



# Scaling New Heights

Pilani Investment and Industries  
Corporation Limited

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74th Annual Report and Accounts 2020-21

# CORPORATE PROFILE

## **DIRECTORS**

(as on 29.06.2021)

Smt. Rajashree Birla – Non- Executive Chairperson  
Shri D. K. Mantri  
Shri A. K. Kothari  
Shri A. V. Jalan  
Shri Giriraj Maheswari  
Shri Yazdi P. Dandiwala  
Smt. Vanita Bhargava

## **CHIEF EXECUTIVE OFFICER**

Shri R. P. Pansari

## **CHIEF FINANCIAL OFFICER**

Shri J. K. Singhania

## **COMPANY SECRETARY AND CHIEF RISK OFFICER**

Shri R. S. Kashyap

## **STATUTORY AUDITORS**

M/s. Vidyarthi & Sons  
Chartered Accountants  
L-3, 1st Floor, “Madhuvan”  
Gandhi Nagar, Gwalior – 474002

## **REGISTRAR AND SHARE TRANSFER AGENTS**

M/s Niche Technologies Pvt. Ltd.  
3A, Auckland Place, 7th Floor,  
Room No. 7A & 7B, Kolkata – 700017  
Phone: (033) 2280 6616 / 6617  
Email : nichetechpl@nichetechpl.com

## **REGISTERED OFFICE**

Birla Building  
9/1, R. N. Mukherjee Road  
Kolkata- 700001  
Phone: (033) 4082 3700 / 2220 0600  
CIN: L24131WB1948PLC095302  
Website : [www.pilaniinvestment.com](http://www.pilaniinvestment.com)  
Email : [pilaniinvestment1@gmail.com](mailto:pilaniinvestment1@gmail.com)

## Contents

	<b>Page Nos.</b>
Notice	03
Boards' Report	13
Form AOC - 1	20
Form AOC - 2	22
Annexure - A to the Boards' Reports : Extract of Annual Return	23
Annexure - B to the Boards' Reports : Nomination And Remuneration Policy	35
Annexure - C to the Boards' Reports : Corporate Social Responsibility Policy	39
Annexure - D to the Boards' Reports : CSR Activities	41
Annexure - E to the Boards' Reports : Secretarial Audit Report	44
Annexure - F to the Boards' Reports : Particulars of Employees	46
Annexure - G to the Boards' Reports : Business Responsibility Report	48
Annexure - H to the Boards' Reports : Management Discussion and Analysis Report	52
Report on Corporate Governance	54
<b>Standalone Financial Statements</b>	
Independent Auditors' Report	72
Balance Sheet	80
Statement of Profit and Loss Account	81
Cash Flow Statement	82
Statement of Changes in Equity	84
Notes forming part of the Financial Statements	86
<b>Consolidated Financial Statements</b>	
Independent Auditors' Report	138
Balance Sheet	146
Statement of Profit and Loss Account	147
Cash Flow Statement	148
Statement of Changes in Equity	150
Notes forming part of the Financial Statements	153

## Notice of the Annual General Meeting

**NOTICE** is hereby given that the 74th Annual General Meeting of the Shareholders of **PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED** will be held on **Thursday, 16th September, 2021 at 3.00 P.M.** IST through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”) facility, to transact, with or without modification(s) the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company (including Audited Consolidated Financial Statements) for the Financial Year ended 31st March, 2021, together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the year ended 31st March, 2021.
3. To appoint a Director in place of Shri A. V. Jalan (DIN: 01455782) who retires from office by rotation, but being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule IV of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendations of the Nomination and Remuneration Committee and approval of the Board of Directors, Shri A. K. Kothari (DIN: 00051900) who was appointed as an Independent Director of the Company for a term upto 24th July, 2021 by the shareholders and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director be and is hereby re-appointed as an Independent Director of the Company not liable to retire by rotation for a second term of five consecutive years commencing with effect from 25th July, 2021, up to 24th July, 2026.”

**Registered Office:**  
Birla Building  
9/1, R. N. Mukherjee Road,  
Kolkata – 700001  
29th June, 2021

By Order of the Board  
**R. S. Kashyap**  
*Company Secretary*  
FCS- 8588

**Notice** (Contd.)**NOTES:**

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its Circular nos. 14/2020 and 17/2020 dated 8th April, 2020 and 13th April, 2020 respectively, in relation to “Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID-19”, Circular no. 20/2020 dated 5th May, 2020 in relation to “Clarification on holding of Annual General Meeting (AGM) through Video Conferencing (VC) or other Audio-Visual Means (OAVM)” and Circular no. 02/2021 dated 13th January, 2021 in relation to “Clarification on holding of Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 in relation to “Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 - COVID-19 pandemic” and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 in relation to “Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the COVID - 19 pandemic” (collectively referred to as “SEBI Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC/OAVM, without the physical presence of the members at a common venue. In compliance with the aforesaid MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC/OAVM.

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Circulars issued by MCA and SEBI, 74th AGM of the Company shall be conducted through VC/OAVM. Central Depository Services (India) Limited (“CDSL”) will be providing facility for remote e-voting, participation in the AGM through VC/ OAVM and e-voting during the AGM.

2. A proxy is allowed to be appointed under Section 105 of the Companies Act, 2013 to attend and vote at the general meeting on behalf of a member who is not able to attend personally. Since the AGM will be conducted through VC / OAVM, there is no requirement of appointment of proxies. Hence, Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
3. The Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013, in respect of Item No.4 of the Notice set out above, is here to annexed.
4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM and vote on its behalf. The said Resolution/Authorization shall be sent to the Company at pilaniinvestment1@gmail.com and to the Scrutiniser at dhanuka419@yahoo.co.in by email through registered email address with a copy marked to helpdesk.evoting@cdslindia.com latest by 5:00 p.m. on Wednesday, 15th September, 2021.
5. In compliance with the aforesaid MCA and SEBI Circulars, Notice of the 74th AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company’s website [www.pilaniinvestment.com](http://www.pilaniinvestment.com) and on the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of Central Depository Services (India) Limited at [www.evotingindia.com](http://www.evotingindia.com).
6. Register of Members and Transfer Books of the Equity Shares of the Company will remain closed from Friday, 10th September, 2021 to Thursday, 16th September, 2021 (both days inclusive).
7. a. Pursuant to the provisions of Section 124 of the Companies Act, 2013, the unpaid/ unclaimed dividend for the financial year 2012 – 2013 has been transferred by the Company to the Investor Education and Protection Fund (“IEPF”) established by the Central Government. Further, pursuant to the provisions

## Notice (Contd.)

of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the company has uploaded the details of unpaid and unclaimed dividend lying with the Company on the website of the Company ([www.pilaniinvestment.com](http://www.pilaniinvestment.com)) and also on the website of the Ministry of Corporate Affairs.

- b. Interm of the provisions of Section 124(5) of the Companies Act, 2013, dividend which remain unpaid/unclaimed for a period of seven years from the date of declaration will be transferred to the IEPF.

Further, in terms of the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), as amended from time to time, equity shares in respect of which dividends have not been paid or claimed for seven consecutive years or more from the date of declaration are required to be transferred to IEPF Authority.

Shareholders, who have so far not encashed their dividend relating to the financial year 2013-14 are requested to do so, by writing to the Secretarial Department at the Registered Office of the Company or to the RTA, failing which the dividend and the equity shares relating thereto will be transferred to the IEPF and the IEPF Authority respectively.

In compliance with the aforesaid Rules, the Company has already transferred equity shares in respect of which dividend has not been paid or claimed by the shareholder for seven consecutive years, to the Demat Account of the Investor Education and Protection Fund Authority, after providing necessary intimations to the relevant shareholders.

- c. We give below the details of dividends paid by the Company and their respective due dates of transfer to such fund of the Central Government, if they remain unencashed:-

Dividend for the financial year ended	Date of declaration of Dividend	Last date for claiming unpaid Dividend
31st March, 2014	29th August, 2014	28th September, 2021
31st March, 2015	21st December, 2015	20th January, 2023
31st March, 2016	15th September, 2016	14th October, 2023
31st March, 2017	24th August, 2017	23rd September, 2024
31st March, 2018	14th September, 2018	13th October, 2025
31st March, 2019	25th September, 2019	24th October, 2026
31st March, 2020	11th September, 2020	10th October, 2027

8. a. Members who are holding Shares in identical order of names in more than one Folio is requested to apply to the Company or its RTA alongwith the relevant Share Certificate for consolidation of such folios in one folio.
- b. Members are also requested to notify change in address, if any, immediately to the company at its Registered Office or its RTA by quoting their Registered Folio Number(s) in respect of their physical shares and to their Depository Participants in respect of their electronic share account.
- c. As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agents, Niche Technologies Private Limited for assistance in this regard.

**Notice (Contd.)**

9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Numbers (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their Depository Participants with whom they maintain their Demat Accounts. Members holding shares in physical form should submit their PAN details to the Company or its RTA.
10. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
11. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
12. **THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 74th AGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system ("remote e-Voting") from a place other than venue of the AGM will be provided by Central Depository Services (India) Limited (CDSL).

- (i) The voting period commences on Monday, 13th September, 2021 at 9.00 A.M IST and ends on Wednesday, 15th September, 2021 at 5.00 P.M. IST. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Thursday, 9th September, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

## Notice (Contd.)

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>



**Notice** (Contd.)

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

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

<b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>

## Notice (Contd.)

		For Shareholders holding shares in Demat Form other than individual and Physical Form
Dividend Bank Details OR Date of Birth (DOB)		Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant Company i.e "PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED" on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) Facility for Non – Individual Shareholders and Custodians –Remote Voting
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email addresses viz;

**Notice (Contd.)**

dhanuka419@yahoo.co.in and pilaniinvestment1@gmail.com latest by 5:00 p.m. on Wednesday, 15th September, 2021, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

- (i) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
- (ii) For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
- (iii) For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

- (i) The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for Remote e-voting.
- (ii) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
- (iii) Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-Voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- (iv) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- (v) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (vi) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- (vii) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 10 days prior to meeting i.e. latest by 5.00 p.m. of 6th September, 2021, mentioning their name, demat account number/folio number, email id, mobile number at pilaniinvestment1@gmail.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting i.e. latest by 5.00 p.m. of 6th September, 2021, mentioning their name, demat account number/folio number, email id, mobile number at pilaniinvestment1@gmail.com. These queries will be replied to by the company suitably at the AGM.
- (viii) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- (ix) Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
- (x) If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

## Notice (Contd.)

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

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

13. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Thursday, 9th September, 2021. A person who is not a member as on cut off date should treat this notice for information purpose only.
14. The notice of the Annual General Meeting will be sent to the members, whose names appear in the register of members / beneficial owners position list provided by depositories as at closing hours of business on Friday, 6th August, 2021.
15. The shareholders shall have one vote per equity share held by them as on the cut-off date of Thursday, 9th September, 2021. The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.
16. Investors who became members of the Company subsequent to the dispatch of the Notice / Email and holds the shares as on the cut-off date i.e Friday, 6th August, 2021 are requested to send the email communication to the Company at pilaniinvestment1@gmail.com by mentioning their Folio No. / DP ID and Client ID to obtain the Login-ID and Password for e-voting.
17. Shri Kailash Chandra Dhanuka, Practicing Company Secretary (Certificate of Practice Number 1247) has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting at the AGM in a fair and transparent manner. The Scrutinizer will submit, within 48 hours of conclusion of the AGM a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
18. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.pilaniinvestment.com and on the website of CDSL. The same will be communicated to the listed stock exchanges viz. National Stock Exchange of India Limited and BSE Limited.
19. The place of meeting held by VC/OAVM will be deemed to be the Registered Office address of the Company.
20. Brief resume of Director seeking re-appointment at the Meeting alongwith details of his other Directorships and shareholding in the Company pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards are provided as an annexure to this Notice.
21. As per requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Particulars of Director retiring by rotation and eligible for re-appointment are given below:  
 Shri A. V. Jalan (DIN: 01455782) aged 45 years is a B.Com (Hons.) from St. Xaviers College, Kolkata and has completed Management course on Marketing and Corporate Finance from London School of Economics, U.K. He has been involved in Management of several manufacturing companies since 1998 and is having rich experience in Business Administration. He is the Director of Managalam Cement Ltd, Vidula Consultancy Services Ltd and various other private limited companies. He is not acting as the Chairman/Member of any Committee of Directors of other public limited Companies except being a member of Audit Committee and Stakeholders Relationship Committee of Pilani Investment and Industries Corporation Limited. Pursuant to Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 only two Committee viz. Audit Committee and Stakeholders Relationship Committee have been considered.

Shri A. V. Jalan does not hold any Equity Share in the Company.

Shri A. V. Jalan is not related to any other Director of the Company.

**Notice** (Contd.)

22. During the AGM, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act and the Registers of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.****ITEM NO. 4**

Shri A. K. Kothari was appointed as an Independent Director of the Company for a period of five consecutive years from 25th July, 2016 upto 24th July, 2021.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at its meeting held on 29th June, 2021, re-appointed Shri A. K. Kothari as an Independent Director, for a second term of five consecutive years from 25th July, 2021 up to 24th July, 2026, not liable to retire by rotation subject to the approval of the shareholders.

The Board, based on the performance evaluation and recommendation of the Nomination and Remuneration Committee, considers that given his background, experience and contribution, the continued association of Shri Kothari would be beneficial to the Company and it is desirable to continue to avail of his services as an Independent Director. A notice under Section 160 (1) of the Companies Act, 2013 has been received from a member signifying its intention to propose Shri Kothari's appointment as an Independent Director for a term of five consecutive years with effect from 25th July, 2021 up to 24th July, 2026.

Shri A. K. Kothari aged about 68 years is a well-known Industrialist having knowledge and experience in manufacturing sectors viz. tea, pharmaceuticals, machine tools and spinning etc. He has also held positions as Office bearers in Tea Association and in Philanthropic Organizations promoting the cause of masses of the Country. He has also worked for spiritual Organizations which promotes Indian spirituality and culture. He holds Directorships in Albert David Ltd., Gillanders Arbuthnot & Co. Ltd., Arvind Engineering Works Ltd., Bharat Fritz Werner Ltd. etc and various other Private Limited Companies. He heads the Kothari group which is multi-divisional group with interests in Tea, Engineering, Pharmaceuticals etc. He holds 98 Equity Shares in the company.

Shri Kothari is acting as the member of Audit Committee of Albert David Limited and Gillanders Arbuthnot & Co. Limited and is the Chairman of the Audit Committee of Pilani Investment and Industries Corporation Limited. Further he is acting as the member of the Stakeholders Relationship Committee of Albert David Limited and Gillanders Arbuthnot & Co. Limited and is the Chairman of the Stakeholders Relationship Committee of Pilani Investment and Industries Corporation Limited. {For this purpose, pursuant to Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, only two Committees viz. Audit Committee and Stakeholders Relationship Committee have been considered}.

In the opinion of the Board, Shri Kothari fulfills the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management. Shri Kothari is not related to any Director/KMP.

It is, therefore, in the company's best interest that it should appoint Shri Kothari as an independent member of the board. Accordingly, the Board commends the resolution in relation to appointment of Shri Kothari as an Independent Director, for the approval by the shareholders of the Company.

Except Shri Kothari, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out in this item of the notice. This explanatory statement may also be regarded as disclosure under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Registered Office:**

Birla Building  
9/1, R. N. Mukherjee Road,  
Kolkata – 700001  
29th June, 2021

By Order of the Board  
**R. S. Kashyap**  
Company Secretary  
FCS - 8588

## Boards' Report

*Dear Shareholders*

Your Directors are pleased to present the 74th Annual Report of the Company alongwith the Audited Financial Statements for the year ended 31st March, 2021. The Financial Results for the year are shown below:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Total Income	21,000.29	15,273.29	19,958.18	12,579.59
Less: Total expenses	5,976.11	5,406.39	5,988.73	5,417.59
Less: Exceptional Items	-	-	-	-
<b>Profit before tax</b>	<b>15,024.18</b>	9,866.90	<b>13,969.45</b>	7,162.00
Add/(Less): Tax expense	(3,284.27)	(1,758.18)	(3,295.82)	(1,759.63)
<b>Profit after tax</b>	<b>11,739.91</b>	8,108.72	<b>10,673.63</b>	5,402.37
Add/(Less): Share in profit of associate company				
Net profit after tax and share in profit of associate Company	-	-	(1,007.76)	12,092.16
Profit for the year	11,739.91	8,108.72	9,665.87	17,494.53
Add / (Less): Actuarial gain on defined benefit plan (gratuity) Net of Income Tax	(7.94)	(1.73)	67.54	(134.17)
Realised gain on equity share	16,509.82	1,25,309.62	16,555.97	1,25,309.62
Less: Current tax on realised gain	1,888.71	4,200.15	1,888.72	4,200.15
<b>Add: Balance brought forward from previous year</b>	<b>1,29,978.89</b>	29,061.04	<b>1,67,477.11</b>	57,875.98
<b>Balance Available</b>	<b>1,56,331.97</b>	1,58,277.50	<b>1,91,877.77</b>	1,96,345.81
Appropriations				
<b>Dividend paid</b>	<b>1,977.19</b>	1,977.19	<b>1,977.19</b>	1,977.19
<b>Additional tax on dividend paid</b>	-	406.42	-	976.51
<b>Transfer on account of issue of bonus share</b>	<b>316.35</b>	-	<b>316.35</b>	-
<b>Transfer to Reserve u/s. 45-1C of Reserve Bank of India Act, 1934</b>	<b>5,270.61</b>	25,915.00	<b>5,270.61</b>	25,915.00
<b>Closing Balance of retained earnings</b>	<b>1,48,767.82</b>	1,29,978.89	<b>1,84,313.62</b>	1,67,477.11

### INDIAN ACCOUNTING STANDARDS (IND AS)

The audited financial statements of the Company drawn up both on standalone and consolidated basis, for the financial year ended 31st March, 2021, are in accordance with the requirements of the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS Rules").

### CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year under review, there has been no change in the nature of business of the Company.

### SHARE CAPITAL

During the year under review, your Company's Authorized Share Capital was increased from ₹ 9,00,00,000/- (Rupees Nine Crores only) divided into 90,00,000 (Ninety Lakhs) Equity Shares of ₹ 10/- (Rupees Ten each) to ₹ 25,00,00,000 /- (Rupees Twenty Five Crores only) divided into 2,50,00,000 (Two Crores Fifty Lakhs) Equity Shares of ₹10/- (Rupees Ten each) by creation of additional 1,60,00,000 (One Crore Sixty Lakhs) equity shares of ₹ 10/- (Rupees Ten each). The said increase in authorized share capital was pursuant to approval of shareholders through postal ballot/e-voting dated 20th December, 2020.

## Boards' Report (Contd.)

The paid up share capital of the Company as at 31st March, 2021 stands at ₹ 11,07,22,500/- (Rupees Eleven Crores Seven Lakhs Twenty Two Thousand Five Hundred only) divided into 1,10,72,250 (One Crore Ten Lakhs Seventy Two Thousand Two Hundred Fifty) Equity Shares of ₹ 10/- (Rupees Ten each).

### ISSUE OF BONUS EQUITY SHARES

The Board of Directors at their meeting held on 10th November, 2020, recommended issue of Bonus Equity Shares, in the ratio of 2:5, i.e.2 (Two) Bonus Equity Shares of ₹ 10/- each for every 5 (Five) fully paid-up Equity Shares ₹ 10/- each held as on the record date. The said bonus issue was approved by the Members of the Company vide resolution dated 20th December, 2020 passed through postal ballot/e-voting, subsequent to which, on 4th January, 2021, 31,63,500 (Thirty One Lakh Sixty Three Thousand Five Hundred) Bonus Equity Shares were allotted to the Members whose names appeared on the register of members as on 2nd January, 2021, being the record date fixed for this purpose.

As part of the aforesaid allotment, 1,423 Bonus Equity Shares representing fractional entitlement(s) of eligible Members were consolidated and allotted to the trustee appointed by the Board. Such equity shares have since been sold at the prevailing market price and the net sale proceeds is being distributed, after adjusting the costs and expenses in respect there of, amongst the eligible Members in proportion to their respective fractional entitlements.

