675	23,675
Grasim Industries Ltd.	-	21,512	21,512
Hindustan Chemicals Ltd.	-	5,670	5,670
ICICI Ltd.	-	37,363	37,363
India Castor Ltd.	-	6,440	6,440
ITC Bhadra. Paperboards Ltd.	-	21,240	21,240
J.K. Udaipur Udyog Ltd.	-	10,200	10,200
Jain Irrigation System Ltd.	-	8,427	8,427
Kinetic Trust Ltd.	34,120	39,330	43,470
Mrinal Dyeing & Mfg. Co. Ltd.	-	10,710	10,710
Rajinder Pipes Ltd.	-	7,600	7,600
RAS KMK Lamipack Ltd	-	3,050	3,050
Sunrise Zink Ltd.	-	9,070	9,070
Tria Fine Chem Ltd.	-	2,420	2,420
UTI - Master Shares	-	13,100	13,100
Via Media Ltd.	-	2,400	2,400
Total	86,97,953	1,06,96,553	1,05,56,858
Note 5 Other Financial assets			
	As at 31st Mar, 2020	As at 31st Mar, 2019	As at 1st April, 2018
Advance Tax & TDS (Net of Provisions)	80,88,751	1,14,45,416	91,94,110
Total	80,88,751	1,14,45,416	91,94,110

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Note 6 (A) Equity Share Capital						
PARTICULARS	As at 31st Mar, 2020		As at 31st Mar 2019		As at 1st April, 2018	
Authorised:						
59,50,000 Equity Shares of Rs.10/- each	5,95,00,000		5,95,00,000		5,95,00,000	
50,000 Preference Shares of Rs. 10/- each.	5,00,000		5,00,000		5,00,000	
	6,00,00,000		6,00,00,000		6,00,00,000	
Issued:						
50,00,300 Equity Shares of Rs. 10/- each	50,00,300		50,00,300		50,00,300	
	50,00,300		50,00,300		50,00,300	
Subscribed and Paid up:						
50,00,300 Equity Shares of Rs. 10/- each	5,00,03,000		5,00,03,000		5,00,03,000	
Less: Allotment Money in Arrears	32,58,500		32,58,500		32,58,500	
	4,67,44,500		4,67,44,500		4,67,44,500	
Reconciliation of number of shares						
Particulars	As at 31st Mar, 2020		As at 31st Mar 2019		As at 1st April, 2018	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Balance as at beginning of the year	50,00,300	50003000	50,00,300	50003000	50,00,300	50003000
Less : Allotment Money in Arrear	-	(32,58,500)	-	(32,58,500)	-	(32,58,500)
Balance as at the end of the year	50,00,300	46744500	50,00,300	46744500	50,00,300	46744500
Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company						
Particulars	As at 31st Mar, 2020		As at 31st Mar 2019		As at 1st April, 2018	
	No of Shares	Percentage	No of Shares	Percentage	No of Shares	Percentage
Bluestock Investments Pvt Ltd	7,46,000	14.92%	7,46,000	14.92%	7,46,000	14.92%
Ramesh Vardhan	3,97,500	7.95%	3,97,500	7.95%	3,97,500	7.95%
Manju Vardhan	3,24,400	6.49%	3,24,400	6.49%	3,24,400	6.49%
Rajesh Vardhan	4,08,000	8.16%	4,08,000	8.16%	4,08,000	8.16%
Total	18,75,900	37.52%	18,75,900	37.52%	18,75,900	37.52%
Note 6 (A) Other Equity						
	Reserves and Surplus					
	Capital Reserves	General Reserves	Retained Earnings	Total		
Balance as at 31st March , 2018	11,000	12,00,000	2,41,63,790	2,53,74,790		
Adjustment for Fair Market Value of Investment under Other Comprehensive Income as at Date of Transit	-	-	-1,99,18,845	-1,99,18,845		
Tax Effect on OCI	-	-	45,57,432	45,57,432		
Balance as at 1st April, 2018	11,000	12,00,000	88,02,377	1,00,13,377		
Balance as at 1st April, 2018	11,000	12,00,000	88,02,377	1,00,13,377		
Profit for the year	-	-	40,99,535	40,99,535		
Prior Period Expenses	-	-	-718	-718		
Other Comprehensive Income for the year	-	-	1,39,694	1,39,694		
Tax Effect on OCI	-	-	-31,962	-31,962		
Balance as at 31st March, 2019	11,000	12,00,000	1,30,08,925	1,42,19,925		
Balance as at 1st April, 2019	11,000	12,00,000	1,30,08,925	1,42,19,925		
Profit for the year	-	-	41,76,324	41,76,324		
Prior Period Expenses	-	-	-4,94,892	-4,94,892		
Other Comprehensive Income for the year	-	-	-18,69,917	-18,69,917		
Tax Effect on OCI	-	-	4,27,837	4,27,837		
Balance as at 31st March, 2020	11,000	12,00,000	1,52,48,277	1,64,59,277		