### DIVIDEND

The Board of Directors has recommended a dividend of ₹ 15/- (Rupees Fifteen only) per equity share of ₹ 10/- each equivalent to 150% (One Hundred Fifty percent) on the paid up equity share capital of the Company for the year ended 31st March, 2021 as against ₹ 25/- (Rupees twenty five only) per equity share equivalent to 250% (two hundred fifty percent) paid in the previous year on the equity shares of ₹ 10/- each. Such dividend shall be paid on the increased number of shares pursuant to the issue of Bonus Shares. The dividend will be paid after approval by the shareholders in accordance with law at the ensuing Annual General Meeting. Pursuant to the provisions of the Finance Act, 2020, dividend income will now be taxable in the hands of the Shareholders w.e.f. 1st April, 2020 and accordingly the Company would be required to deduct tax at source ("TDS") from such dividend at the prescribed rates under the Income Tax Act, 1961. The total outflow will be of ₹ 16.61 Lakhs.

### TRANSFER TO RESERVES

Your Directors do not propose to transfer any amount to the General Reserves for the Financial Year ended 31st March, 2021.

### COVID-19 PANDEMIC

The COVID-19 pandemic is redefining global health crisis in view of newer mutant variants across the globe. Our country too is not an exception and is facing the threat of third wave of Delta plus variant in near future. The bigger challenge is that it is not a mere health crisis but rather is having an unprecedented impact on Indian and global business environment. The Company has taken all necessary measures in terms of mitigating impact of the challenges being faced in the business due to the COVID-19 pandemic.

### DIRECTORS

Shri A. V. Jalan (DIN: 01455782) will be retiring at the ensuing 74th Annual General Meeting of the Company and being eligible, offers himself for being re-elected.

Shri A. K. Kothari (DIN: 00051900) will complete his first term of appointment as an Independent Director of the Company on 24th July, 2021 and he has been re-appointed on the recommendations of the Nomination & Remuneration Committee for another term of five consecutive years by the Board of Directors with effect from 25th July, 2021, subject to the approval of the Shareholders by Special Resolution. Shri Kothari has given his consent for being re-appointed as an Independent Director and has confirmed that he still retain his status as an Independent Director and that he does not suffer from any disqualification for re-appointment. His re-appointment is based on the evaluation of his performance carried out by the Board. The continuation of Shri Kothari as an Independent Director will be of immense benefit for the company taking into account his vast and rich experience and deep business acumen. Proposal for re-appointment of Shri Kothari as an Independent Director of the Company for a



## **Boards' Report** (Contd.)

second term of five consecutive years is included in the Notice convening the 74th Annual General Meeting of the Company along with the Explanatory Statement as required under Section 102 of the Companies Act, 2013. The Board considers his appointment as appropriate and in the best interest of the Company.

### **PERFORMANCE EVALUATION**

The Nomination and Remuneration Policy of the Company empowers the Nomination and Remuneration Committee to formulate a process for evaluating the performance of Individual Directors, Committees of the Board and the Board as a whole.

The Nomination and Remuneration Committee of the Company accordingly evaluated the performance of all the individual Directors on various parameters such as level of participation of the Directors, preparing themselves well in advance to take active participation at the meeting(s), level of knowledge and expertise etc.

The Independent Directors of the Company also had a separate meeting on 11th February, 2021 to review the performance and evaluation of Non- Independent Directors and the Board as a whole.

The Board after taking into consideration the evaluation as done by the Nomination and Remuneration Committee and by the Independent Directors, carried out an annual evaluation of its own performance and that of its Committees and individual Directors. The overall outcome of such evaluation is that the Board, its Committees and all individual Directors have performed effectively and satisfactorily.

### **DECLARATION BY INDEPENDENT DIRECTORS**

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of the Companies Act, 2013 read with the Schedules and Rules issued thereunder, as well as clause (b) of sub-regulation (1) of Regulation 16 of the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

### **CODE OF CONDUCT**

All the Board Members and Key Management Personnel of the Company have affirmed compliance with the Code of Conduct applicable to the Board Members and Employees of the Company for the year 2020-21 and a declaration in this regard has been made by the Chief Executive Officer which forms a part of this Report as an Annexure.

### **BOARD AND COMMITTEE MEETINGS**

The details of number and dates of Board Meetings and Committee Meetings including attendance of Directors for the year 2020-21, is given in the attached Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

In compliance with the provisions of Section 134 of the Companies Act, 2013 the Directors to the best of their knowledge and belief confirm that –

- (i) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgements 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 as on 31st March, 2021 and of the Profit of the Company for that period;
- (iii) the Directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting and other records in accordance with the provisions of the aforesaid Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;



## Boards' Report (Contd.)

- (iv) the Directors have prepared the annual accounts on a going concern basis;
- (v) the Directors have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and have been operating effectively; and
- (vi) the Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such system is adequate and operating effectively.

### MATERIAL CHANGES AND COMMITMENTS AFTER THE BALANCE SHEET DATE

There are no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

### SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS/ TRIBUNALS

There were no significant material orders passed by the Regulators/Courts/Tribunals impacting the going concern status of the Company and its future operations.

### INTERNAL FINANCIAL CONTROL

The Company believes that a strong internal control framework is an important pillar of Corporate Governance. The Company has in place adequate internal financial control system which ensures orderly and efficient conduct of its business, safeguarding of its assets and accuracy and completeness of accounting records, timely preparation of reliable financial information and various regulatory and statutory compliances.

### CEO/CFO CERTIFICATION

As required by Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the CEO and CFO certificate for the financial year 2020-21 has been submitted to the Board and a copy thereof is contained in the Annual Report.

### LISTING OF EQUITY SHARES

The Equity shares of your Company are listed with the National Stock Exchange of India Limited and BSE Limited. The Commercial Papers of the Company issued during the year under review are listed with BSE Limited.

### EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as on 31st March, 2021 is attached as **Annexure - A** in the prescribed form MGT-9 in accordance with Section 92(3) of the Companies Act 2013 read with the Companies (Management and Administration) Rules, 2014, which forms part of this Report.

### KEY MANAGERIAL PERSONNEL

Pursuant to Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are Shri R. P. Pansari, Chief Executive Officer, Shri J. K. Singhania, Chief Financial Officer and Shri R. S. Kashyap, Company Secretary.

There are no changes in the Key Managerial Personnel of your Company during the year under review.

Remuneration and other details of the Key Managerial Personnel for the year ended 31st March, 2021 are mentioned in the Extract of the Annual Return which is attached as **Annexure - A** and forms part of this Report.

### TRANSACTIONS WITH RELATED PARTIES

None of the transactions with Related Parties falls under the scope of Section 188 (1) of the Companies Act, 2013 for the year ended 31st March 2021. However, the NIL disclosure in prescribed form AOC-2 as on 31st March, 2021 is attached and the same forms part of this Report.

### CORPORATE GOVERNANCE

The Company has in place a system of Corporate Governance. A separate Report on Corporate Governance is attached as a part of this Annual Report of the Company. A certificate from Statutory Auditors of the Company regarding compliance of Corporate Governance is annexed to the Report on Corporate Governance.

## **Boards' Report** (Contd.)

### **AUDIT COMMITTEE**

The composition and terms of reference of the Audit Committee have been furnished in the Corporate Governance Report forming part of this Annual Report. The Company Secretary is acting as the Secretary of the Committee. The Chief Executive Officer and the Chief Financial Officer are permanent invitees to the Audit Committee Meetings to give clarifications on accounts and related issues. The Board has accepted all the recommendations as and when forwarded by the Audit Committee. The Company has in place a vigil mechanism viz. Whistle Blower Policy the details of which are available on the Company's website [www.pilaniinvestment.com](http://www.pilaniinvestment.com).

Other details relating to number of meetings, dates of such meetings and the attendance of each member etc. have been given separately in the attached Corporate Governance Report.

### **NOMINATION AND REMUNERATION COMMITTEE**

The composition and terms of reference of the Nomination and Remuneration Committee have been furnished in the Corporate Governance Report forming part of the Annual Report. The Company Secretary is acting as the Secretary of this Committee. The Committee had devised a policy named as "Nomination and Remuneration Policy" which has been duly approved by the Board and a copy of the same is available on the Company's website [www.pilaniinvestment.com](http://www.pilaniinvestment.com) and is also attached as **Annexure - B** hereto and forms part of this Report.

Other details relating to number of meetings, dates of such meetings and attendance of each member etc. have been given separately in the attached Corporate Governance Report.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

The composition and terms of reference of the Corporate Social Responsibility Committee (CSR Committee) have been given in the Corporate Governance Report forming part of this Annual Report. The said Committee has devised a policy named as "Corporate Social Responsibility Policy" which has been duly approved by the Board and a copy of the same is available on the Company's website [www.pilaniinvestment.com](http://www.pilaniinvestment.com) and is also attached as **Annexure - C** hereto and forms part of this Report.

Other details relating to number of meetings, dates of such meetings and attendance of each member etc. have been given separately in the attached Corporate Governance Report.

During the year your Company had contributed ₹ 25.05 Lakhs towards CSR expenditure which are in consonance with the CSR policy of the Company.

The details of CSR expenditure in prescribed form are annexed as **Annexure - D** and forms part of this Report.

### **SUBSIDIARIES/ASSOCIATE COMPANIES**

The Company has two Subsidiaries and one Associate. Pursuant to the provisions of Section 129 (3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the Company's Subsidiaries/Associate in Form AOC-1 is attached with this Report.

### **RISK MANAGEMENT**

The Company has in place a proper and efficient Risk Assessment and Management Policy which identifies, evaluates and mitigates the potential business risks.

### **SECRETARIAL AUDIT**

In compliance with the provisions of Section 204 of the Companies Act, 2013, a Secretarial Audit was conducted for the Financial Year 2020-21 by the Secretarial Auditor M/s. K. C. Dhanuka & Company, Practicing Company Secretary. The Secretarial Auditor's Report is attached as **Annexure - E** and forms part of this Report.

### **AUDITORS**

M/s Vidyarthi & Sons, Chartered Accountants (ICAI Firm Registration No: 000112C) were appointed as the Statutory Auditors of the Company for a term of 5 years at the 70th Annual General Meeting (AGM) from the conclusion of the said meeting until the conclusion of the 75th AGM.

## Boards' Report (Contd.)

During the year, the Statutory Auditors have confirmed that they satisfy the independence criteria required under the Companies Act, 2013 and Code of Ethics issued by the Institute of Chartered Accountants of India.

### AUDITORS' REPORT/SECRETARIAL AUDITORS' REPORT

The observations made in the Auditors' Report/Secretarial Auditors' Report are self-explanatory and, therefore, do not call for any further explanation under Section 134 (3)(f)(i) of the Companies Act, 2013.

### EMPLOYEES

Information required under Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are as per **Annexure - F** attached hereto and forms part of this Report.

### DEPOSITS

The Company has not accepted/accessed any public deposit during the year. Hence, no information is required to be appended to this report in terms of Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016.

### LOANS, GUARANTEES AND INVESTMENTS

The provisions of Section 186 of the Companies Act, 2013 pertaining to loans, guarantees and investment activities are not applicable to the Company since the Company is a Non-Banking Financial Company ("NBFC") whose principal business is acquisitions of securities. However, details of loans granted in the form of Inter Corporate Deposits are covered in the Financial Statements. There are no guarantees issued, or securities provided by your Company.

### CONSOLIDATED FINANCIAL STATEMENTS

As stipulated by Regulation 33 of the Listing Regulations, the Consolidated Financial Statements have been prepared by the company in accordance with the applicable Accounting Standards. The audited Consolidated Financial Statements, together with Auditors' Report, form part of this Annual Report.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

The Company has no manufacturing activity and therefore, the disclosure of particulars as required to be appended under Section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014, in so far as it relates to the Conservation of the Energy and Technology Absorption, is not applicable. No particulars with regard to Foreign Exchange Earnings and Outgo are required as the Company has no such transactions.

### PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORK PLACE

Your Company has constituted Internal Complaints Committee as per the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013 and also has a policy and framework for employees to report sexual harassment cases at work place and its process ensures complete anonymity and confidentiality of information.

During the year under review, the Company has not received any complaint under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, unpaid/unclaimed dividend for the Financial Year 2012-13 has been transferred to the Investor Education and Protection Fund in compliance with the provisions of Section 124 and 125 of the Companies Act, 2013. In compliance with these provisions read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, your Company also transferred 658 equity shares to the Demat Account of the IEPF Authority, in respect of which dividend had remained unpaid/unclaimed for a consecutive period of 7 years.

### BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,

**Boards' Report** (Contd.)

the Business Responsibility Report (BRR) is available as a separate section attached as **Annexure - G**, which forms part of this Report and also hosted on the Company's website [www.pilaniinvestment.com](http://www.pilaniinvestment.com).

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

The Management Discussion & Analysis Report (MDA) for the year under review, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as **Annexure - H**, which forms part of this Report.

**APPRECIATION & ACKNOWLEDGEMENTS**

The Board of Directors would like to express their sincere appreciation for the assistance and co-operation received from Banks, Government Authorities and members during the year under review. The Board of Directors also wish to place on record their deep appreciation for the valuable services rendered and commitment displayed by the employees of the Company and look forward to their continued support in the future as well.

Your Directors wish to record their concerns about your wellbeing with respect to COVID-19 pandemic. Hope you and your families are doing well and all your loved ones are safe and sound. We pray to God that we all emerge out of the current situation strongly and with good health. Please take care and be safe.

For and on behalf of the Board of Directors

**Rajashree Birla**

*Chairperson*

(DIN: 00022995)

Place - Mumbai

**D. K. Mantri**

*Director*

(DIN: 00075664)

Place - Kolkata

June 29, 2021

**Form AOC-1** (Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)**Statement containing salient features of the financial statement of subsidiaries/  
associate companies/joint ventures****Part "A" : Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in ₹ in lakhs)

Sl.				
1	Name of the subsidiary	<b>Atlas Iron &amp; Alloys Limited</b> (under process of striking off)	<b>PIC Properties Limited</b>	<b>PIC Realcon Limited</b>
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31.03.2021	31.03.2021	31.03.2021
3	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	N. A.	N. A.	N. A.
4	Share capital	7.20	5.00	5.00
5	Reserves & surplus	-	(219.27)	2935.67
6	Total assets	-	387.09	3248.59
7	Total Liabilities	-	387.09	3248.59
8	Investments	-	100.54	3193.63
9	Turnover	-	17.53	49.76
10	Profit before taxation	-	6.11	48.56
11	Provision for taxation	-	(0.67)	12.22
12	Profit after taxation	-	6.78	36.34
13	Proposed Dividend	-	-	-
14	% of shareholding	96.83%	100%	100%

**Notes :** The following information shall be furnished at the end of the statement :

- Names of subsidiaries which are yet to commence operations : NIL
- Names of the subsidiaries which have been liquidated or sold during the year : NIL

**Form AOC-1 (Contd.)****Part : "B" : Associates and Joint Ventures**

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(All figures in ₹ Lakhs)

Name of Associates/Joint Ventures	Century Textiles and Industries Limited
<b>1. Latest Audited Balance Sheet Date</b>	31.03.2021
<b>2. Shares of Associate/Joint Ventures held by the company on year end</b>	33.11 %
No of Shares	3,69,78,570
Amount of Investment in Associates/Joint Venture	41,589.36
Extend of Holding %	33.11 %
<b>3. Description of how there is significant influence.</b>	No significant influence except investment
<b>4. Reason why the associate/joint venture is not consolidated</b>	NIL
<b>5. Networth attributable to Shareholding as per latest audited Balance Sheet</b>	3,64,739.00
<b>6. Profit/Loss for the year</b>	
i. Considered in Consolidation	(1,007.76)
ii. Not Considered in Consolidation	N.A.

- Names of associates or joint ventures which are yet to commence operations- NIL
- Names of associates or joint ventures which have been liquidated or sold during the year - NIL

**Note :** This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

For and on behalf of the Board of Directors

**Rajashree Birla**  
Chairperson  
(DIN: 00022995)  
Place - Mumbai

**D. K. Mantri**  
Director  
(DIN: 00075664)  
Place - Kolkata

June 29, 2021

**Form 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)

**Form for 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 arms length transactions under third proviso thereto.**

1.	Details of contracts or arrangements or transactions not at arm's length basis	NIL
(a)	Name(s) of the related party and nature of relationship	-
(b)	Nature of contracts/arrangements/transactions	-
(c)	Duration of the contracts/arrangements/transactions	-
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	-
(e)	Justification for entering into such contracts or arrangements or transactions	-
(f)	Date(s) of approval by the Board	-
(g)	Amount paid as advances, if any:	-
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	-
2.	<b>Details of material contracts or arrangement or transactions at arm's length basise</b>	NIL
(a)	Name(s) of the related party and nature of relationship	-
(b)	Nature of contracts/arrangements/transactions	-
(c)	Duration of the contracts/arrangements/transactions	-
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	-
(e)	Date(s) of approval by the Board, if any :	-
(f)	Amount paid as advances, if any :	-

For and on behalf of the Board of Directors

**Rajashree Birla**  
Chairperson  
(DIN: 00022995)  
Place - Mumbai

**D. K. Mantri**  
Director  
(DIN: 00075664)  
Place - Kolkata

June 29, 2021

## Annexure - A to the Boards' Report

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

for the financial year ended on 31st March, 2021

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

i)	<b>CIN</b>	L24131WB1948PLC095302
ii)	<b>Registration Date</b>	9th August, 1948
iii)	<b>Name of the Company</b>	Pilani Investment and Industries Corporation Limited
iv)	<b>Category /Sub-Category of the Company</b>	Company having Share Capital
v)	<b>Address of the Registered Office and Contact details</b>	Birla Building, 11th Floor, 9/1, R. N. Mukherjee Road, Kolkata - 700001, Phone: (033)4082/3700, 2220 0600, E-Mail: pilaniinvestment1@gmail.com, Website: www.pilaniinvestment.com
vi)	<b>Whether listed Company</b>	Yes a) National Stock Exchange of India Limited b) BSE Limited
vii)	<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	M/s. Niche Technologies Pvt. Ltd., 3A, Auckland Place, 7th Floor, Room No. 7A & 7B, Kolkata - 700017, West Bengal Tel: (033) 2280 6616/6617 E-mail id: nichetechpl@nichetechpl.com

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Investment and Financing Activities	6430	98.27

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and Address of The Company	CIN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Century Textiles and Industries Limited Dr. Annie Besant Road Worli, Mumbai-400030	L17120MH1897PLC000163	Associate	33.11	2(6)
2	PIC Properties Limited 10, Camac Street, Kolkata- 700017	U70109WB1985PLC038472	Subsidiary	100	2(87)(ii)



**Annexure - A to the Boards' Report (Contd.)**

Sl. No.	Name and Address of The Company	CIN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
3	PIC Realcon Limited, Birla Building, 9/1 R. N. Mukherjee Road, Kolkata- 700001	U70102WB2013PLC190163	Subsidiary	100	2(87)(ii)
4	Atlas Iron and Alloys Limited, Lodi Katra, Patna City, Patna (under process of striking off)	U27100BR1965PLC000764	Subsidiary	96.83	2(87)(ii)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters</b>									
(1)	<b>Indian</b>									
	a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
	b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
	c) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
	d) Body Corporate	41,79,109	0	41,79,109	52.84	58,50,751	0	58,50,751	52.84	0.00
	e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
	f) Any Other Trusts	3,72,307	0	3,72,307	4.71	5,21,229	0	5,21,229	4.71	0.00
	<b>Sub-total (A) (1):-</b>	<b>45,51,416</b>	<b>0</b>	<b>45,51,416</b>	<b>57.55</b>	<b>63,71,980</b>	<b>0</b>	<b>63,71,980</b>	<b>57.55</b>	<b>0.00</b>
(2)	<b>Foreign</b>									
	a) NRIs – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
	b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
	c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
	d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
	e) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
	<b>Total shareholding of Promoter (A) = (A) (1)+(A)(2)</b>	<b>45,51,416</b>	<b>0</b>	<b>45,51,416</b>	<b>57.55</b>	<b>63,71,980</b>	<b>0</b>	<b>63,71,980</b>	<b>57.55</b>	<b>0.00</b>
<b>B.</b>	<b>Public Shareholding</b>									
(1)	<b>Institutions</b>									
	a) Mutual Funds	0	0	0	0	0	0	0	0	0
	b) Banks / FI	1,79,903	400	1,80,303	2.28	1,35,214	560	1,35,774	1.23	(1.05)
	c) Central Govt.	0	0	0	0	0	0	0	0	0
	d) State Govt.	0	0	0	0	0	0	0	0	0
	e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
	f) Insurance Companies	0	0	0	0	0	0	0	0	0

**Annexure - A to the Boards' Report (Contd.)**

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	g) FIIs	0	0	0	0	0	0	0	0	0
	h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
	i) Others (Specify)									
	FPI - Cat - I	22,950	0	22,950	0.29	39,760	0	39,760	0.36	0.07
	<b>Sub-total (B)(1)</b>	<b>2,02,853</b>	<b>400</b>	<b>2,03,253</b>	<b>2.57</b>	<b>1,74,974</b>	<b>560</b>	<b>1,75,534</b>	<b>1.59</b>	<b>(0.98)</b>
<b>(2)</b>	<b>Non-Institutions</b>									
<b>a)</b>	<b>Bodies Corporate</b>									
	i) Indian	23,64,124	21,699	23,85,823	30.17	33,82,360	9377	33,91,737	30.63	0.47
	ii) Overseas	0	0	0	0	0	0	0	0	0
<b>b)</b>	<b>Individuals</b>									
	i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	5,28,759	39,227	5,67,986	7.18	7,97,749	51,386	8,49,135	7.67	0.49
	ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,19,400	0	1,19,400	1.51	1,78,413	0	1,78,413	1.61	0.10
	<b>c) Others (specify)</b>									
	Non Resident Indians	20,964	0	20,964	0.27	33,390	0	33,390	0.30	0.04
	Clearing Members	34,318	0	34,318	0.43	16,179	0	16,179	0.15	00.29
	Trust	9,650	0	9,650	0.12	32,200	0	32,200	0.29	0.17
	IEPF Authority	15,940	0	15,940	0.20	23,682	0	23,682	0.21	0.01
	<b>Sub-total (B)(2)</b>	<b>30,93,155</b>	<b>60,926</b>	<b>31,54,081</b>	<b>39.88</b>	<b>44,63,973</b>	<b>60,763</b>	<b>45,24,736</b>	<b>40.87</b>	<b>0.98</b>
	<b>Total Public (B)</b>	<b>32,96,008</b>	<b>61,326</b>	<b>33,57,334</b>	<b>42.45</b>	<b>46,38,947</b>	<b>61,323</b>	<b>47,00,270</b>	<b>42.45</b>	<b>0.00</b>
<b>C</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0.00
	<b>Grand Total (A+B+C)</b>	<b>78,47,424</b>	<b>61,326</b>	<b>79,08,750</b>	<b>100.00</b>	<b>1,10,10,927</b>	<b>61,323</b>	<b>1,10,72,250</b>	<b>100.00</b>	<b>0.00</b>

## Annexure - A to the Boards' Report (Contd.)

## (ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	
1	Aditya Marketing & Manufacturing Pvt. Ltd.	27,44,194	34.70	Nil	38,41,871	34.70	Nil	Nil
2	B. K. Birla Foundation	17,521	0.22	Nil	24,529	0.22	Nil	Nil
3	Birla Educational Institution	16,500	0.21	Nil	23,100	0.21	Nil	Nil
4	Central India General Agents Limited	300	0.00	Nil	420	0.00	Nil	Nil
5	Padmavati Investment Private Limited	14,06,986	17.79	Nil	19,69,780	17.79	Nil	Nil
6	Jayantika Investment & Finance Ltd.	6,700	0.08	Nil	9,380	0.08	Nil	Nil
7	Prakash Educational Society	3,55,807	4.50	Nil	4,98,129	4.50	Nil	Nil
8	Zenith Distributors & Agents Limited	3,408	0.04	Nil	4,771	0.04	Nil	Nil
		<b>45,51,416</b>	<b>57.55</b>	<b>Nil</b>	<b>63,71,980</b>	<b>57.55</b>	<b>Nil</b>	<b>Nil</b>

## (iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the Company
	<b>At the beginning of the year</b>			45,51,416	57.55		
1	Aditya Marketing and Manufacturing Private Limited	04-01-2021	Allotment-Bonus	27,44,194	34.70	38,41,871	34.70
2	B. K. Birla Foundation	04-01-2021	Allotment-Bonus	17,521	0.22	24,529	0.22
3	Birla Educational Institution	04-01-2021	Allotment-Bonus	16,500	0.21	23,100	0.21
4	Central India General Agents Limited	04-01-2021	Allotment-Bonus	300	0.00	420	0.00
5	Padmavati Investment Pvt. Limited	04-01-2021	Allotment-Bonus	14,06,986	17.79	19,69,780	17.79

## Annexure - A to the Boards' Report (Contd.)

Sl No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the Company
6	Jayantika Investment & Finance Ltd.	04-01-2021	Allotment-Bonus	6,700	0.08	9380	0.08
7	Prakash Educational Society	04-01-2021	Allotment-Bonus	3,55,807	4.50	4,98,129	4.50
8	Zenith Distributors & Agents Limited	04-01-2021	Allotment-Bonus	3,408	0.04	4771	0.04
	At the end of the year					<b>63,71,980</b>	<b>57.55</b>

### (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	<b>The Punjab Produce &amp; Trading Co. Pvt. Ltd.</b>						
	a) At the beginning of the year			13,85,223	17.51		
	b) Changes during the year	04-01-2021	Bonus	5,54,089	5.00	19,39,312	17.51
	c) At the end of the year					19,39,312	17.51
2	<b>Gwalior Webbing Co. Pvt. Ltd.</b>						
	a) At the beginning of the year			4,54,168	5.74		
	b) Changes during the year	04-01-2021	Bonus	1,81,667	1.64	6,35,835	5.74
	c) At the end of the year					6,35,835	5.74
3	<b>Comfort Intech Limited</b>						
	a) At the beginning of the year			66,575	0.84		
	b) Changes during the year	08-05-2020	Transfer	(159)	0.00	66,416	0.60
		04-09-2020	Transfer	12,543	0.21	78,959	0.71
		11-09-2020	Transfer	(149)	0.00	78,810	0.71
		25-12-2020	Transfer	(15,310)	0.19	63,500	0.57
		04-01-2021	Bonus	25400	22.90	88,900	0.80
		08-01-2021	Transfer	(1,400)	1.30	87,500	0.79
	c) At the end of the year					87,500	0.79
4	<b>Shri Venkateshwara Educational Institute</b>						
	a) At the beginning of the year			77,847	0.98		
	b) Changes during the year	04-01-2021	Bonus	31,138	0.28	1,08,985	0.98
	c) At the end of the year					1,08,985	0.98

**Annexure - A to the Boards' Report (Contd.)**

Sl No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
5	<b>Baroda Agents &amp; Trading Co. Pvt. Ltd.</b>						
	a) At the beginning of the year			68,707	0.87		
	b) Changes during the year	04-01-2021	Bonus	27,482	0.25	96,189	0.87
	c) At the end of the year					96,189	0.87
6	<b>Punjab Produce Holdings Ltd.</b>						
	a) At the beginning of the year			52,750	0.67		
	b) Changes during the year	04-01-2021	Bonus	21,100	0.19	73,850	0.67
	c) At the end of the year					73,850	0.67
7	<b>Comfort Securities Limited</b>						
	a) At the beginning of the year			52	0.0		
	b) Changes during the year	08-05-2020	Transfer	7,985	0.10	8,037	0.07
		15-05-2020	Transfer	12,098	0.15	20,135	0.18
		29-05-2020	Transfer	6,416	0.08	26,551	0.24
		05-06-2020	Transfer	15,043	0.19	41,594	0.37
		12-06-2020	Transfer	89	0.00	41,683	0.37
		19-06-2020	Transfer	15,009	0.19	56,692	0.51
		26-06-2020	Transfer	3,099	0.03	59,791	0.54
		03-07-2020	Transfer	(100)	0.00	59,691	0.53
		10-07-2020	Transfer	452	0.00	60,143	0.54
		24-07-2020	Transfer	4,946	0.06	65,089	0.58
		31-07-2020	Transfer	40,292	0.50	1,05,381	0.95
		07-08-2020	Transfer	12,531	0.15	1,17,912	1.06
		14-08-2020	Transfer	7,607	0.09	1,25,519	1.13
		21-08-2020	Transfer	652	0.00	1,26,171	1.14
		28-08-2020	Transfer	(48,288)	0.61	77,883	0.70
		04-09-2020	Transfer	(18,623)	0.23	59,260	0.53
		18-09-2020	Transfer	(886)	0.01	58,374	0.52
		25-09-2020	Transfer	432	0.00	58,806	0.53
		30-09-2020	Transfer	93	0.00	58,899	0.53
		09-10-2020	Transfer	(19)	0.00	58,880	0.53
		16-10-2020	Transfer	(3,012)	0.03	55,868	0.50
		23-10-2020	Transfer	682	0.00	56,550	0.51
		30-10-2020	Transfer	5,140	0.06	61,690	0.55
		06-11-2020	Transfer	1,756	0.02	63,446	0.573
		13-11-2020	Transfer	(5,342)	0.06	58,104	0.52
		20-11-2020	Transfer	8,075	0.10	66,179	0.59
		27-11-2020	Transfer	(2,089)	0.02	64,090	0.57

**Annexure - A to the Boards' Report (Contd.)**

Sl No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
		04-12-2020	Transfer	(98)	0.00	63,992	0.57
		11-12-2020	Transfer	931	0.01	64,923	0.58
		18-12-2020	Transfer	6,690	0.08	71,613	0.64
		25-12-2020	Transfer	(1,698)	0.02	69,915	0.63
		31-12-2020	Transfer	80	0.00	69,995	0.63
		04-01-2021	Bonus	27,998	0.25	97,993	0.88
		08-01-2021	Transfer	1,358	0.012	99,351	0.90
		15-01-2021	Transfer	5,356	0.04	1,04,707	0.94
		12-02-2021	Transfer	(5)	0.00	1,04,702	0.94
		26-02-2021	Transfer	(5,085)	0.05	99,617	0.90
		05-03-2021	Transfer	(1,500)	0.01	98,117	0.88
		12-03-2021	Transfer	(1,201)	0.01	96,916	0.87
		19-03-2021	Transfer	(214)	0.00	96,702	0.87
		26-03-2021	Transfer	157	0.00	96,859	0.87
		31-03-2021	Transfer	1,317	0.01	98,176	0.88
	c) At the end of the year					98,176	0.88
8	<b>ICICI Lombard General Insurance Company Ltd</b>						
	a) At the beginning of the year			78,000	0.99		
	b) Changes during the year	04-01-2021	Bonus	31,200	0.28	1,09,200	0.99
		19-03-2021	Transfer	(1,006)	0.01	1,08,194	0.98
	c) At the end of the year					1,08,194	0.98
9	<b>Satishchandra Shantilal Doshi</b>						
	a) At the beginning of the year			3,915	0.0		
	b) Changes during the year	05-06-2020	Transfer	21,524	0.27	25,439	0.23
		07-08-2020	Transfer	(143)	0.00	25,296	0.22
		14-08-2020	Transfer	(698)	0.00	24,598	0.22
		04-09-2020	Transfer	34,976	0.44	5,9574	0.53
		30-10-2020	Transfer	(1,000)	0.01	58,574	0.52
		06-11-2020	Transfer	(50)	0.00	58,524	0.52
		31-12-2020	Transfer	(14,435)	0.18	44,089	0.39
		04-01-2021	Bonus	17,635	0.15	61,724	0.55
		08-01-2021	Transfer	1,554	0.01	63,278	0.57
	c) At the End of the year					63,278	0.57

**Annexure - A to the Boards' Report (Contd.)**

Sl No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
10	<b>Dover Commercials Pvt. Ltd.</b>						
	a) At the Beginning of the year			90	0.00		
	b) Changes during the year	17-04-2020	Transfer	(10)	0.00	80	0.00
		18-09-2020	Transfer	2,000	0.02	2,080	0.01
		30-09-2020	Transfer	7,000	0.08	9,080	0.08
		09-10-2020	Transfer	3,000	0.03	12,080	0.10
		23-10-2020	Transfer	3,000	0.03	15,080	0.13
		30-10-2020	Transfer	7,200	0.09	22,280	0.20
		13-11-2020	Transfer	1,066	0.01	23,346	0.21
		20-11-2020	Transfer	3,046	0.03	26,392	0.23
		27-11-2020	Transfer	4,500	0.05	30,892	0.27
		04-12-2020	Transfer	2,900	0.03	33,792	0.30
		18-12-2020	Transfer	7,500	0.09	41,292	0.37
		04-01-2021	Bonus	16,516	0.14	57,808	0.52
	c) At the End of the year					57,808	0.52
11	<b>Ambareesh Mandelia</b>						
	a) At the Beginning of the year			30,000	0.38		
	b) Changes during the year	04-01-2021	Bonus	12,000	0.11	42,000	0.38
	c) At the End of the year					42,000	0.38
12	<b>Golu Merchandise Pvt.Ltd</b>						
	a) At the Beginning of the year			35,753	0.45		
	b) Changes during the year	04-01-2021	Bonus	14,301	0.13	50054	0.45
	c) At the End of the year					50,054	0.45
13	<b>ICICI Bank Ltd</b>						
	a) At the Beginning of the year			82,603	1.04		
	b) Changes during the year	03-04-2020	Transfer	(200)	0.00	82,403	0.74
		17-04-2020	Transfer	(7,159)	0.09	75,244	0.68
		24-04-2020	Transfer	7,157	0.09	82,401	0.74
		01-05-2020	Transfer	30	0.00	82,431	0.74
		08-05-2020	Transfer	(2)	0.00	82,429	0.74
		15-05-2020	Transfer	(505)	0.00	81,924	0.74
		22-05-2020	Transfer	2	0.00	81,926	0.74
		29-05-2020	Transfer	(81,450)	1.03	476	0.00
		05-06-2020	Transfer	41,870	0.52	42,346	0.38
		19-06-2020	Transfer	60	0.00	42,406	0.38
		30-06-2020	Transfer	(42,406)	0.53	0	0.00
	c) At the End of the year					0	0.00

## Annexure - A to the Boards' Report (Contd.)

### (v) Shareholding of Directors and Key Managerial Personnel :

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Smt. Rajashree Birla	0	0	0	0
2.	Shri D.K. Mantri	100	0	100	0
	04-01-2021- Allotment-Bonus			40	0
	At the end of the year			140	0
3.	Shri A.K. Kothari	70	0	70	0
	04-01-2021- Allotment-Bonus			28	0
	At the end of the year			98	0
4.	Shri A.V. Jalan	0	0	0	0
5.	Shri Giriraj Maheswari	0	0	0	0
6.	Shri Yazdi P. Dandiwala	0	0	0	0
7.	Smt. Vanita Bhargava	0	0	0	0
8.	Shri R.P. Pansari	0	0	0	0
	04-01-2021- Allotment-Bonus	0	0	1,423	0.01
	Fractional Shares- Trustee				
	At the end of the year			1,423	0.01
10.	Shri J.K. Singhania	0	0	0	0
11.	Shri R. S. Kashyap	0	0	0	0

## V. INDEBTEDNESS

### Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year i.e 01-04-2020</b>				
i) Principal Amount	Nil	42,000.00	Nil	42,000.00
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>42,000.00</b>	<b>Nil</b>	<b>42,000.00</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	Nil	89,000.00	Nil	89,000.00
Reduction	Nil	49,996.66	Nil	49,996.66
<b>(Net Change)</b>	<b>Nil</b>	<b>39,003.34</b>	<b>Nil</b>	<b>39,003.34</b>



## Annexure - A to the Boards' Report (Contd.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the end of the financial year i.e.31-03-2021</b>				
i) Principal Amount	Nil	81,003.34	Nil	81,003.34
ii) Interest due but not paid	Nil	NIL	Nil	Nil
iii) Interest accrued but not due	Nil	NIL	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>81,003.34</b>	<b>Nil</b>	<b>81,003.34</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

## A. Remuneration to Managing Director, Whole-time Director and/or Manager

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Managing Director/ Wholetime Director/Manager	Total Amount
1	<b>Gross Salary</b>		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-
	(b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- As % of Profit	-	-
	- Others, specify	-	-
5	Others, please specify		
	<b>Total (A)</b>	-	-
	Ceiling as per the Act	-	-

## Annexure - A to the Boards' Report (Contd.)

### B. Remuneration to other Directors:

Particular of Remuneration	Name of Directors	Total Amount
<b>Independent Directors : Please refer to Corporate Governance Report for details</b>		
(a) Fees for attending Board/Committee meetings		7.00
(b) Commission		NIL
(c) Others, please specify		NIL
<b>Total (1)</b>		<b>7.00</b>
<b>Other Non Executive Directors : Please refer to Corporate Governance Report for details</b>		
(a) Fees for attending Board/Committee meetings		6.60
(b) Commission		NIL
(c) Others, please specify		NIL
<b>Total (2)</b>		<b>6.60</b>
<b>Total (1) + (2)</b>		<b>13.60</b>
<b>Total Managerial Remuneration</b>		<b>13.60</b>
Overall ceiling as per the Act	Remuneration is within limits of provisions of law	

### C. Remuneration to Key Managerial Personnel other than MD/Manager / WTD (₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Shri R. P. Pansari CEO	Shri J. K. Singhania (Chief Financial Officer)	Shri R.S. Kashyap Company Secretary and Chief Risk Officer	
1	<b>Gross salary</b>				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	79.00	28.03	11.52	118.55
	(b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option NA	-	-	-	-
3	Sweat Equity NA	-	-	-	-
4	<b>Commission</b>				
	- % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify - PF	7.20	1.72	1.04	9.96
	<b>Total</b>	<b>86.20</b>	<b>29.75</b>	<b>12.56</b>	<b>128.51</b>

**Annexure - A to the Boards' Report** (Contd.)**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/Compounding Fees imposed	Authority (RD/ NCLT/ COURT)	Appeal made, if any (give details)
<b>A. COMPANY</b>					
	Penalty				
	Punishment				
	Compounding				
<b>B. DIRECTORS</b>					
	Penalty				
	Punishment				
	Compounding				
<b>C. OTHER OFFICERS IN DEFAULT</b>					
	Penalty				
	Punishment				
	Compounding				

NIL

For and on behalf of the Board of Directors

**Rajashree Birla**  
*Chairperson*  
(DIN: 00022995)  
Place - Mumbai

**D. K. Mantri**  
*Director*  
(DIN: 00075664)  
Place - Kolkata

June 29, 2021

## Annexure - B to the Boards' Report

### NOMINATION AND REMUNERATION POLICY

#### 1. Preamble

The Nomination & Remuneration Policy ("Policy") of Piani Investment and Industries Corporation Limited (hereinafter referred to as the "Company") is formulated under the requirements of applicable laws, including the Companies Act, 2013 (hereinafter referred to as the "Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations").

The Policy is intended to set out criteria to pay equitable remuneration to the Directors, Key Managerial Personnel (hereinafter referred to as "KMPs"), senior management (as defined below) (hereinafter referred to as "SMPs") and other employees of the Company and to harmonise the aspirations of human resources with the goals of the Company.

#### 2. Objectives

In line with the requirements of the Act and the Listing Regulations, the objectives and purpose of the Policy are as follows:

- ❖ To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- ❖ To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Board, KMPs and SMPs of the Company to run the Company efficiently and successfully;
- ❖ To ensure that the relationship of remuneration to performance is clear and meets appropriate benchmarks;
- ❖ To ensure that remuneration to Directors, KMPs and SMPs of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- ❖ To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- ❖ To recommend to the Board on Remuneration payable to the Directors, KMPs and SMPs.

#### 3. Applicability

The Policy shall be applicable to:

- a. All Directors of the Company.
- b. Key Managerial Personnel, which means.
  - i. Managing Director/Whole Time Director/Manager.
  - ii. Chief Executive Officer.
  - iii. Company Secretary.
  - iv. Chief Financial Officer.
- c. Such other person as may be prescribed (Senior Management Personnel).

#### 4. Role of the Nomination and Remuneration Committee

- (i) Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- (ii) Recommend to the Board a policy relating to the remuneration of the Directors and Key Managerial Personnel or other prescribed employees (Senior Management).
- (iii) To carry out evaluation of every Director's performance. The Company has a separate Board Performance Evaluation Policy.

## Annexure - B to the Boards' Report (Contd.)

- (iv) Devising a policy on Board diversity. The Company have separate Policy on Board Diversity.
- (v) Recommend to the Board, appointment and removal of Director, Key Managerial Personnel and other Senior Management personnel.
- (vi) Any other matter as the Board may decide from time to time.

### 5. Duties of the Committee

The duty of the Committee covers the matters relating to nomination and remuneration of the Directors, Key Managerial Personnel and other prescribed employees of the Company.