Note 7 Borrowings (Other than Debt Securities)

	As at 31st Mar, 2020	As at 31st Mar, 2019	As at 1st Apr, 2018
SHORT TERM BORROWINGS (Unsecured)			
Inter Corporate Deposit from Related Parties			
M/s Blue Stock Investmenet Pvt. Ltd.	1,70,65,346	-	-
M/s Diwali Developers Pvt Ltd	8,66,000	8,67,500	8,77,500
M/s Vardhman Entertainment & Hospitality Pvt Ltd	45,000	-	-
M/s Vardhman Growmore Developers Pvt Ltd	4,17,33,183	4,22,24,688	4,23,69,117
M/s Vardhman Home Developers Pvt Ltd	4,25,29,856	4,30,20,598	4,31,50,954
Inter Corporate Deposit from Others	3,62,81,585	3,44,17,925	(4,65,42,603)
Loans and Advances from Related Parties			
M/s Vardhman Lifestyle Developers	79,95,69,196	62,33,78,420	55,77,39,198
Total	93,80,90,166	74,39,09,131	59,75,94,166

Note 8 Other Financial liabilities

	As at 31st Mar, 2020	As at 31st Mar, 2019	As at 1st Apr, 2018
Expenses Payable	8,09,889	4,08,661	1,35,785
Statutory Dues Payable	23,17,471	69,74,766	57,08,054
Total	31,27,360	73,83,427	58,43,839

Note 9	Revenue from Operations	As at 31st Mar, 2020	As at 31st Mar, 2019
	Interest Income	7,26,90,023	7,89,89,810
	Total	7,26,90,023	7,89,89,810
Note 10	Other Income	As at 31st Mar, 2020	As at 31st Mar, 2019
	Interest on I Tax Refund	3,89,280	2,99,391
	Dividends	33,140	33,929
	Total	4,22,420	3,33,320
Note 11	Employee Benefit Expenses	As at 31st Mar, 2020	As at 31st Mar, 2019
	Salaries & Allowances	18,28,347	19,22,812
	Total	18,28,347	19,22,812
Note 12	Finance Cost	As at 31st Mar, 2020	As at 31st Mar, 2019
	Interest Expenses	5,94,28,970	6,92,31,513
	Total	5,94,28,970	6,92,31,513

Note 13 Other Expenses		
	As at 31st Mar, 2020	As at 31st Mar, 2019
Business Support Charges	14,16,000	14,16,000
Legal & Professional Charges	2,86,470	2,59,865
Telephone Charges	28,940	24,535
Printing & Stationery	36,015	36,255
Depository Expenses	1,06,288	39,286
Postage & Couriers	12,271	9,175
Filing Fees	12,500	97,300
Office General Expenses	65,160	70,105
Audit Fees	1,18,000	1,18,000
Bank & Demat Charges	1,189	2,286
Interest / Late Payment of TDS	6,98,369	3,41,464
Listing Fees	33,27,600	-
Sundry Balances W/off	40,000	-
Total	61,48,802	24,14,271

Note 14 Other Comprehensive Income/(Expenses)		
	As at 31st Mar, 2020	As at 31st Mar, 2019
Due to change in Fair Market Value	-12,29,307	1,39,694
Investment W/off	-5,04,198	-
Loss on sale of shares	-1,36,412	-
Total	-18,69,917	1,39,694

Note 15 Income tax expenses IND AS 22		
Tax expenses recognized in the Statement of Profit and Loss		
	As at 31st Mar, 2020	As at 31st Mar, 2019
Current tax		
Current tax on taxable income for the year	15,30,000	16,55,000
Total current tax expense	15,30,000	16,55,000
Deferred tax		
Deferred tax charge / (credit)	-	-
MAT Credit (taken)/ utilised	-	-
Total deferred income tax expense / (benefit)		
Tax in respect of earlier years	-1,164	718
Total income tax expense	30,58,836	16,55,718

There is no Deferred Tax Liability and Asset for the year under review.
 Current Tax includes write back of tax of earlier years: Rs.1164/- in Current Year and write off of tax Rs.718/- in Previous Year.
 The Provision for Tax is made for after considering exemptions and deductions available under the Income Tax Act, 1961

Note 16 Earnings per share IND AS 33		
	As at 31st Mar, 2020	As at 31st Mar, 2019
Earnings per share has been computed as under:		
Profit / (Loss) for the year	41,76,324	40,99,535
Weighted average number of equity shares outstanding	46,74,450	46,74,450
Nominal Value Per Share (Rs)	10	10
Earnings per share(₹) - Basic (Face value of ₹ 10 per share)	0.89	0.88

The Company presents basic earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Note 17

Auditor Remuneration

Particulars	Amount (Rs.)
1) Auditors Remuneration	100,000
2) GST on above	18,000
Total	118,000

Note 18

Financial Assets : Investments: IND AS 40 , IND AS 12 & IND AS 113

Financial assets at fair value through profit or loss (FVTPL) Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are recognised in profit or loss on Quaterly basis.

All fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, on sale/disposal the Company may transfer the cumulative gain or loss within equity.

Note 19

Loans & Advances:

Loans and Advances are stated at the values which in the opinion of the Board of Directors are realisable during the ordinary course of business.

Note 20

Cash Flow Statement IND AS 7

Statement of cash flows is prepared segregating the cash flows into operating, investing and financing activities. cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of: (i) changes during the period in operating receivables and payables transactions of a non-cash nature; (ii) non-cash items such as depreciation, provisions, deferred taxes, unrealised gains and losses; and (iii) all other items for which the cash effects are investing or financing cash flows. Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

Note 21

Employees Retirement Benefits: IND AS 19

- (i) The Provisions of Provident Fund and Employee State Insurance Scheme is not applicable to the company.
- (ii) The Provisions of the Payment of Gratuity Act 1972 is not applicable to the company.
- (iii) Presently, the Company does not have any other defined benefit for staff payable on retirement/ cessation of service.

Note 22

Sundry Debit and Credit Balances are subject to confirmation.

Note 23

Previous Year's figures have been regrouped and rearranged wherever necessary to meet current year's classifications.

Note 24

1 SEGMENT REPORTING - IND AS 108

The Company is having only one main business segment namely "Finance and Investment and Allied Activities" and as such disclosure of segment results as per IND AS 108 does not arise.

Note 25

2 RELATED PARTY TRANSACTIONS - IND AS 24

I Parties where control exists

Holding/Subsidiary Company Not Applicable

II Other Parties where control does not exists

a) List of Related Parties :

(i) Key Management Personnel/Directors :

Mr. Rajesh B. Vardhan	Mr. Ramesh B. Vardhan
Mr. Arvindkumar Kothari	Ms. Foram B. Mehta
Mr. Akash Rajesh Vardhan	Ms. Prashansa P. Bora

(ii) Relative of Key Management Personnel :

Mr. Vishal R. Vardhan (Prop. M/s. Vardhman Resources)

(iii) Other Related Parties :

M/s. Bluestock Investments P. Ltd.	M/s. Vardhman Developers Ltd.
M/s. Diwali Developers Pvt. Ltd.	M/s. Vardhman Growmore Developers Pvt Ltd.
M/s Enso Holdings & Finance Pvt Ltd.	M/s. Vardhman Home Developers Pvt Ltd.
M/s Flower Boom Builders Pvt Ltd.	M/s. Vardhman Residency Pvt. Ltd.
M/s. Indelible Holdings Pvt Ltd	M/s. Diwali Construction Co.
M/s. Indelible Realtors Pvt Ltd	M/s. Vardhman Lifestyle Developers
M/s. Stork Realtors Pvt Ltd	M/s Swift Techpro Pvt Ltd

Contd. ...2

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III) Details of transactions with related parties :	<u>2019-20</u>	<u>2018-19</u>
(i) INCOME		
-- Interest received from parties {referred to in (a)(iii)}	65,043,190	73,071,911
(ii) EXPENSES		
Salary paid to parties {referred to in (a)(i)}	120,000	120,000
Business Support Charges paid to parties {referred to in (a)(iii)}	1,416,000	1,416,000
Interest Paid to parties {referred to in (a)(iii)}	57,358,237	68,211,597
(iii) LOANS AND ADVANCES		
Loans and Advances given or repaid		
-- to parties {referred to in (a)(ii)}	-	5,000,000
-- to parties {referred to in (a)(iii)}	380,318,100	571,638,500
Loans and Advances received or recovered		
-- from parties {referred to in (a)(ii)}	-	5,000,000
-- from parties {referred to in (a)(iii)}	407,098,000	518,401,200

Signature to Notes 1 to 25

As per our report of even date.
For AMAR BAFNA & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn No. 114854W

Sd/-
AMAR BAFNA
PARTNER
M. No. 048639
UDIN :20048639AAAADF4538

Sd/-
AKASH R. VARDHAN
(DIN : 03043186)
Managing Director

Sd/-
RAJESH B. VARDHAN
(DIN : 00199986)
Director

PLACE | MUMBAI
DATED | 31.07.2020

Sd/-
SONAM D. VARDHAN
Chief Financial Officer

Sd/-
ANMOL JAIN
Company Secretary