#### (A) *Nomination matters include:*

- (i) Ensuring that there is an appropriate induction & training programme in place for new Directors and Key Managerial Personnel and reviewing its effectiveness;
- (ii) Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment as per the provisions of the Companies Act, 2013;
- (iii) Determining the appropriate size, diversity and composition of the Board as per the provisions of the Companies Act, 2013.
- (iv) Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- (v) Evaluating the performance of the Board members and Key Managerial Personnel in the context of the Company's performance from business and compliance perspective;
- (vi) Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- (vii) Recommend any necessary changes to the Board.
- (viii) Considering any other matters as may be requested by the Board.

### Criteria for appointment of Directors, Key Managerial Personnel and Senior Management Personnel

#### ❖ **Directors**

The Committee shall identify potential candidates with appropriate qualification, knowledge, expertise and experience.

A person, to be appointed as Director should possess impeccable reputation, deep expertise and insights in sectors/areas relevant to the Company, ability to contribute to the Company's growth and complementary skills in relation to the other Board Members amongst other attributes.

The Committee shall ascertain the integrity, qualification, expertise and experience of the person for appointment as a Director and recommend to the Board his appointment. The Board after being satisfied with the recommendations of the Committee, may appoint such person as a Director in accordance with the procedure prescribed under the provisions of the Act and the Listing Regulations for the time being in force.

Factors like eligibility criteria, independence, term and tenure of a Director shall be in accordance with the provisions under the Act and the Listing Regulations for the time being in force.

The Committee may recommend with reasons, removal of a Director subject to and in accordance with the provisions of the Act and the Listing Regulations.

#### ❖ **Key Management Personnel/Senior Management Personnel**

The Committee shall identify suitable candidates for appointment as Managing Director/Executive Director/

## **Annexure - B to the Boards' Report (Contd.)**

Whole Time Director/ Chief Executive Officer/Chief Financial Officer/Company Secretary of the Company and designate them as Key Management Personnel or Senior Management Personnel of the Company on the basis of their academic, professional qualifications, relevant work experience, skill and other capabilities suitable to the position.

Further, the appointment or removal of the aforesaid persons/Key Management Personnel/Senior Management Personnel shall be made by the Board based on the recommendations of the Committee in accordance with the provisions of the Act and the Listing Regulations for the time being in force.

### **(B) Remuneration matters include:**

- (i) Consideration and determination of the Remuneration based on the principles of (i) pay for responsibilities; (ii) pay for performance and potential; and (iii) pay for growth to ensure that the remuneration fixed is reasonable and sufficient to attract, retain and motivate the members.
- (ii) Taking into account financial position of the Company, trend in the Industry, appointee's qualification, experience, past performance and past remuneration, etc. while determining/fixing the proposed remuneration package.
- (iii) Bringing about objectivity in determining the remuneration package while striking a balance between the interests of the Company and the Stakeholders.
- (iv) Other factors as the Committee may deem fit and appropriate for consideration of different elements of the remuneration and ensure compliance of provisions of the Act and other applicable laws.
- (v) Consideration any other matters as may be requested by the Board.

### **Criteria for remuneration of Directors, Key Managerial Personnel and Senior Management Personnel**

#### **❖ Remuneration to Non - Executive Directors including Independent Directors**

The Non - Executive Directors including Independent Directors of the Company may be paid sitting fees for attending the Meetings of the Board of Directors or its Committees thereof, as may be determined by the Board from time to time, within the limit prescribed under the Act.

Besides the sitting fees, the Non - Executive Directors including Independent Directors shall also be entitled to reimbursement of expenses as may be incurred by the them while performing their role as a Director of the Company.

An Independent Director shall not be entitled to any stock option of the Company.

#### **❖ Remuneration to Executive Directors**

The remuneration to be paid to Executive Directors including the Managing Director and/or the Whole -Time Director shall be governed by the applicable provisions of the Act and the Listing Regulations. The remuneration including annual increments shall be recommended by the Nomination and Remuneration Committee and approved by the Board and the Shareholders of the Company, as may be required under the provisions of the Act and the Listing Regulations.

The Executive Directors may also be paid commission in accordance with the provisions of the Act and the Listing Regulations, if authorised by the Shareholders of the Company. The Commission payable shall be determined by the Board of Directors of the Company from time to time based on the recommendations of the Nomination and Remuneration Committee.

The Executive Directors shall not/ be paid any fees for attending the Meetings of the Board and the Committees thereof.

## Annexure - B to the Boards' Report (Contd.)

Any increase in the remuneration, if authorised by the Shareholders of the Company, shall be approved by the Board and/or any Committee thereof as may be authorised in this regard and shall be within the overall limits approved by the Shareholders and prescribed under the Act and the Listing Regulations.

### ❖ Remuneration to Key Management Personnel and Senior Management Personnel

The remuneration to be paid to Key Management Personnel and Senior Management Personnel shall be recommended by the Nomination and Remuneration Committee and approved by the Board. Any increments to the remuneration shall also be recommended by the said Committee and approved by the Board.

### 6. Minutes of the Committee Meetings

Proceedings of all meetings of the Committee must be entered in the Minutes Book maintained for the purpose and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and the Committee meetings for approval/confirmation and/or record purposes.

### 7. Amendments

In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference shall be made to the Nomination and Remuneration Committee. In all such matters, the interpretation & decision of the Committee shall be final.

Any or all provisions of the Nomination and Remuneration Policy would be subject to revision/ amendment in accordance with the guidelines on the subject as may be issued by the Government and/or the Regulatory Authority, from time to time.

The Nomination and Remuneration Committee shall have a right to modify, add, or amend any of the provisions of this Policy with the approval of the Board.

The Remuneration policy will be incorporated in the Annual Report of the Company.

## Annexure - C to the Boards' Report

### CORPORATE SOCIAL RESPONSIBILITY POLICY

#### 1. Preamble

Corporate responsibility towards the stakeholders is fast emerging as one of the major considerations for businesses in the country. Organisations are gradually shifting their attention towards a wider view of social concerns while conducting their businesses. Corporate Social Responsibility (CSR) aims at connecting business to the society. CSR is traditionally driven by a moral obligation and philanthropic spirit. Over time it has become an integral part of business. The broader objective of CSR is to contribute with a responsibility, towards a better society and a cleaner environment.

#### 2. Objectives

The main objective of the Policy is to establish the basic principles and the general framework of action for the management to undertake and fulfil its corporate social responsibility.

#### 3. Activities and Implementation

##### a. Areas for Activities

The Company shall identify projects / activities which will fall in any one or more of the following areas / sector for its CSR spending:

1. Eradicating hunger, poverty and malnutrition;
2. Promoting health care.
3. Making available Safe drinking water & Sanitation;
4. Promoting Education
5. Enhancing Vocational Skills & Livelihood enhancement Projects;
6. Women Empowerment;
7. Promoting of Home and Hostels for Women and Orphans;
8. Reducing inequality faced by socially and economically backward groups;
9. Animal Welfare /Animal care;
10. Promoting Art & Culture;
11. Rural Development Projects; and
12. Any other areas as may be identified by the CSR Committee from time to time.

The CSR projects or programs or activities undertaken by the company as per Company's CSR Policy in India only shall amount to CSR Expenditure in accordance with the provisions of sub-section (5) of section 135 of the Act.

All expenses and contributions for CSR activities will be made after approval from the Chairman of the CSR committee, which would then be placed before the forthcoming CSR committee for noting and record. The Chairman will ensure that the expenses/contribution and donation will be in full compliance of the CSR Policy.

##### b. Implementing Agency

The company may decide to undertake its CSR activities directly or through a Registered Trust or a registered society or a company established by the company under section 8 of the Act. Provided that – If such trust, society or company is not established by the company or its holding or subsidiary or associate company, it shall have an established track record of three years in undertaking similar programs or projects;



## Annexure - C to the Boards' Report (Contd.)

The Company shall specify the project or programs to be undertaken through these entities, modalities of utilization of funds on such projects and programmes.

### 4. Resources

The corpus for the purpose of carrying on the aforesaid activities would include the followings:

- ❖ 2% of the average Net Profit made by the Company during immediately preceding three Financial Years.
- ❖ any income arising there from.
- ❖ surplus arising out of CSR activities carried out by the company and such surplus will not be part of business profit of the company.

### 5. Monitoring

The Corporate Social Responsibility Committee will provide regular progress report to the Board of Directors. This report would indicate:

- ❖ Achievement since last progress report / during the last quarter/ during the last six months in terms of coverage compared to the target and reasons for variance.
- ❖ Achievement of the year-to-date in terms of coverage compared to the target, plans to overcome shortfalls if any and support required from the CSR Committee/Board to overcome the shortfalls.
- ❖ Actual year-to-date spends compared to the budget and reasons for variance.
- ❖ In respect of activities undertaken through outside Trust/Society/NGO's etc. there will be mechanism of reporting of progress on each such activities and the amount incurred thereon.

The Board shall seek a short progress report from the CSR Committee on an half yearly basis

### 6. General

In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to CSR Committee. In all such matters, the interpretation & decision of the Committee shall be final.

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time.

## Annexure - D to the Boards' Report

### Report on Corporate Social Responsibility as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014

#### 1. Brief outline on CSR Policy of the Company:

The details of the programs/projects to be undertaken has been given in Corporate Social Responsibility Policy of the Company which is attached in the Annual Report and is also available on the Company's website [www.pilaniinvestment.com](http://www.pilaniinvestment.com)

#### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Smt. Rajashree Birla	Chairperson/ Non-Executive Director	1	1
2	Shri D. K. Mantri	Non-Executive Director	1	1
3	Shri A. K. Kothari	Independent Director	1	0
4	Shri A. V. Jalan	Non-Executive Director	1	1
5	Shri Giriraj Maheswari	Independent Director	1	0

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. - [www.pilaniinvestment.com](http://www.pilaniinvestment.com)

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). - NOT APPLICABLE

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

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

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

Particulars	For the Financial year ended 31st March		
	2020	2019	2018
Net Profit	4894.47	(1825.05)	684.76
Average Net profit for the preceding three financial years	1251.39		

7. (a) Two percent of average net profit of the company as per section 135(5) – ₹ 25.03 Lakhs  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - NIL  
 (c) Amount required to be set off for the financial year, if any - NIL  
 (d) Total CSR obligation for the financial year (7a+7b-7c) – ₹ 25.03 Lakhs

**Annexure - D to the Boards' Report (Contd.)**

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

Total Amount Spent for the Financial Year (₹ in Lakhs)	Amount Unspent (₹ in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
25.05	Nil	NA	NA	Nil	NA

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Project duration	Amount allocated for the project (₹ in Lakhs)	Amount spent in the current financial Year (₹ in Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakhs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State.	District					Name	CSR Registration number
Not Applicable											

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

(1)	(2)	(3)	(4)	(5)		(7)	(8)	(9)	
				Local area (Yes/No)	Location of the project.			State	District
1	Promoting health care including preventive health care	Promoting health care including preventive health care	Yes	West Bengal	Kolkata	2.00	No	Bharat Relief Society	Registration in progress
2	Promoting health care including preventive health care	Promoting health care including preventive health care	Yes	West Bengal	Ranigunj	2.50	No	Marwari Relief Society	CSR00006109
3	Promoting health care including preventive health care	Promoting health care including preventive health care	Yes	West Bengal	Kolkata	15.55	No	Vishudhan and Hospital and Research Institute	Registration in progress
4	Promoting Education	Promoting Education	No	Maharashtra	Mumbai	5.00	No	World of Opportunity Foundation	CSR00000477

**(d) Amount spent in Administrative Overheads: Nil**

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

**(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 25.05 Lakhs**

## Annexure - D to the Boards' Report (Contd.)

**(g) Excess amount for set off, if any:**

Sl. No.	Particular	Amount (₹ In lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	25.03
(ii)	Total amount spent for the Financial Year	25.05
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.02
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.02

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Lakhs)	Amount spent in the reporting Financial Year (₹ in Lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (₹ in Lakhs)
				Name of the Fund	Amount (₹ in Lakhs)	Date of transfer	
1	2018-19	An unspent amount of ₹ 7.07 lakhs pertaining to financial year 2018-19 was spent in the financial year 2019-20.					

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project commenced	Project duration	Total amount allocated for the project (₹ in Lakhs)	Amount spent on the project in the reporting Financial Year (₹ in Lakhs)	Cumulative amount spent at the end of reporting Financial Year (₹ in Lakhs)	Status of the project - Completed /Ongoing
Not Applicable								

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

- Date of creation or acquisition of the capital asset(s): Not Applicable
- Amount of CSR spent for creation or acquisition of capital asset: Not Applicable
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: Not Applicable
- Details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

**11. Reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) – Not Applicable**

**R. P. Pansari**

Chief Executive Officer  
Place : Kolkata

**Rajashree Birla**

Director and Chairperson CSR Committee  
DIN:00022995  
Place : Mumbai

Date : June 29, 2021

## Annexure - E to the Boards' Report

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021**

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

To,  
The Members,  
**Pilani Investment And Industries Corporation Limited**  
Birla Building, 9/1, R. N. Mukherjee Road,  
Kolkata – 700001

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

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (v) RBI – Prudential norms/ forms for NBFC – NDSI and the rules made thereunder.

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

  - i. Secretarial Standards issued by The Institute of Company Secretaries of India.

We further report that, based on the information provided and the representation made by the Company and also on the review of the compliance reports of Company Secretary/ Chief Executive Officer taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes exist in the Company to

## Annexure - E to the Boards' Report (Contd.)

monitor and ensure compliance with provisions of applicable general laws like Employees' Provident Funds and Miscellaneous Provisions Act, 1952, The West Bengal State Tax on Professions, Trades, Callings and Employments Act, 1979 and other laws.

We further report that

The compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have subject to review by statutory financial audit and other designated professionals.

The Board of Directors of the Company is duly constituted. 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 notices is given to all directors for the Board and Committee Meetings. Agenda and Notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that:

- i) The Clause V of the Memorandum of Association of the Company has been altered for increase in the Authorized Share Capital from ₹ 9,00,00,000/- (Rupees Nine Crores only) divided into 90,00,000 Equity Shares of ₹ 10/- each to ₹ 25,00,00,000/- (Rupees Twenty Five Crores only) divided into 2,50,00,000 Equity Shares of ₹ 10/- each.
- ii) The Company has issued the Bonus Shares to the existing shareholders in the ratio of 2 : 5 i.e Two Equity Shares of Rs.10/- each for every Five Equity Shares of ₹ 10/- each held, on 4th January, 2021.
- iii) The Company had applied to the Reserve Bank of India ("RBI") for its conversion from Non-Banking Financial Company to Core Investment Company and the approval from RBI is awaited. However the Company have been advised by RBI to resubmit a new application for it conversion from Non-Banking Financial Company to Core Investment Company and the same is under process.

It is stated that the compliance of all the applicable provisions of the Companies Act, 2013 and other laws is the responsibility of the management. We have relied on the representation made by the company and its Officers for systems and mechanism set-up by the company for compliance under applicable laws. Our examination, on a test-check basis, was limited to procedures followed by the Company for ensuring the compliance with the said provisions. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted its affairs. We further state that this is neither an audit nor an expression of opinion on the financial activities / statements of the Company. Moreover, we have not covered any matter related to any other law which may be applicable to the Company except the aforementioned corporate laws of the Union of India.

**K.C. DHANUKA & CO**  
Company Secretaries

**K. C. DHANUKA**  
Proprietor

FCS-2204, CP-1247

Peer Review Certificate No.108

UDIN :F002204C000527190

Place : Kolkata

Date : 29th June, 2021

## Annexure - F to the Boards' Report

### Particulars of Employees

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

#### Requirements of Rule 5(1)

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year;
- (ii) The percentage increase in remuneration of each director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year;
- (iii) The percentage increase in the median remuneration of employees in the financial year :
- (iv) The number of permanent employees on the rolls of company :
- (v) 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;
- (vi) Affirmation that the remuneration is as per the : remuneration policy of the company.

#### Details

It is not possible to determine the ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year 2020-2021 as because the Company does not have any Wholetime Director and the Non-Executive Directors of the Company were being paid for only the sitting fees.

Shri R. P. Pansari, Chief Executive Officer - NIL  
Shri J. K. Singhania, Chief Financial Officer - NIL  
Shri R. S. Kashyap, Company Secretary - NIL

The Company has only one employee other than the aforesaid KMP's and no increment was given during 2020-2021.

4 employees as on 31.03.2021

N.A.

Remuneration paid during the Year ended 31st March, 2021 is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

**Rajashree Birla**  
Chairperson  
(DIN: 00022995)  
Place - Mumbai

**D. K. Mantri**  
Director  
(DIN: 00075664)  
Place - Kolkata

June 29, 2021

## Annexure - F to the Boards' Report (Contd.)

Information as per Section 197 of the Companies Act, 2013 read with rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the Financial Year ended 31st March, 2021.

Details of Top ten employees in terms of remuneration drawn and employees employed throughout the financial year and were in receipt of remuneration for that year which, in the aggregate, was not less than ₹ 1,02,00,000/-.

Sr. No	Name of the employee	Age in Years	Qualification	Date of commencement of employment	Designation	Remuneration	Total experience (No. of years)	Previous Employment (Designation)	Percentage of Equity Shares held by employee in the Company
1	Shri R. P. Pansari	74	FCA	14-02-2017	Chief Executive Officer	86,20,000	54	Senior President-Essel Mining & Industries Limited	NIL
2	Shri J. K. Singhania	45	FCA	02-09-2019	Chief Financial Officer	29,74,800	21	Chief Financial Officer-Hindusthan Engineering & Industries Limited	NIL
3	Shri R. S. Kashyap	38	B. Com(Hons), FCS	01-09-2011	Company Secretary and Chief Risk Officer	12,55,701	12	Company Secretary-Digboi Carbon Private Limited	NIL

### NOTES:

1. Nature of Employment: Permanent
2. Remuneration received includes salary, allowances, Company's contribution to retirement funds etc. The monetary value of perquisites as and where applicable is computed on the basis of the Income Tax Act and Rules made thereunder.
3. None of the aforesaid employees is a relative of any Director or Manager of the Company.



## Annexure - G to the Boards' Report

## Business Responsibility Report

## Section A : General information about the Company

1	Corporate Identification Number	L24131WB1948PLC095302
2	Name of the Company	Pilani Investment and Industries Corporation Limited
3	Registered Address	Birla Building, 9/1, R. N. Mukherjee Road Kolkata- 700001
4	Website	www.pilaniinvestment.com
5	Email Address	pilaniinvestment1@gmail.com
6	Financial Year reported	1st April 2020 – 31st March 2021
7	Sector(s) that the Company is engaged in	Investment and Financing Activities(NIC Code – 6430)
8	Three key products/services manufactured/ provided by the Company	Investment and Financing Activities (NIC Code – 6430)
9	Total number of locations where business activity is undertaken by the Company	One – Kolkata
10	Markets served by the Company	India

## Section B : Financial Details of the Company

1	Paid up Capital	₹ 1,107.23 Lakhs
2	Total turnover	₹ 21,000.29 Lakhs
3	Total Profit after tax	₹ 11,739.91 Lakhs
4	Total spending on CSR as percentage of PAT (%)	Refer Annual Report on CSR activities
5	List of the activities in which expenditure in (4) above has been incurred	Refer Annual Report on CSR activities

## Section C : Other Details

1	Does the Company have any Subsidiary Company/Companies	Yes. The Company has two wholly owned Subsidiaries, i.e. PIC Properties Limited and PIC Realcon Limited. Another subsidiary i.e. Atlas Iron and Alloys Limited is under process of striking off.
2	Do the Subsidiary Company/ Companies participate in the BR initiatives of the parent Company? If yes, then indicate the Number of such subsidiary company(s)	No
3	Do any other entity/entities (e.g Suppliers, distributors etc.) that the Company does business with, Participate in the BR initiatives of the Company? If yes, then indicate the Percentage of such entity/entities? [Less than 30%, 30%-60%, More Than 60%]	No

## Annexure - G to the Boards' Report (Contd.)

### Section D : BR information

1	Details of Director(s) responsible for BR a) Details of the Director responsible for implementation of the BR Policy/ Policies: Director Identification Number (DIN) Name Designation	00075664 Shri D. K. Mantri Director
	b) Details of the BR Head: Director Identification Number (DIN) (if applicable) Name Designation Telephone Number Email address	Not applicable Shri R. P. Pansari Chief Executive Officer 033 4082 3700 pilaniinvestment1@gmail.com
2	Principle-wise BR Policy/policies	Included in this report
3	Governance related to BR	Included in this report

### Section E : Principle-wise performance

1	Principle-wise performance	Included in this report
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#### Preface

As mandated by the Securities and Exchange Board of India (SEBI), India's top 1000 listed entities based on market capitalisation on the NSE and BSE, are required to submit a Business Responsibility Report (BRR) alongwith their Annual Report for 2020-2021. This report is required to be in line with "National Voluntary Guidelines on Social, Environment and Economic Responsibilities of Business (NVGs), as released by the Ministry of Corporate Affairs in July 2011.

The Company presents its BRR in line with the NVGs and the BRR requirement of SEBI.

The company is engaged in investment and financing activities.

#### Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability

The Company is committed to adopt high standards of Corporate Governance, adhering to all applicable guidelines with transparent disclosures about the Company's performance. Commitment to ethical and lawful business conduct is a fundamental shared value of the Board of Directors, senior management and all employees of the Company.

To enable the functioning of the Company in an ethical manner, the Company has a Code of Conduct for the Company's Directors and Senior Management. A declaration of the Directors and Senior Management's affirmation to this Code of Conduct is communicated to all stakeholders by the Chief Executive Officer in the Annual Report.

In order to ensure compliance with the Code of Conduct, the Company has established a Whistle Blower Policy which lays down the process to report any unethical behaviour or violation of the Code of Conduct. The Company also follows the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. Instances of unethical behaviour, suspected fraud or any violation can be reported to the management by any employee. Sufficient measures have been put in place to safeguard employees, who report any unethical behaviour, against victimization. There is also a provision for direct access to the Chairman of the Audit Committee in exceptional cases. However, no Whistle Blower Complaint was received by the Company during the year ended 31st March, 2021.

## Annexure - G to the Boards' Report (Contd.)

So far investor complaints are concerned, during the Financial Year 2020-2021, 3 such complaints were received from the shareholders and all of them had been duly resolved promptly.

### **Principle 2: Businesses should provide products and services that are safe and contribute to sustainability throughout their life cycle**

The Company is a holding and investment Company and is not involved in any manufacturing activity or services under the purview of BRR.

### **Principle 3: Businesses should promote the well-being of all employees**

The capability of the Company's talent pool is surmised on a work culture that nurtures quality talent and promotes a causative work environment combining the need to focus on performance and results with a caring and compassionate work ethics.

As on 31st March, 2021, the Company had a total of four permanent employees. There is no women employee on the rolls of the Company as on 31st March, 2021. All employees are hired on a permanent basis. The Company did not have any employees with disabilities and neither have any recognised employee association.

The Company considers its employees an integral pillar of its success and continually endeavours to attract qualified personnel and invest in their growth and development. The Company regularly engages its employees, conducts learning and development programs internally and also by way of participation at various Seminars/Workshops and provide them opportunities to gain wider exposure.

The Company does not use/involve child labour, forced labour or any form of involuntary labour, paid or unpaid. There have been no instances of sexual harassment and/or discriminatory employment. The Company has not received any complaint relating to child labour, forced labour, involuntary labour, sexual harassment or discriminatory employment and as such none were pending as on 31st March, 2021.

### **Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized**

The Company is an equal opportunity provider and ensures that its practices are based on merit, irrespective of the person's ethnic background or gender. These are updated on yearly basis and are in line with the market benchmarks. In addition, the Company practices affirmative actions and ensures that there is no discrimination of any type against socially disadvantaged sections or vulnerable and marginalised persons.

### **Principle 5: Businesses should respect and promote human rights**

The Company ensures strict compliance with all applicable laws of the land that pertain to human rights and is dedicated to safeguarding the human rights of all its employees. The Company did not receive any complaint relating to violation of human rights during the Financial Year 2020-2021.

### **Principle 6: Business should respect, protect, and make efforts to restore the environment**

The Company is dedicated to manage its business in a manner that preserves the environment. As a holding and investment Company with no direct business operations and a small number of employees, the Company does not have any significant direct environmental impact but it commits itself to ensure to reduce wastage of electricity, office stationaries, water etc.

### **Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

While pursuing policy advocacy, the Company ensures that its advocacy position is consistent with this Policy and to the extent possible, the trade and industry chambers and associations and other such collective platforms be utilized to undertake such policy advocacy.

## **Annexure - G to the Boards' Report** (Contd.)

As a corporate citizen, the Company operates within the democratic setup and constitutional framework. The Company is a member of Indian Chamber of Commerce and Industry (ICC) and The Federation of Indian Chambers of Commerce and Industry (FICCI). The Company, being a part of various chambers and associations strives to make recommendations/representations, as and when needed in the larger national interest, before regulators and associations for advancement and improvement of the businesses it operates in.

### **Principle 8: Businesses should support inclusive growth and equitable development**

The vision and philosophy of Late Shri B. K. Birla guide the Corporate Social Responsibility (CSR) activities of the Company which is now being taken further by Smt. Rajashree Birla, Chairperson of the Company.

The Company has always been known for its tradition of philanthropy and community service long before it was even mandated under the Companies Act, 2013. The Company continues with its philosophy to reach out to the community by supporting service-oriented philanthropic institutions. The Company is guided by its Corporate Social Responsibility Policy already in force for inclusive growth and equitable development.

The Company further believes that the true and full measure of growth, success and progress lies beyond balance sheets or conventional economic indices. It is best reflected in the difference that business and industry make to the lives of people.

During the Financial Year 2020-2021, under Section 135 (Schedule VII) of the Companies Act, 2013, the Company has spent Rs. 25.05 Lakhs through implementing agencies.

For more information, refer to the Annual Report on CSR activities as contained in the Annual Report 2020-2021.

### **Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

The Company being merely an investment and holding Company does not have any direct customers or consumers under the scope of this BRR.

## Annexure - H to the Boards' Report

### MANAGEMENT DISCUSSION AND ANALYSIS (MDA) REPORT

This Management Discussion and Analysis Report is framed in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

#### 1. Industry Structure and Developments

Non-Banking Financial Companies (NBFCs) bring in diversity and efficiency to the financial sector. In the recent past, NBFCs have played increasingly important role in resource mobilisation and credit intermediation, thereby helping commercial sector to make up for low bank credit growth. The Reserve Bank and the Government have taken several measures to address various challenges by enhancing systemic liquidity and strengthening the governance and risk management framework of NBFCs.

The unprecedented outbreak of COVID-19 impacted the global economy and human life, making it a very challenging environment for all the businesses. Over and above that the threat of third wave on the doorstep at near future is a worrying concern for all. The changes forced on people and businesses by the pandemic are likely to last for some time and established ways of doing business may undergo changes leading to new ways of working. The Company has taken all necessary measures in terms of mitigating impact of the challenges being faced in the business due to the COVID-19 pandemic.

#### 2. Opportunities and threats

Your Company holds significant investments in Equity Shares of various diversified companies like Century Textiles and Industries Limited, Grasim Industries Limited, Hindalco Industries Limited, UltraTech Cement Limited, Vodafone Idea Limited, Kesoram Industries Limited etc. Therefore the business prospects of the Company largely depend on the business prospects and performance of its investee companies. As a long-term strategy, the Company is looking forward for a sustainable growth in its investee companies in the coming years which would enhance the shareholder's value.

#### 3. Segment-wise or product-wise performance

The main business of the Company is investment and financing activity and all these activities are carried out within India. As such there are no separate reportable segments or product wise performance reports applicable to the Company.

#### 4. Outlook

The Company though is a Non-Banking Finance Company but it has submitted an application for registration as a Core Investment Company ("CIC") in terms of the Core Investment Companies (Reserve Bank) Directions, 2016. As required by RBI, the Company is in the process of submitting a fresh application in this regard.

The Company continues to hold significant strategic investments in various diversified and renowned companies as stated above. The Company will continue to focus on making long-term strategic investments besides consolidating existing investments through further investments in the Group Companies. Besides, the Company has also expanded its horizon by entering into the field of financing activities.

#### 5. Risks and concerns

Being an Investment and Finance Company, the risk of the Company is basically attached to the performance of investee companies which are engaged in diversified fields. The Company has robust risk management and monitoring systems in place to minimise the impact of such risks.

#### 6. Internal Control Systems and their Adequacy

The Company believes that a strong internal control framework is an important pillar of Corporate Governance. The Company has in place adequate internal financial control system which ensure orderly and efficient conduct of its business, safeguarding of its assets and accuracy and completeness of accounting records, timely preparation of reliable financial information and various regulatory and statutory compliances.

## Annexure - H to the Boards' Report (Contd.)

### 7. Discussion on financial performance with respect to operational performance

The following review are intended to convey Management's perspective on the financial and operating performance of the Company during the Financial Year 2020-21. This Report should be read in conjunction with the Company's financial statements and other information included in this Annual Report.

The Company has recorded very satisfactory performance during the Financial Year 2020-21 on Standalone as well as Consolidated basis. Below is a brief quantitative overview of the financial and operational performance of your Company during the reporting period.

#### A. Standalone Results:

The Company has recorded a very satisfactory performance during the year under review. The Company has received during the year, Income by way of Dividend to the tune of ₹ 2,913.55 Lakhs, Interest of ₹ 17,724.82 Lakhs, Profit from sale of Investments of ₹ 6.35 Lakhs, and Rental Income of ₹ 266.64 Lakhs. The total income is ₹ 21,000.29 Lakhs as against total income of ₹ 15,273.29 Lakhs in the previous year. The Profit before depreciation and tax is ₹ 15,068.48 Lakhs. After providing for depreciation of ₹ 44.30 Lakhs and tax of ₹ 3,284.27 Lakhs, the Net Profit is 11739.91 Lakhs as against ₹ 8,108.72 Lakhs in the previous year, an increase of around 44.78%.

#### B. Consolidated Results:

The Company has recorded an impressive performance during the year under review on consolidated basis as well. The Company has received during the year, Income by way of Dividend to the tune of ₹ 1,854.64 Lakhs, Interest of ₹ 17,725.26 Lakhs, Profit from sale of Investments of ₹ 16.33 Lakhs, and Rental Income of ₹ 273.02 Lakhs. The total income is ₹ 19,958.18 Lakhs as against total income of ₹ 12,579.59 Lakhs in the previous year. The Consolidated Profit before depreciation and tax is ₹ 14,014.28 Lakhs. After providing for depreciation of ₹ 44.83 Lakhs and tax of ₹ 3,295.82 Lakhs, the Consolidated Net Profit but before Share of profit from Associate is ₹ 10,673.63 Lakhs. Share of Profit/(Loss) from an Associate is ₹ (1007.76) Lakhs and Consolidated Profit after tax is ₹ 9,665.87 Lakhs as against ₹ 17,494.53 Lakhs in the previous year, a decrease of around 44.75%. This was basically on account of loss in one of the subsidiary of Associate Company.

### 8. Material developments in Human Resources / Industrial Relations front, including number of people employed.

Employees' relations continued to be harmonious throughout the year with the management. Number of employees on roll was 4 as on 31st March, 2021.

Your Company believes that, its employees are its greatest strength and the most valuable asset. The management and staff have a mutual faith and trust. The Company provides equal opportunity to all employees and strives to inculcate high performance culture in the organisation.

### 9. Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, alongwith detailed explanations thereof.

	Particulars	2020-21	2019-20
(i)	Interest Coverage Ratio	3.88	3.29
(ii)	Debt Equity Ratio	0.09	0.10
(iii)	Operating Profit Margin (%)	71.85	64.60
(iv)	Net Profit Margin (%)	55.90	53.09
(vi)	Return of Net Worth (%)	6.92	5.39

Return of Net Worth Ratio has increased by 28.39% on account of increase in financing activities by the Company.

## Report on Corporate Governance

The Company has been practicing the principles of good Corporate Governance, which comprise all activities that result in the control of the company in a regulated manner, aiming to achieve transparent, accountable and fair management.

The details of Corporate Governance compliance by the company pursuant to the provisions contained in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are as under:

### A. Company's philosophy on Corporate Governance

Corporate Governance pertains to systems, by which companies are directed and controlled, keeping in mind long-term interest of Stakeholders. In sum, Corporate Governance is to achieve business excellence and dedicate itself to transparency in all its dealings and places and business efforts. The Company firmly believes in the spirit of Corporate Governance and the same has influenced its decisions and policies long before the guidelines became mandatory.

### B. Board of Directors

#### (i) Composition of the Board:

The Board of Directors comprises of seven members consisting of all Non-Executive Directors who account for hundred percent of the Board strength as against minimum requirement of fifty percent as per the listing agreement. The Non-Executive Directors are eminent professionals/experts drawn from amongst persons with experience in business and industry, finance and law. The composition of the Board and other particulars are as under:-

Directors	Executive/ Non-Executive/ Independent	No. of outside Directorships held		No. of Outside Committees # (excluding**)	
		Domestic Companies		Member	Chairman
		Public	Private		
Smt. Rajashree Birla (DIN:00022995)	Non-Executive	5	8	-	-
Shri. D. K. Mantri (DIN: 00075664)	Non-Executive	3	16	-	-
Shri A. K. Kothari (DIN: 00051900)	Non-Executive*	4	3	4	-
Shri A. V. Jalan (DIN: 01455782)	Non-Executive	2	12	-	-
Shri Giriraj Maheswari (DIN: 00796252)	Non-Executive*	3	4	1	-
Shri Yazdi P. Dandiwala (DIN: 01055000)	Non-Executive*	3	2	4	1
Smt. Vanita Bhargava (DIN: 07156852)	Non-Executive*	3	-	2	-

# Only the two committees viz., the Audit Committee and the Stakeholders Relationship Committee are considered for this purpose.

\* Also independent

\*\* Private companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

– None of the Directors of the Company hold any Equity Shares in the Company except Shri D. K. Mantri – 140 Equity Shares and Shri A. K. Kothari – 98 Equity Shares.

– The Non-Executive Directors have no material pecuniary relationship or transactions with the Company in their personal capacity.

## Report on Corporate Governance (Contd.)

### (ii) Details of sitting fees paid to Directors:

(All figures in ₹)

Name of the Directors	Sitting fees paid for attending Meetings of the Board and/or Committee thereof (All figures in ₹)
Smt. Rajashree Birla	1,20,000
Shri D.K. Mantri	2,20,000
Shri A. K. Kothari	1,00,000
Shri A.V. Jalan	3,20,000
Shri Giriraj Maheswari	2,00,000
Shri Yazdi P. Dandiwala	2,40,000
Smt. Vanita Bhargava	1,60,000

Note : 1. No commission is paid to any of the Directors.

### (iii) Number of Board Meetings held and attended by the Directors :

- a) 5 meetings of the Board of Directors were held during the year ended 31st March, 2021. These were held on:

- (1) 21-04-2020                      (2) 30-07-2020                      (3) 15-09-2020  
 (4) 10-11-2020                      (5) 11-02-2021

- b) The attendance record of each of the Directors at the Board Meetings during the year ended on 31st March, 2021 and of the last Annual General Meeting is as under:

Directors	No. of Board Meetings Attended	Attendance at the last AGM
Smt. Rajashree Birla	5	Yes
Shri D. K. Mantri	5	Yes
Shri A. K. Kothari	2	Yes
Shri A. V. Jalan	5	Yes
Shri Giriraj Maheswari	4	Yes
Shri Yazdi P. Dandiwala	5	Yes
Smt. Vanita Bhargava	3	Yes

- (c) Agenda and Notes on Agenda are circulated to the Directors, in advance. All material information is incorporated in the Agenda and/or the said Notes for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the Notes on Agenda, the same is tabled before the meeting.

- (d) Skills/Expertise/Competencies of the Board of Directors

The following is the list of core skills identified by the Board as required in the context of the Company's business and that the said skills are available with the Board Members:

- i. Knowledge – understand the Company's business, policies and culture, major risks/threats and potential opportunities and knowledge of the business in which the Company operates,
- ii. Behavioral Skills- attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company,
- iii. Strategic thinking and decisions making,
- iv. Financial and Management skills,
- v. Technical skills and specialized knowledge in relation to Company's business.



## Report on Corporate Governance (Contd.)

In the table below, the specific areas of focus & expertise of individual Board members have been highlighted.

Name of Director	Skills/ Expertise/ Competencies of the Board of Directors				
	Understanding Company's overall business model, policies and culture	Attributes and Competencies to use knowledge for effective growth	Strategic thinking and decision making	Financial and Management skills	Technical Skills and expertise knowledge of Company's business
Smt. Rajashree Birla	✓	✓	✓	✓	✓
Shri D. K. Mantri	✓	✓	✓	✓	✓
Shri A. K. Kothari	✓	✓	✓	✓	✓
Shri A. V. Jalan	✓	✓	✓	✓	✓
Shri Giriraj Maheswari	✓	✓	✓	✓	✓
Shri Yazdi P. Dandiwala	✓	✓	✓	✓	✓
Smt. Vanita Bhargava	✓	✓	✓	✓	✓

(e) A separate meeting of the Independent Directors of the Company was held on 11th February, 2021. Shri Yazdi P. Dandiwala and Smt. Vanita Bhargava were present at the said meeting. The Board confirms that the Independent Directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that they are independent of the management.

(f) Name of other listed entities where Directors of the Company are Directors and the category of Directorship

Sl. No.	Name of Director	Name of listed entities in which the concerned Director is a Director	Category of Directorship
1.	Smt. Rajashree Birla	Grasim Industries Limited	Non- Executive Non-Independent
		Hindalco Industries Limited	Non- Executive Non-Independent
		Ultratech Cement Limited	Non- Executive Non-Independent
		Century Enka Limited	Non- Executive Non-Independent
		Century Textiles and Industries Limited	Non- Executive Non-Independent
2.	Shri D. K. Mantri	-	-
3.	Shri A. K. Kothari	Albert David Limited	Executive Chairman
		Gillanders Arbuthnot & Co. Limited	Non-Executive Chairman
4.	Shri A. V. Jalan	Mangalam Cement Limited	Executive Director
5.	Shri Giriraj Maheswari	Kajal Synthetics and Silk Mills Limited	Independent Director
6.	Shri Yazdi P. Dandiwala	Century Textiles and Industries Limited	Independent Director
		Hindalco Industries Limited	Independent Director
7.	Smt. Vanita Bhargava	GFL Limited	Independent Director
		Gujarat Fluorochemicals Limited	Independent Director
		Inox Wind Energy Limited	Independent Director

### C. Code of Conduct

The Company has laid down a Code of Conduct for all the members of the Board of Directors including Independent Directors and Senior Management Personnel for avoidance of conflict of interest. It has received from all of them the necessary declarations affirming compliance with Code of Conduct for the year 2020-21. There were no material financial and commercial transactions during the year in which the

## Report on Corporate Governance (Contd.)

Senior Management personnel had personal interest, which would lead to potential conflict of interest of the Company. The Code of Conduct is available on Company's website.

### D. Audit Committee

(i) The Audit Committee of the Company is comprised of five Non-Executive directors viz.

- (1) Shri A. K. Kothari - Chairman
- (2) Shri A.V. Jalan
- (3) Shri Giriraj Maheswari
- (4) Shri Yazdi P. Dandiwala
- (5) Smt. Vanita Bhargava

Shri A. K. Kothari, Shri Giriraj Maheswari, Shri Yazdi P. Dandiwala and Smt. Vanita Bhargava are all Independent Non- Executive Directors.

(ii) Audit Committee meetings were held on 30-07-2020, 15-09-2020, 10-11-2020 and 11-02-2021. The attendance record of the Audit Committee Members is as under:-

Name of the Audit Committee Members	No. of meeting attended
Shri A. K. Kothari	2
Shri A.V. Jalan	4
Shri Giriraj Maheswari	3
Shri Yazdi P. Dandiwala	4
Smt. Vanita Bhargava	3

(iii) At the invitation of the Company, Internal Auditors, Statutory Auditors, Chief Executive Officer, Chief Financial Officer and Company Secretary who is acting as Secretary of the Audit Committee also attended the Audit Committee meetings to answer and clarify queries raised at the said meetings

(iv) The role and terms of reference of the Audit Committee covers the matters specified for Audit Committees under Regulation 18(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as well as Section 177 of the Companies Act, 2013.

### E. Nomination and Remuneration Committee

(i) The Nomination and Remuneration Committee of the Company is comprised of five Non-Executive Directors viz.

- (1) Shri A. K. Kothari - Chairman
- (2) Shri A.V. Jalan
- (3) Shri Giriraj Maheswari
- (4) Shri Yazdi P. Dandiwala
- (5) Smt. Vanita Bhargava

Shri A. K. Kothari, Shri Giriraj Maheswari, Shri Yazdi P. Dandiwala and Smt. Vanita Bhargava are all Independent Non- Executive Directors.

(ii) During the financial year ended on 31st March, 2021, only one meeting was held on 11-02-2021 and three Committee members viz. Shri A. V. Jalan, Shri Yazdi P. Dandiwala and Smt. Vanita Bhargava were present at the aforesaid meeting.

(iii) The terms of reference of the Nomination and Remuneration Committee cover all the areas mentioned under Regulation 19(4) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013.

## Report on Corporate Governance (Contd.)

The Nomination and Remuneration Policy has been approved by the Board of Directors. The Nomination and Remuneration Policy is attached as Annexure B to the Boards' Report and is available on the Company website <http://pilaniinvestment.com/images/Pilani-Nomination%20and%20Remuneration%20Policy%20New.pdf>.

Pursuant to the provisions of the Companies Act, 2013 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual Performance evaluation was carried out for the financial year 2020-21 by the Board in respect of its own performance, the Directors individually including Independent Directors as well as the evaluation of the working of all the Committees of the Company. The Directors expressed their satisfaction with the evaluation process.

### F. Corporate Social Responsibility Committee (CSR Committee)

- (i) The Corporate Social Responsibility Committee of the Company is comprised of five Non-Executive Directors viz.

- (1) Smt. Rajashree Birla - Chairperson
- (2) Shri D. K. Mantri (w.e.f 15-09-2020)
- (3) Shri A. K. Kothari
- (4) Shri A. V. Jalan
- (5) Shri Giriraj Maheswari

Shri A. K. Kothari and Shri Giriraj Maheswari are all Independent Non- Executive Directors.

- (ii) During the financial year ended on 31st March, 2021, only one meeting was held on 11-02-2021 and three Committee members viz. Smt. Rajashree Birla, Shri D. K. Mantri and Shri A. V. Jalan were present at the aforesaid meeting.

- (iii) The aforesaid Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring and implementation of the framework of the CSR policy and recommending the amount to be spent on CSR activities. The Corporate Social Responsibility Policy as recommended by the CSR Committee has been approved by the Board of Directors. The Corporate Social Responsibility Policy is attached as Annexure - C to the Boards' Report and is available on the Company website [www.pilaniinvestment.com/images/Pilani%20CSR%20Policy.pdf](http://www.pilaniinvestment.com/images/Pilani%20CSR%20Policy.pdf). The details of CSR Expenditure is attached as Annexure - D to the Board's Report.

The terms of reference of this Committee is to comply with the requirements of Section 135 of the Companies Act, 2013, the Companies (Corporate Social Responsibility) Rules, 2014 and all other relevant compliances.

### G. Stakeholders Relationship Committee

- (i) The Stakeholders Relationship Committee is comprised of six Non-Executive Directors viz.

- (1) Shri D. K. Mantri - Chairman
- (2) Shri A. K. Kothari
- (3) Shri A.V. Jalan
- (4) Shri Giriraj Maheswari
- (5) Shri Yazdi P. Dandiwala
- (6) Smt. Vanita Bhargava

Shri A. K. Kothari, Shri Giriraj Maheswari, Shri Yazdi P. Dandiwala and Smt. Vanita Bhargava are all Independent Non- Executive Directors.

Shri R. S. Kashyap, Company Secretary has been designated as the Compliance Officer.

## Report on Corporate Governance (Contd.)

- (ii) During the financial year ended on 31st March, 2021, only one meeting was held on 04-01-2021 and all the Committee members except Smt. Vanita Bhargava were present at the aforesaid meeting.
- (iii) The Committee deals with the following issues:
  - a) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates etc.
  - b) Review of measures taken for effective exercise of voting rights by shareholders.
  - c) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
  - d) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

During the year ended 31st March, 2021, 3 investor complaint/query were received and as on 31st March, 2021 there was no complaint/query pending for reply.

### H. Other Committees

As per the regulations of Reserve Bank of India for NBFC Companies, the Company has constituted three other committees namely Risk Management Committee, ALM Committee and Investment and Finance Committee. The details regarding the composition and meetings of the aforesaid Committees are as under:

- i) The Risk Management Committee is comprised of following Directors/Officials:

- (1) Shri D. K. Mantri - Chairman
- (2) Shri A. K. Kothari
- (3) Shri A.V. Jalan
- (4) Shri Giriraj Maheswari
- (5) Shri R. P. Pansari – Chief Executive Officer
- (6) Shri J. K. Singhanian – Chief Financial Officer

Shri A. K. Kothari and Shri Giriraj Maheswari are all Independent Non- Executive Directors.

During the financial year ended on 31st March, 2021, only one meeting was held on 11-02-2021 and all the Committee members except Shri A. K. Kothari and Shri Giriraj Maheswari were present at the aforesaid meeting.

- ii) The Asset Liability Management (ALM) Committee is comprised of following Directors/Officials:

- (1) Shri D. K. Mantri - Chairman
- (2) Shri A. K. Kothari
- (3) Shri A.V. Jalan
- (4) Shri Giriraj Maheswari
- (5) Shri R. P. Pansari – Chief Executive Officer
- (6) Shri J. K. Singhanian – Chief Financial Officer

Shri A. K. Kothari and Shri Giriraj Maheswari are all Independent Non- Executive Directors.

During the financial year ended on 31st March, 2021, only one meeting was held on 11-02-2021 and all the Committee members except Shri A. K. Kothari and Shri Giriraj Maheswari were present at the aforesaid meeting.

**Report on Corporate Governance (Contd.)**

iii) The Investment and Finance Committee is comprised of the following Directors/Officials:

- (1) Shri D. K. Mantri - Chairman
- (2) Shri A. K. Kothari
- (3) Shri A.V. Jalan
- (4) Shri Giriraj Maheswari
- (5) Shri R. P. Pansari – Chief Executive Officer
- (6) Shri J. K. Singhanian – Chief Financial Officer

Shri A. K. Kothari and Shri Giriraj Maheswari are all Independent Non- Executive Directors.

Investment and Finance Committee meetings were held on 21-04-2020 and 10-11-2020. The attendance record of the Investment and Finance Committee Members is as under:-

Name of the Investment and Finance Committee Members	No. of meeting attended
Shri D. K. Mantri	2
Shri A. K. Kothari	0
Shri A.V. Jalan	2
Shri Giriraj Maheswari	2
Shri R. P. Pansari	2
Shri J. K. Singhanian	2

**I. General Body Meetings**

(a) Details of Annual General Meetings / Extra Ordinary General Meetings held during the preceding three years are as under:

Year	Date	Type	Location	Time
2017-2018	14.09.2018	AGM	9/1, R. N. Mukherjee Road, Kolkata - 700001	3.00 P.M.
2018-2019	25.09.2019	AGM	9/1, R. N. Mukherjee Road, Kolkata - 700001	3.00 P.M.
2019-2020	11.09.2020	AGM	Held through Video Conferencing	3.00 P.M.

(b) Whether any special resolutions passed in the previous three AGMs ? Yes

The following special resolution was passed at the 73rd Annual General Meeting of the Company held on 11-09-2020:

Approval for continuation of Directorship of Smt. Rajashree Birla as a Non-Executive Director on attaining the age of 75 years.

(c) Whether special resolutions were put through postal ballot last year ? No

However, the Company sought the approval of shareholders by way of ordinary resolutions through notice of postal ballot dated 10-11-2020 for increase in Authorized Share Capital and consequent amendment to Memorandum of Association of the Company and issue of Bonus Shares, which were duly passed vide resolution dated 20-12-2020 and the results of which were announced on 21-12-2020.

## Report on Corporate Governance (Contd.)

The brief details of Postal Ballot Process are given below:

Particulars	Date
Date of Notice of Postal Ballot	10-11-2020
Start of Voting Period	21-11-2020 at 9.00 A.M.
End of Voting Period	20-12-2020 at 5.00 P.M
Scrutinizer for Postal Ballot and E-voting	Shri K. C. Dhanuka, Practicing Company Secretary (FCS-2204 CP-1247), Proprietor of M/s K. C. Dhanuka and Co., Company Secretaries
Date of declaration of results	21-12-2020

The details of the voting pattern are given below:

Sl. No.	Resolutions passed through Postal Ballot and E-voting	Votes in favour of the Resolution (%)	Votes against the Resolution (%)
1.	Increase in the Authorized Share Capital and consequent amendment to Memorandum of Association of the Company	99.87	0.13
2.	Issue of Bonus Shares	99.87	0.13

### Procedure for Postal Ballot

The procedure for Postal Ballot is as per the applicable provisions contained in this behalf in the Companies Act, 2013 and Rules made thereunder namely The Companies (Management and Administration) Rules, 2014 including any amendment(s), statutory modification(s) and/ or re-enactment thereof for the time being in force.

(d) Whether any Special Resolution is proposed to be conducted through postal ballot this year?

Currently, there is no proposal to pass any Special Resolution through Postal Ballot. Special Resolution(s) by way of Postal Ballot, if required to be passed in the future, will be decided at the relevant time.

### J. Disclosures

- (i) There are no materially significant transactions with related parties viz. Promoters, Directors or the Management, their subsidiaries or relatives conflicting with Company's interest except as stated in Notes to Financial Statement.
- (ii) No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to Capital Markets during the last three years except imposing a fine by NSE and BSE for non-compliance of a provision pertaining to the Composition of Board.
- (iii) The Company has adopted and complied with mandatory requirements relating to Corporate Governance norms as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (iv) The Company has in place Whistle Blower Policy (Vigil Mechanism) which is also available on the Company's website <http://pilaniinvestment.com/images/Pilani-%20Whistle%20Blower%20Policy%20New.pdf>. No personnel have been denied access to the Audit Committee to lodge their grievances, if any.
- (v) Policy on Material Subsidiaries and Policy on Related Party Transactions had been formulated and uploaded on the Company's website [www.pilaniinvestment.com/images/Pilani-%20Policy%20on%20Material%20Subsidiary%20New.pdf](http://www.pilaniinvestment.com/images/Pilani-%20Policy%20on%20Material%20Subsidiary%20New.pdf). and [www.pilaniinvestment.com/images/Pilani-RPT%20Policy%20New.pdf](http://www.pilaniinvestment.com/images/Pilani-RPT%20Policy%20New.pdf) respectively.
- (vi) A Board Performance Evaluation Policy has also been formulated and uploaded on the Company's website [www.pilaniinvestment.com/images/Pilani-%20Board%20Performance%20Evaluation%20Policy.pdf](http://www.pilaniinvestment.com/images/Pilani-%20Board%20Performance%20Evaluation%20Policy.pdf),

**Report on Corporate Governance (Contd.)**

- (vii) The Company has nothing to report as required under The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.
- (viii) Details of Familiarization/ Training program of Independent Director are available on the Company's website [www.pilaniinvestment.com/images/Familiarisation Programme to Independent Directors.pdf](http://www.pilaniinvestment.com/images/Familiarisation%20Programme%20to%20Independent%20Directors.pdf).
- (ix) The Company has nothing to report with respect to commodity price risks and commodity hedging activities.
- (x) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) : Not applicable.
- (xi) A certificate from a Company Secretary in practice have been obtained and annexed with this Report confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director of companies by the Board/Ministry of Corporate Affairs or any such Statutory Authority.
- (xii) During the financial year 2020-21, the Board has accepted all the recommendations of its Committees.
- (xiii) Details with respect to demat suspense account/unclaimed suspense account: Not applicable
- (xiv) The Company has disclosed about the compliance of regulations in respect of Corporate Governance under the Listing Regulations on its website [www.pilaniinvestment.com](http://www.pilaniinvestment.com).
- (xv) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part is given below: ₹ In Lakhs

Payment to Statutory Auditors	FY 2020-2021
Audit Fees	5.10
For Quarterly Review	1.95
Other Services	1.66
<b>Total</b>	<b>8.71</b>

- (xvi) The Chief Executive Officer and the Chief Financial Officer of the Company have certified to the Board with regard to the compliances made by them in terms of Regulation 17(8) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and their Certificate forms a part of this Annual Report.

**K. Means of Communication**

- (i) Quarterly results :
  - Which newspaper normally published in : The Financial Express, Kolkata and Aajkal, Kolkata
- (ii) Half-yearly report sent to each household of Shareholders : No
- (iii) Any website, where displayed : Yes – [www.pilaniinvestment.com](http://www.pilaniinvestment.com).
- (v) Whether Management Discussion & Analysis is a part of Annual Report : Yes

**L. Management Discussion & Analysis Report**

Your Company is an Investment and Finance Company and risk of the company consists principally of investment in shares and securities, loans and trade accounts receivable and investment in Mutual Funds. Internal control and monitoring systems are periodically evaluated to manage and minimize the risk.

The Company is fully committed to ensuring an effective internal control environment and periodically checks the adequacy and effectiveness of the internal control system. However, a detailed Management Discussion and Analysis Report is attached as an **Annexure – H** to the Board's Report.

## Report on Corporate Governance (Contd.)

### M. General Shareholder Information

**(i) Annual General Meeting to be held:**

Day & Date	: Thursday, 16th September, 2021
Venue	: Through Video Conferencing ("VC") or Other Audio -Visual Means ("OAVM")
Time	: 3.00 P.M.

**(ii) Financial Calendar (tentative) for the year 2021-22:**

First Quarterly Results	: On or before 14th August, 2021
Second Quarterly Results	: On or before 14th November, 2021
Third Quarterly Results	: On or before 14th February, 2022
Fourth Quarterly Results /Audited Yearly Results for the Year ended 31st March, 2022	: Before end of May, 2022

**(iii) Date of Book Closure** : Friday, 10th September, 2021 to Thursday, 16th September, 2021 (Both days inclusive)

**(iv) Date of Dividend payment** : On or after 22nd September, 2021

**(v) Information pertaining to the Stock Exchanges :**

**(a) The Equity Shares of the Company are listed at the following Stock Exchanges :**

- (i) National Stock Exchange of India Limited,  
Exchange Plaza, Bandra Kurla Complex, Bandra (East),  
Mumbai - 400051  
(Scrip Code: PILANIINVS)
- (ii) BSE Limited,  
Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai – 400001  
(Scrip Code: 539883)

Note: Listing fees for the year 2021-22 have been paid to both the Stock Exchanges.

**(b) ISIN No. for the Company's ordinary shares in Demat Form: INE 417C01014**

**(c) Depository Connectivity : NSDL and CDSL**

**(d) Registrar and Transfer Agent :**

Niche Technologies Private Limited.,  
3A, Auckland Place, 7th Floor, Room No. 7A & 7B, Kolkata - 700017  
Phone Nos. (033) 2280 6616/6617  
E-mail: nichetechpl@nichetechpl.com

**(e) Market Price Data**

The details of monthly highest and lowest closing quotations of the equity shares of the Company at the National Stock Exchange of India Limited and BSE Ltd. during the financial year 2020-2021 are as under:



Report on Corporate Governance (Contd.)

Quotation at National Stock Exchange of India Limited:

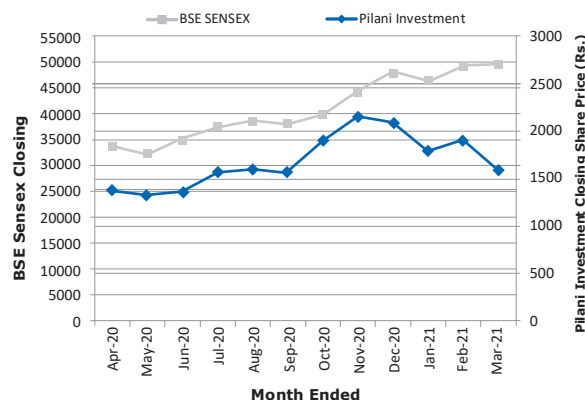
Month	High ₹	Low ₹	Volume (In Nos.)
April 2020	1560	1121	13796
May 2020	1498	1200	12689
June 2020	1475	1304	24165
July 2020	1600	1341	30741
Aug. 2020	1625	1440	29483
Sept. 2020	1675	1502	43054
Oct. 2020	2120	1555	54902
Nov. 2020	2240	1855	101205
Dec. 2020	2941	2062	258316
Jan. 2021	2125	1757	160089
Feb. 2021	1955	1766	107565
Mar. 2021	1985	1536	149753

Quotation at BSE Limited:

Month	High ₹	Low ₹	Volume (In Nos.)
April 2020	1500	1125	2040
May 2020	1475	1230	11696
June 2020	1419	1316	11107
July 2020	1602	1280	14578
Aug. 2020	1670	1447	6964
Sept. 2020	1679	1500	6724
Oct. 2020	2100	1557	7718
Nov. 2020	2300	1839	11602
Dec. 2020	2990	2050	41619
Jan. 2021	2122	1750	27122
Feb. 2021	2050	1768	12259
Mar. 2021	1980	1540	31934

Performance in comparison to broad based indices :

Pilani Investment vs BSE Sensex



## Report on Corporate Governance (Contd.)

### (f) Share Transfer System for physical Shares :

In accordance with the proviso to Regulation 40(1) of the Listing Regulations, effective from 1st April, 2019, transfers of shares of the Company shall not be processed unless the shares are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in various corporate actions.

Request for transmission of shares and dematerialization of shares will continue to be accepted.

### (vi) Distribution of Shareholding:

Distribution of shareholding as on 31st March, 2021

#### (a) According to Number of Equity Shares

Sl. No	No. of Equity Shares Held	No. of Folios	No. of Shares	% of Share holding
1	Upto 500	8,321	4,55,903	4.12
2	501 to 1,000	194	1,37,169	1.23
3	1,001 to 2,000	94	1,26,891	1.15
4	2,001 to 3,000	34	80,309	0.72
5	3,001 to 4,000	16	55,306	0.50
6	4,001 to 5,000	10	43,991	0.40
7	5,001 to 10,000	19	1,28,959	1.17
8	10,001 to 20,000	9	1,23,894	1.12
9	20,001 to 50,000	10	2,90,867	2.63
10	50,001 to 1,00,000	7	5,26,855	4.76
11	1,00,001 and above	7	91,02,106	82.20
	<b>Total</b>	<b>8,721</b>	<b>1,10,72,250</b>	<b>100.00</b>

#### (b) Categories of Shareholding :

Sl. No.	Category	No. of Folios	% of Folios	No. of Shares held	% of share holding
1	Promoters	8	0.10	63,71,980	57.55
2	Resident Individuals	8,372	96.00	10,27,548	9.28
3	Private Corporate Bodies	177	2.03	33,91,737	30.63
4	Financial Institutions / Nationalised Banks	4	0.04	1,35,774	1.23
5	Mutual Funds & Insurance	0	0.00	0	0.00
6	FIIS /FPI	1	0.01	39,760	0.36
7	NRI and OCBs	113	1.30	33,390	0.30
8	Others	44	0.50	48,379	0.44
9	IEPF Authority	2	0.02	23,682	0.21
	<b>Total</b>	<b>8,721</b>	<b>100.00</b>	<b>1,10,72,250</b>	<b>100.00</b>

**Report on Corporate Governance** (Contd.)**(vii) Dematerialization of shareholding and liquidity:**

As per SEBI's guidelines, your company's shares are compulsorily traded in Dematerialized Form for all the investors with effect from 27th November, 2001. As on 31st March, 2021, 1,10,10,927 Company's Equity shares representing 99.45% of the Company's total Equity Shares were held in dematerialized form and balance 61,323 Equity Shares representing 0.55% were held in physical form.

**(viii) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity: NIL****(ix) Contact address for Shares and Share related matters:**

For any assistance regarding Share transfers and transmission, change of address, duplicate/missing Share Certificates, Demat, redressal of Complaints and Grievances, non-receipt of dividends and other matters, please write to or contact the Share Department of the Company at the address given below :

Shri R. S. Kashyap, Pilani Investment and Industries Corporation Limited, Birla Building, 11th Floor, 9/1 R.N. Mukherjee Road, Kolkata-700001. Phone: - 033- 40823700 /2220 0600 (Extn. 2141).

For and on behalf of the Board of Directors

June 29, 2021

**Rajashree Birla**  
*Chairperson*  
(DIN: 00022995)  
Place : Mumbai

**D. K. Mantri**  
*Director*  
(DIN: 00075664)  
Place : Kolkata

## Report on Corporate Governance (Contd.)

To the Members of  
**Pilani Investment and Industries Corporation Limited**  
Birla Building , 9/1 R.N. Mukherjee Road  
Kolkata - 700001.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and management, we certify that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.

**K. C. Dhanuka & Co.**  
*Company Secretaries*

**K. C. Dhanuka**  
*Proprietor*

FCS-2204, CP-1247

Peer Reviewer No.: 108

UDIN:F002204B000487251

Kolkata  
June 29, 2021

### DECLARATION

The Board of Directors and Senior Management personnel have affirmed their compliance of the 'Code of Conduct for Members of the Board and Senior Management' for the year 2020 - 21 in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Kolkata  
June 29, 2021

**R. P. Pansari**  
*Chief Executive Officer*

**Report on Corporate Governance** (Contd.)**CEO/CFO Certificate under Regulation 17(8) of SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015**

We hereby certify to the Board that :-

- a. We have reviewed Financial Statements and the Cash Flow Statement for the financial year 2020-21 and that to the best of our knowledge and belief :-
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii. these statements, together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year 2020-21 which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept the responsibility of establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee
  - i. there have not been significant changes in internal control over financial reporting during the said financial year;
  - ii. there have not been significant changes in accounting policies during the said financial year and that the same have been disclosed in the notes to the financial statements ; and
  - iii. there has not been instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Kolkata  
June 29, 2021

**J. K. Singhania**  
*Chief Financial Officer*

**R. P. Pansari**  
*Chief Executive Officer*

## Report on Corporate Governance (Contd.)

### Certificate of Compliance with the Corporate Governance

Independent Auditor's Certificate on Compliance with the Corporate Governance Requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

The Members of

**Pilani Investment and Industries Corporation Limited**

9/1, R N Mukherjee Road,

Kolkata - 700001

1. The Corporate Governance Report prepared by Pilani Investment and Industries Corporation Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2021. This report is required by the Company for annual submission to the Stock Exchange and to be sent to the Shareholders of the Company.

### Management's Responsibility for compliance with the conditions of Listing Regulations

2. The compliance of conditions of corporate governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

### Auditor's Responsibility

3. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended 31st March, 2021.
5. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

## Report on Corporate Governance (Contd.)

### Opinion

7. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

### Restriction on use

9. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **Vidyarthi & Sons**  
Chartered Accountants  
Firm Reg. No.000112C

**Meenal C Vidyarthi**  
Partner

Membership No.F-079344  
UDIN : 21079344AAAAAG1166

Gwalior, June 29, 2021

## **Financial Section**



## Independent Auditor’s Report

To the Members of  
**Pilani Investment and Industries Corporation Limited**

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

#### Opinion

We have audited the accompanying standalone financial statements of Pilani Investment and Industries Corporation Limited (“the Company”), which comprise the standalone Balance Sheet as at 31st March 2021, the standalone Statement of Profit and Loss (including Other Comprehensive Income), the standalone Statement of Cash Flows and the standalone Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor’s Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made 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 on the standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor’s Response
<p>Valuation of Investments</p> <p>As per provisions of Indian Accounting Standards the Company’s Investments excluding investments in Subsidiaries and Associates are measured at fair value at each reporting date and this policy of measuring investments at fair value have significant impact on the Company’s financial results.</p> <p>The valuation is performed by the Company using a fair value hierarchy as applicable below:</p> <ul style="list-style-type: none"> <li>• Level 1: valuations based on quoted prices (unadjusted) in active markets.</li> <li>• Level 2: valuations based on other than quoted prices included within level 1 that are observable either directly or indirectly.</li> <li>• Level3: valuations based on unobservable inputs for the asset</li> </ul>	<p>We understood and tested the key controls around the valuation processes including the independent price verification and valuation governance controls. We found these key controls were designed, implemented and operated effectively, and therefore determined that we could place reliance on these key controls for the purposes of our audit.</p> <p>Further, we assessed the valuation of all individual investments to determine whether the valuations performed by the Company were within a predefined tolerable differences threshold.</p> <p>As part of these audit procedures, we assessed the accuracy of key inputs used in the valuation including observable and non-observable inputs.</p>

## Independent Auditor's Report (Contd.)

Key Audit Matter	Auditor's Response
<p>The valuation of investments is inherently subjective – most predominantly for the level 2 and level 3 investments since these are valued using inputs other than quoted prices in an active market. Key inputs used in the valuation of individual level 2 investments are market price of quoted investments, illiquidity discount etc. In addition, the Company determines whether objective evidence of impairment exists for individual investments.</p>	<p>We also evaluated the Company's assessment whether objective evidence of impairment exists for individual Investments.</p> <p>Based on these procedures, we have not noted any material differences outside the predefined tolerable differences threshold.</p>

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, for example, Corporate Overview, Key Highlights, Directors Report, Report on Corporate Governance, Management Discussion and Analysis Report, Business Responsibility Report, etc., but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from

## Independent Auditor's Report (Contd.)

fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

## Independent Auditor's Report (Contd.)

- (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31st March 2021 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164(2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness on the Company's internal financial control over financial reporting.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**For Vidyarthi & Sons**  
Chartered Accountants  
Firm Registration No.000112C

**Meenal C. Vidyarthi**  
Partner  
Membership No.F-079344  
UDIN:21079344AAAAAF7232

Gwalior, June 29, 2021

## Annexure – ‘A’ to the Independent Auditor’s Report

**(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our Report of even date)**

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

We have audited the Internal Financial Controls over Financial Reporting of Pilani Investment and Industries Corporation Limited (“the Company”) as of 31st March 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### Management’s responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the

## **Annexure – 'A' to the Independent Auditor's Report (Contd.)**

company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Vidyarthi & Sons**

*Chartered Accountants*

Firm Registration No.000112C

**Meenal C. Vidyarthi**

*Partner*

Membership No.F-079344

UDIN:21079344AAAAAF7232

Gwalior, June 29, 2021

## Annexure – ‘B’ to the Independent Auditor’s Report

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the members of PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED as at and for the year ended March 31, 2021.)

- 1) In respect of the Company’s fixed assets, we report that:
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. Fixed Assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
  - c. According to the information and explanation given to us by the management, the title deeds of immovable properties included in the fixed assets are held in the name of the Company
- 2) The Company’s business does not involve inventories and accordingly, the requirements under clause (ii) of paragraph 3 of the Order are not applicable to the company.
- 3) According to the information and explanations given to us and on the basis of our examination of the books of account, the company has, during the year, not granted any loans, secured or unsecured to Companies, Limited liability partnerships, Firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause (iii) (a), (b) and (c) of paragraph 3 of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- 5) The company has not accepted any deposits from the public covered under Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Hence, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.
- 6) To the best of our knowledge and as per information and explanation given to us by the management, the Company is not in the business of sale of any goods. Therefore, in our opinion, maintenance of cost records as prescribed by the Central Government under sub-section (1) of Section 148 of the Act is not applicable to the company. Hence clause (vi) of paragraph 3 of the Order is not applicable to the company.
- 7) According to the information and explanations given to us, in respect of statutory dues:
  - a. The Company is generally regular in depositing undisputed statutory dues with appropriate authorities including Provident Fund, Income Tax, Goods and Service Tax, Cess and any other statutory dues applicable to it. The provisions relating to Employees’ State Insurance, Sales Tax, Value Added Tax, Duty of Customs and Duty of Excise are not applicable to the Company.
  - b. There were no undisputed amounts payable in respect of Provident Fund, Income Tax, Service Tax, Goods and Service Tax, Cess and other material statutory dues were outstanding as at the year end for a period of more than six months from the date they became payable. The provisions relating to Employees’ State Insurance, Value Added Tax, Sales Tax, Duty of Customs and Duty of Excise are not applicable to the Company.
  - c. There are no dues in respect of Service Tax, Goods and Service Tax, Cess which have not been deposited on account of any dispute. The provisions relating to Employees’ State Insurance, Value Added Tax, Sales Tax, Duty of Customs and Duty of Excise are not applicable to the Company. The particulars of dues of Income Tax as at March 31, 2021 which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (₹ in Lacs)	Period to which the amount relates	Forum where Dispute is pending
Income Tax Act, 1961	Income tax on certain disallowances, etc.	568.84 lacs	(A.Y.) 2010-11, 2011-12, 2013-14, 2014-15 and 2017-18	Deputy Commissioner Income Tax, Appellate Tribunal, Kolkata

## Annexure – 'B' to the Independent Auditor's Report (Contd.)

- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- 9) According to the information and explanation given to us by the management, the company has not raised any money by way of initial public offer or further public offer including debt instruments and term loans. Hence clause (ix) of paragraph 3 of the Order is not applicable to the Company and is not commented upon.
- 10) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- 11) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- 12) In our opinion, the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Hence clause (xii) of paragraph 3 of the Order is not applicable and is not commented upon.
- 13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act 2013, where applicable and details of such transactions have been disclosed in the notes to Standalone Financial Statements as required by the applicable accounting standards.
- 14) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence clause (xiv) of paragraph 3 of the Order is not applicable to the company and is not commented upon.
- 15) According to the information and explanations given to us by the management, the Company has not entered into any non-cash transactions with the directors or persons connected with him as referred to in Section 192 of the Companies Act, 2013. Accordingly, clause (xv) of paragraph 3 of the Order is not applicable.
- 16) According to the information and explanations given to us, we report that the Company is registered as required, under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Vidyarthi & Sons**

*Chartered Accountants*

Firm Registration No.000112C

**Meenal C. Vidyarthi**

*Partner*

Membership No.F-079344

UDIN:21079344AAAAAF7232

Gwalior, June 29, 2021



## Balance Sheet as at 31st March, 2021

(₹ In Lakhs)

Sl. No.	Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
	<b>ASSETS :</b>			
<b>(1)</b>	<b>Financial assets</b>			
(a)	Cash & cash equivalents	2	69.90	358.99
(b)	Bank balances other than cash and cash equivalents	3	2,238.63	42.04
(c)	Trade receivables	4	45.25	83.97
(d)	Loans	5	2,01,500.00	1,41,136.00
(e)	Investments	6	8,22,404.59	3,42,979.93
(f)	Other financial assets	7	-	3,370.15
			<b>10,26,258.37</b>	<b>4,87,971.08</b>
<b>(2)</b>	<b>Non-Financial assets</b>			
(a)	Current tax assets (net)	8	506.81	438.86
(b)	Investment property	9	133.31	160.59
(c)	Property, plant and equipment	10	46.00	62.78
(d)	Other non-financial assets	11	28.40	42.12
			<b>714.52</b>	<b>704.35</b>
	<b>TOTAL ASSETS</b>		<b>10,26,972.89</b>	<b>4,88,675.43</b>
	<b>LIABILITIES AND EQUITY:</b>			
	<b>Liabilities</b>			
<b>(1)</b>	<b>Financial liabilities</b>			
(a)	Trade payables	12		
	(i) Total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		13.80	132.57
(b)	Debt Securities	13	41,503.34	-
(c)	Borrowings (Other than debt securities)	14	39,500.00	42,000.00
(d)	Other financial liabilities	15	40.64	1,115.38
			<b>81,057.78</b>	<b>43,247.95</b>
<b>(2)</b>	<b>Non-financial liabilities :</b>			
(a)	Provisions	16	832.11	692.73
(b)	Deferred tax liabilities (net)	17	37,250.89	8,585.16
(c)	Other non financial liabilities	18	74.38	170.47
			<b>38,157.38</b>	<b>9,448.36</b>
<b>(3)</b>	<b>Equity</b>			
(a)	Equity share capital	19	1,107.23	790.88
(b)	Other equity	20	9,06,650.50	4,35,188.24
			<b>9,07,757.73</b>	<b>4,35,979.12</b>
	<b>TOTAL LIABILITIES AND EQUITY</b>		<b>10,26,972.89</b>	<b>4,88,675.43</b>

## Summary of significant accounting policies

See accompanying notes forming part of the financial statements

As per our Report of even date

## For Vidyarthi &amp; Sons

Chartered Accountants

Firm Registration No.: 000112C

## Meenal C Vidyarthi

Partner

Membership No. F-079344

Place: Gwalior

Dated: 29th June, 2021

1

2 to 54

For and on behalf of the Board of Directors of  
Pilani Investment and Industries Corporation Limited

## Rajashree Birla

Chairperson

(DIN: 00022995)

Place: Mumbai

## R. P. Pansari

Chief Executive Officer

Place: Kolkata

## J. K. Singhania

Chief Financial Officer

Place: Kolkata

Dated: 29th June, 2021

## D. K. Mantri

Director

(DIN: 00075664)

Place: Kolkata

## R. S. Kashyap

Company Secretary

Place: Kolkata

**Statement of Profit and Loss Account** for the year ended 31st March, 2021

(₹ In Lakhs)

Sl No	Particulars	Note No.	For the year ended on 31.03.2021	For the year ended on 31.03.2020
	<b>Revenue from Operations</b>			
(i)	Interest income	21	17,724.82	9,849.68
(ii)	Dividend income	22	2,913.55	4,974.10
(iii)	Net gain on fair value changes	23	6.35	101.41
(iv)	Others	24	266.64	348.09
(I)	<b>Total revenue from operations</b>		<b>20,911.36</b>	<b>15,273.28</b>
(II)	<b>Other income</b>	25	<b>88.93</b>	<b>0.01</b>
(III)	<b>Total income</b>		<b>21,000.29</b>	<b>15,273.29</b>
	<b>Expenses</b>			
(i)	Finance costs	26	5,210.54	4,307.26
(ii)	Employee benefit expense	27	138.93	138.53
(iii)	Depreciation and amortization expense	28	44.30	39.17
(iv)	Other expenses	29	582.34	921.43
(IV)	<b>Total expenses</b>		<b>5,976.11</b>	<b>5,406.39</b>
(V)	<b>Profit/(loss) before exceptional items and tax</b>		<b>15,024.18</b>	<b>9,866.90</b>
(VI)	<b>Exceptional items</b>		-	-
(VII)	<b>Profit/(loss) before tax</b>		<b>15,024.18</b>	<b>9,866.90</b>
(VIII)	<b>Tax expenses</b>	31		
	1) Current tax		3,286.28	1,438.29
	2) MAT credit entitlement		-	69.08
	3) Deferred tax		(2.01)	(7.16)
	4) Income tax for earlier year		-	257.97
			<b>3,284.27</b>	<b>1,758.18</b>
(IX)	<b>Profit/(loss) for the year</b>		<b>11,739.91</b>	<b>8,108.72</b>
(X)	<b>Other comprehensive income</b>	31		
A(i)	Items that will not be reclassified to profit or loss		4,92,572.34	2,070.05
A(ii)	Income tax relating to items that will not be reclassified to profit or loss		28,667.74	9,232.48
	<b>Other comprehensive income</b>		<b>4,63,904.60</b>	<b>(7,162.43)</b>
(XI)	<b>Total comprehensive income for the year (comprising profit/(loss) and other comprehensive income for the year)</b>		<b>4,75,644.51</b>	<b>946.29</b>
(XII)	<b>Earnings per equity share (FV ₹ 10/-)</b>	32		
	1) Basic (₹)		106.03	73.23
	2) Diluted (₹)		106.03	73.23

**Summary of significant accounting policies**

See accompanying notes forming part of the financial statements

As per our Report of even date

**For Vidyarthi & Sons**

Chartered Accountants

Firm Registration No.: 000112C

**Meenal C Vidyarthi**

Partner

Membership No. F-079344

Place: Gwalior

Dated: 29th June, 2021

1

2 to 54

For and on behalf of the Board of Directors of  
Pilani Investment and Industries Corporation Limited**Rajashree Birla**

Chairperson

(DIN: 00022995)

Place: Mumbai

**R. P. Pansari**

Chief Executive Officer

Place: Kolkata

**J. K. Singhania**

Chief Financial Officer

Place: Kolkata

Dated: 29th June, 2021

**D. K. Mantri**

Director

(DIN: 00075664)

Place: Kolkata

**R. S. Kashyap**

Company Secretary

Place: Kolkata

**Cash Flow Statement** for the Year Ended 31st March, 2021

(₹ In Lakhs)

Particulars	For the year ended on 31.03.2021	For the year ended on 31.03.2020
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Tax	15,024.18	9,866.90
<b>Adjustments for:</b>		
Depreciation	44.30	39.17
Net gain on fair value changes	-	(0.78)
Finance cost	5,210.54	4,307.26
<b>Operating profit before working capital changes</b>	<b>20,279.02</b>	<b>14,212.55</b>
Changes in working capital:		
Trade receivables	38.72	(32.41)
Loans and other advances	(56,980.13)	(1,44,382.94)
Trade and other payables	(1,158.15)	1,812.50
	(37,820.54)	(1,28,390.30)
<b>Direct tax paid</b>	<b>(5,242.95)</b>	<b>(7,660.10)</b>
<b>Net Cash Flow From/(Used In) in operating activities</b>	<b>(43,063.49)</b>	<b>(1,36,050.40)</b>
<b>B. Cash Flow from Investment Activities</b>		
Bank deposits other than cash and cash equivalents	(2,196.59)	3.56
Sale/(Purchase) of Investments (Net)	13,155.62	1,25,634.00
Purchase of property, plant and equipments	(0.24)	(67.76)
<b>Net cash flow from/(used in) investment activities</b>	<b>10,958.79</b>	<b>1,25,569.80</b>
<b>C. Cash Flow from Financing Activities</b>		
Borrowings (net)	39,003.34	17,500.00
Payment of dividend	(1,977.19)	(1,980.75)
Payment of dividend tax	-	(406.42)
Finance cost	(5,210.54)	(4,307.26)
<b>Net cash flow from/(used In) in financing activities</b>	<b>31,815.61</b>	<b>10,805.57</b>
<b>Net increased/(decreased) in cash and cash equivalents (A+B+C)</b>	<b>(289.09)</b>	<b>324.97</b>
Opening cash and cash equivalents	358.99	34.02
Closing cash and cash equivalents	69.90	358.99

**Cash Flow Statement** for the Year Ended 31st March, 2021 (Contd.)**Notes:**

1. Components of cash and cash equivalents:

(₹ In Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Cash on hand</b>	<b>0.36</b>	0.25
Balances with banks		
<b>- In current accounts</b>	<b>69.54</b>	358.74
<b>Total</b>	<b>69.90</b>	358.99

2. The above cash flow statement has been prepared under the "indirect method" as set out in the Ind AS - 7 on statement of cash flows specified under section 133 of the Companies Act, 2013.
3. Since the Company is an investment company, purchase and sale of investments have been considered as part of "Cash flow from investing activities" and interest earned of ₹ 17724.82 lakhs (Previous year ₹ 9489.68 Lakhs) and dividend earned of ₹ 2913.55 lakhs (Previous year ₹ 4974.10 lakhs) have been considered as part of "Cash flow from operating activities".

As per our Report of even date

**For Vidyarthi & Sons**

Chartered Accountants

Firm Registration No.: 000112C

**Meenal C Vidyarthi**

Partner

Membership No. F-079344

Place: Gwalior

Dated: 29th June, 2021

**For and on behalf of the Board of Directors of  
Pilani Investment and Industries Corporation Limited**

**Rajashree Birla**

Chairperson

(DIN: 00022995)

Place: Mumbai

**R. P. Pansari**

Chief Executive Officer

Place: Kolkata

**J. K. Singhania**

Chief Financial Officer

Place: Kolkata

Dated: 29th June, 2021

**D. K. Mantri**

Director

(DIN: 00075664)

Place: Kolkata

**R. S. Kashyap**

Company Secretary

Place: Kolkata

## Statement of Changes in Equity for the Year Ended 31st March, 2021

A Equity share capital				(₹ In Lakhs)
Particulars	No. of Equity Shares of ₹ 10 each	Balance at the beginning of the reporting year	Changes in equity share capital during the year**	Balance at the end of the reporting year
		(Amount)		(Amount)
<b>Issued, paid-up and subscribed</b>				
As on 31.03.2020	79,08,750	790.88	-	790.88
<b>As on 31.03.2021</b>	<b>1,10,72,250</b>	<b>790.88</b>	<b>316.35</b>	<b>1,107.23</b>

B Other equity						(₹ In Lakhs)	
Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserve and surplus			Equity instruments through other comprehensive income	Total
			Statutory reserve	General reserve	Retained earnings		
<b>Balance at the beginning of the reporting year 01.04.2019</b>	-	-	<b>19,543.42</b>	<b>19,713.33</b>	<b>29,061.04</b>	<b>3,72,507.92</b>	<b>4,40,825.71</b>
Total comprehensive income for the year	-	-	-	-	8,108.72	(7,160.70)	948.02
Add/(Less): Remeasurement of net defined benefit through OCI net of tax			-	-	(1.73)	-	(1.73)
Add: Realised gain/(loss) on Equity Shares (FVTOCI) transferred from Equity Instruments through Other Comprehensive Income			-	-	1,25,309.62	(1,25,309.62)	-
Less: Current Tax on Realised gain/(loss) on Equity Shares (FVTOCI) transferred from Equity Instruments through Other Comprehensive Income			-	-	(4,200.15)	-	(4,200.15)
Dividend paid during the Year	-	-	-	-	(1,977.19)	-	(1,977.19)
Tax on dividend			-	-	(406.42)	-	(406.42)
Transfer to retained earnings	-	-	-	-	-	-	-
Transfer to statutory reserve			25,915.00	-	(25,915.00)	-	-
<b>Balance at the end of the reporting year 31.03.2020</b>	-	-	<b>45,458.42</b>	<b>19,713.33</b>	<b>1,29,978.89</b>	<b>2,40,037.60</b>	<b>4,35,188.24</b>

**Statement of Changes in Equity** for the Year Ended 31st March, 2021 (Contd.)

<b>B Other equity</b>							(₹ In Lakhs)
Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserve and surplus			Equity instruments through other comprehensive income	Total
			Statutory reserve	General reserve	Retained earnings		
Total comprehensive Income for the year	-	-	-	-	11,739.92	4,63,912.54	4,75,652.46
Add/(Less): Remeasurement of net defined benefit through OCI net of tax			-	-	(7.94)	-	(7.94)
Add: Realised gain/(loss) on Equity Shares (FVTOCI) transferred from Equity Instruments through Other Comprehensive Income			-	-	16,509.82	(16,509.82)	-
Less: Current Tax on Realised gain/(loss) on Equity Shares (FVTOCI) transferred from Equity Instruments through Other Comprehensive Income			-	-	(1,888.72)	-	(1,888.72)
Less: Transfer on account on Bonus Shares					(316.35)		(316.35)
Dividend paid during the Year	-	-	-	-	(1,977.19)	-	(1,977.19)
Tax on dividend	-	-	-	-	-	-	-
Transfer to statutory reserve			5,270.61	-	(5,270.61)	-	-
<b>Balance at the end of the reporting year 31.03.2021</b>	<b>-</b>	<b>-</b>	<b>50,729.03</b>	<b>19,713.33</b>	<b>1,48,767.82</b>	<b>6,87,440.32</b>	<b>9,06,650.50</b>

\*\* Refer Note 19

As per our Report of even date

**For Vidyarthi & Sons**

Chartered Accountants

Firm Registration No.: 000112C

**Meenal C Vidyarthi**

Partner

Membership No. F-079344

Place: Gwalior

Dated: 29th June, 2021

**For and on behalf of the Board of Directors of  
Pilani Investment and Industries Corporation Limited****Rajashree Birla**

Chairperson

(DIN: 00022995)

Place: Mumbai

**R. P. Pansari**

Chief Executive Officer

Place: Kolkata

**J. K. Singhania**

Chief Financial Officer

Place: Kolkata

Dated: 29th June, 2021

**D. K. Mantri**

Director

(DIN: 00075664)

Place: Kolkata

**R. S. Kashyap**

Company Secretary

Place: Kolkata

## Notes forming part of the Financial Statements

### Significant Accounting Policies

#### CORPORATE INFORMATION

Pilani Investment and Industries Corporation Limited is a limited company incorporated and domiciled in India. The registered office of the company is at "Birla Building", 9/1, R. N. Mukherjee Road, 11th floor, Kolkata – 700001, West Bengal, India.

The Company is registered with the Reserve Bank of India ("RBI") as a Systemically Important Non-Deposit Accepting Company ("NBFC"). As an NBFC, the Company is holding investments in its subsidiaries, other group companies, mutual funds and carries out only such activities as are permitted under the guidelines issued by RBI for NBFC.

Its shares are listed on the Bombay Stock Exchange (BSE), India, and the National Stock Exchange (NSE), India.

#### 1. Statement of Compliance

These standalone financial statements are prepared and presented in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards)(Amendment) Rules, 2016 notified under section 133 read with sub-section (1) of section 210A the Companies Act, 2013, the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable. In addition, the applicable regulation of the Reserve Bank of India (RBI) and Guidance Notes/announcement issued by the Institute of Chartered Accountants of India (ICAI) are also applied.

##### 1.1. Basis of Preparation

The standalone financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

##### 1.2. 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 in Lakhs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupee to two decimal places.

## Notes forming part of the Financial Statements (Contd.)

### 1.3. 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 receivables reduced for estimated customer credits and other similar allowances.

#### i) Interest and Dividend Income

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.

#### ii) Net Gain or Fair Value Changes

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.

#### iii) Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss, unless the increase is in line with expected general inflation, in which case lease income is recognised based on contractual terms.

#### iv) Other Operational Revenue

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.

### 1.4. Properties, Plant and Equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Cost includes all direct cost related to the acquisition of PPE and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy.



## Notes forming part of the Financial Statements (Contd.)

Land and buildings held for use are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as “capital work in progress”.

Depreciation is recognised using reducing balance method so as to write off the cost of the assets (other than freehold land) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life/ residual value is accounted on prospective basis.

Depreciation for additions to/deductions from, owned assets is calculated pro rata to the period of use. Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

Assets held under finance leases are depreciated over the shorter of lease term and their useful life on the same basis as owned assets. However, when there is no reasonable certainty that the Company shall obtain ownership of the assets at the end of the lease term, such assets are depreciated based on the useful life prescribed under Schedule II to the Companies Act, 2013 or based on the useful life adopted by the Company for similar assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is recognised in profit or loss.

### 1.5. Investment Property

Investment properties are properties (including those under construction) held to earn rentals and / or capital appreciation are classified as investment property and are measured and reported at cost including transaction costs.

Depreciation is recognised using reducing balance method so as to write off the cost of the investment property less their residual values over their useful lives specified in schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined.

Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life / residual value is accounted on prospective basis. Freehold land and properties under construction are not depreciated.

As investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal.

Any gain or loss arising on de-recognition of property is recognised in the Statement of Profit and Loss in the same period.

### 1.6. Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Direct expenses and administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

## Notes forming part of the Financial Statements (Contd.)

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

Intangible assets are amortised on straight line basis over the estimated useful life. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are recognised in profit or loss when the asset is derecognised.

### 1.7. Impairment of Tangible and Intangible Assets other than Goodwill

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, investment property and intangible assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

i) in the case of an individual asset, at the higher of the net selling price and the value in use;

and

ii) in the case of a cash generating unit (the smallest identifiable Company of assets that generates independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

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

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairment loss recognised in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit), except for allocated goodwill, is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss (other than impairment loss allocated to goodwill) is recognised immediately in the Statement of Profit and Loss.

### 1.8. Employee Benefits

#### i) Short Term Employee Benefits

Employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

## Notes forming part of the Financial Statements (Contd.)

### ii) Post-employment benefits:

a) *Defined contribution plans:* The Company's superannuation scheme, state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

b) *Defined benefit plans:* The obligation in respect of defined benefit plans, which cover Gratuity are provided for on the basis of an actuarial valuation at the end of each financial year using project unit credit method. The Company's liability is actuarially determined (using the Projected Unit Credit Method) at the end of the year. Actuarial losses/gains are recognised in the Other Comprehensive Income in the year in which they arise.

Re-measurement, comprising actuarial gains and losses, is reflected immediately in the Balance Sheet with a charge or credit recognised in the Other Comprehensive Income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings, and will not be reclassified to profit or loss.

Defined benefit costs are categorised as follows:

i) Service cost (including current service cost, past service cost, as well as gain and losses on curtailments and settlements);

ii) Net interest expense or income; and

iii) Re-measurement.

The Company presents the first two components of defined benefit costs in Statement of Profit and Loss in the line item 'Employee Benefits Expense'.

The present value of the defined benefit plan liability is calculated using a discount rate, which is determined by reference to market yields at the end of the reporting period on government bonds.

The retirement benefit obligation, recognized in the Balance Sheet, represents the Company's liability based on actuarial valuation.

iii) Long term employee benefits:

The obligation recognised in respect of long term benefits such as long term compensated absences is measured at present value of estimated future cash flows expected to be made by the Company and is recognised in a similar manner as in the case of defined benefit plans vide (ii) (b) above.

iv) Termination benefits:

Termination benefits such as compensation under employee separation schemes are recognised as expense when the Company's offer of the termination benefit is accepted or when the Company recognises the related restructuring costs whichever is earlier.

### 1.9. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an

## Notes forming part of the Financial Statements (Contd.)

option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

### Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component based on the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

### Company as a Lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference

## Notes forming part of the Financial Statements (Contd.)

to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

### 1.10. Financial Instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

A financial asset and a financial liability is offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

#### 1) Financial Assets

##### a) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### b) Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to sole payments of principal and interest on the principal amount outstanding and by selling financial assets.

##### c) Debt instruments at amortised cost or at FVTOCI

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Company's business model for managing the asset.

For an asset to be classified and measured at amortised cost, its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding (SPPI).

For an asset to be classified and measured at FVTOCI, the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and the contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has more than one business model for managing its financial instruments which reflect how the Company manages its financial assets in order to generate cash flows. The Company's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

## Notes forming part of the Financial Statements (Contd.)

The Company considers all relevant information available when making the business model assessment. However, this assessment is not performed on the basis of scenarios that the Company does not reasonably expect to occur, such as so-called 'worst case' or 'stress case' scenarios. The Company takes into account all relevant evidence available such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- how managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

The Company reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the Company has not identified a change in its business models.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss.

In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

### d) 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 immediately recognised in profit or loss.

### e) De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily de-recognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

## 2) Financial liabilities

a) Financial liabilities, including derivatives, which are designated for measurement at FVTPL are subsequently measured at fair value. Financial guarantee contracts are subsequently measured at the amount of impairment loss allowance or the amount recognised at inception net of cumulative amortisation, whichever is higher.

## Notes forming part of the Financial Statements (Contd.)

All other financial liabilities including loans and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method.

b) A financial liability is derecognised when the related obligation expires or is discharged or cancelled.

### 1.11. Write Off

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

### 1.12. Impairment

The Company recognises loss allowances for ECLs on the following financial instruments that are not measured at FVTPL:

- Loans and advances to customers;
- Debt investment securities;
- Trade and other receivable;
- Lease receivables;
- Irrevocable loan commitments issued; and
- Financial guarantee contracts issued.

### Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if corporate debt instruments are credit impaired, the Company considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment.

For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default (see below) includes unlikeliness to pay indicators and a back-stop if amounts are overdue for 90 days or more.

## Notes forming part of the Financial Statements (Contd.)

### Significant increase in credit risk

The Company monitors all financial assets and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's historical experience and expert credit assessment.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the Probability of Default will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

As a back-stop when loan asset not being a corporate loans becomes 30 days past due, the Company considers that a significant increase in credit risk has occurred and the asset is instage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL in respect of all retail assets. In respect of the corporate loan assets, shifting to Stage 2 has been rebutted using historical evidence from own portfolio to a threshold of 60 days past due, which is reviewed annually.

### Purchased or originated credit-impaired (POCI) financial assets

POCI financial assets are treated differently because the asset is credit-impaired at initial recognition. For these assets, the Company recognises all changes in lifetime ECL since initial recognition as a loss allowance with any changes recognised in profit or loss. A favourable change for such assets creates an impairment gain.

### Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Company considers the following as constituting an event of default:

- the borrower is past due more than 90 days on any material credit obligation to the Company; or
- the borrower is unlikely to pay its credit obligations to the Company in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets.

When assessing if the borrower is unlikely to pay its credit obligation, the Company takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate lending a qualitative indicator used is the admittance of bankruptcy petition by National Company Law Tribunal, which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counter party are key inputs in this analysis. The Company uses a variety of sources of information to assess default which are either developed internally or obtained from external sources. The definition of default is applied consistently to all financial instruments unless information becomes available that demonstrates that another default definition is more appropriate for a particular financial instrument. With



## Notes forming part of the Financial Statements (Contd.)

the exception of POCI financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition (and consequently to credit impaired financial assets). For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

- for financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Company expects to receive from the holder, the debtor or any other party.

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics.

### 1.13. Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cashflows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan may constitute a modification even if these new or adjusted covenants do not yet affect the cashflows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified the Company assesses whether this modification results in derecognition. In accordance with the Company's policy a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Company considers the following:

- Qualitative factors, such as contractual cashflows after modification are no longer SPPI,
- Change in currency or change of counter party,
- The extent of change in interest rates, maturity, covenants.

## Notes forming part of the Financial Statements (Contd.)

If these do not clearly indicate a substantial modification, then;

a) In the case where the financial asset is derecognised the loss allowance for ECL is re-measured at the date of derecognition to determine the net carrying amount of the asset at that date.

The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised paramount because there remains a high risk of default which has not been reduced by the modification. The Company monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

b) When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Company determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with
- the remaining lifetime PD at the reporting date based on the modified terms.

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Company's ability to collect the modified cash flows taking into account the Company's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Company calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Company measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

The Company derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/ loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently re-classified to profit or loss.

## Notes forming part of the Financial Statements (Contd.)

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain/loss allocated to it that had been recognised in OCI is recognised in profit or loss. A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVTOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

### 1.14. Presentation of allowance for ECL in the Balance Sheet

Loss allowances for ECL are presented in the statement of financial position as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- for debt instruments measured at FVTOCI: no loss allowance is recognised in Balance Sheet as the carrying amount is at fair value.

### 1.15. Cash and bank balances:

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

### 1.16. Borrowing costs:

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

Borrowing costs net of any investment income from the temporary investment of related borrowings, that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 1.17. Accounting and reporting of information for Operating Segments:

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments. Segment accounting policies are in line with the accounting policies of the Company.

### 1.18. Foreign currencies:

i) The functional currency and presentation currency of the Company is Indian Rupee. Functional currency of the Company and foreign operations has been determined based on the primary economic environment in which the Company and its foreign operations operate considering the currency in which funds are generated, spent and retained.

ii) Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are

## Notes forming part of the Financial Statements (Contd.)

reported at the prevailing closing spot rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise.

iii) Financial statements of foreign operations whose functional currency is different than Indian Rupees are translated into Indian Rupees as follows:

A. assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;

B. income and expenses for each income statement are translated at average exchange rates; and

C. all resulting exchange differences are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve for subsequent reclassification to profit or loss on disposal of such foreign operations.

### 1.19. Taxation:

#### Current Tax:

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent it relates to an item which is recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable/ receivable on the taxable income/ loss for the year using applicable tax rates for the relevant period, and any adjustment to taxes in respect of previous years.

#### Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the taxes applicable.

## Notes forming part of the Financial Statements (Contd.)

### 1.20. Provisions, contingent liabilities and contingent assets:

Provisions are recognised only when:

- i) a Company entity has a present obligation (legal or constructive) as a result of a past event; and
- ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- iii) a reliable estimate can be made of the amount of the obligation

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

- i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- ii) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are disclosed where an inflow of economic benefits is probable. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

### 1.21. Commitment:

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- a) estimated amount of contracts remaining to be executed on capital account and not provided for;
- b) uncalled liability on shares and other investments partly paid;
- c) funding related commitment to associate companies; and
- d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

### 1.22. Statement of cash flows:

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.

## Notes forming part of the Financial Statements (Contd.)

### 1.23. Earnings per share:

The Company presents basic and diluted 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.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

### 1.24. Key source of estimation:

The preparation of financial statements in conformity with Ind AS requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, expected credit loss on loan books, future obligations in respect of retirement benefit plans, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

### 1.25. Changes in Accounting Standard and recent accounting pronouncements (New Accounting Standards issued but not effective):

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

## Notes forming part of the Financial Statements (Contd.)

<b>Note 2 Cash &amp; cash equivalents</b>		
(₹ In Lakhs)		
<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Cash on hand	0.36	0.25
Balances with banks		
- In current accounts	69.54	358.74
<b>Total</b>	<b>69.90</b>	<b>358.99</b>
<b>Note 3 Bank balances other than cash and cash equivalents</b>		
(₹ In Lakhs)		
<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Earmarked Balances with Bank		
Unpaid Dividend Account	38.63	42.04
Term Deposit of upto Twelve Months Maturity	2,200.00	-
<b>Total</b>	<b>2,238.63</b>	<b>42.04</b>
<b>Note 4 Receivables</b>		
(₹ In Lakhs)		
<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>Trade Receivables</b>		
Receivables considered good - Unsecured	45.25	83.97
<b>Total</b>	<b>45.25</b>	<b>83.97</b>
<b>Note 5 Loans</b>		
(₹ In Lakhs)		
<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>(A) At amortised cost</b>		
Loans repayable on demand		
- to Related parties	-	86.00
- to Others	2,01,500.00	1,41,050.00
<b>Total (A)</b>	<b>2,01,500.00</b>	<b>1,41,136.00</b>
<b>(B) At amortised cost</b>		
Unsecured	2,01,500.00	1,41,136.00
<b>Total (B)</b>	<b>2,01,500.00</b>	<b>1,41,136.00</b>
<b>(C)</b>		
(I) Loans in India		
At amortised cost		
(i) Public sector	-	-
(ii) Others -Corporate Bodies	2,01,500.00	1,41,136.00
<b>Total (C) (I)</b>	<b>2,01,500.00</b>	<b>1,41,136.00</b>
(II) Loans outside India		
At amortised cost	-	-
<b>Total (C) (II)</b>	<b>-</b>	<b>-</b>
<b>Total C(I) and C(II)</b>	<b>2,01,500.00</b>	<b>1,41,136.00</b>

**Notes forming part of the Financial Statements (Contd.)**

<b>Note 6 Investments</b>					
(₹ In Lakhs)					
Particulars	Face Value (₹)	As at 31.03.2021		As at 31.03.2020	
		Nos./Unit	Amount	Nos./Unit	Amount
<b>(A) At fair value through profit or loss</b>					
<b>Investment in mutual funds</b>					
ABSL Overnight Fund	1000	-	-	21,405	230.80
<b>(B) At fair value through other comprehensive income</b>					
<b>Investment in Equity instruments</b>					
<b>Quoted</b>					
Aditya Birla Fashion & Retail Limited	10	21,88,866	4,405.09	21,88,866	3,346.78
Aditya Birla Capital Limited **	10	3,36,01,721	40,086.85	3,36,01,721	14,163.13
Birla Tyres Limited	10	2,73,38,750	6,233.24	2,73,38,750	820.16
Grasim Industries Limited	2	2,47,14,527	3,58,496.57	2,47,14,527	1,17,665.86
Hindalco Industries Limited	1	2,98,57,969	97,590.77	2,98,57,969	28,574.08
Vodafone Idea Limited (Formerly: Idea Cellular Limited)	10	10,90,28,530	10,085.14	10,90,28,530	3,379.88
Jayshree Tea & Industries Limited	5	2,844	1.88	2,844	0.88
Kesoram Industries Limited	10	2,73,38,750	19,205.47	2,73,38,750	5,016.66
Kesoram Textile Mills Limited	2	24,15,750	48.32	24,15,750	48.32
Mangalam Cement Limited	10	11,20,000	3,144.96	11,20,000	1,680.00
Tanfac Industries Limited	10	4,98,000	1,216.61	4,98,000	394.17
Ultra Tech Cement Limited	10	34,89,647	2,35,130.67	38,84,321	1,26,040.39
<b>Quoted (Partly Paid up)</b>					
Aditya Birla Fashion & Retail Limited	7.50	18,00,000	3,040.20	-	-
<b>Unquoted</b>					
Birla Buildings Limited	10	15,000	1.52	15,000	1.52
Birla Consultants Limited	10	12,000	1.20	12,000	1.20
Essel Mining & Industries Limited ***	10	1,501	1.00	1	1.00
Indo Thai Synthetics Co. Limited	Baht10	2,07,900	11.42	2,07,900	11.42
Indo Phil Textile Mills Inc. Manila	Peso10	2,11,248	2.03	2,11,248	2.03
The Eastern Economist Limited	100	400	0.40	400	0.40
The Industry House Limited	100	2,812	1.89	2,812	1.89



## Notes forming part of the Financial Statements (Contd.)

Note 6 Investments					
(₹ In Lakhs)					
Particulars	Face Value (₹)	As at 31.03.2021		As at 31.03.2020	
		Nos./Unit	Amount	Nos./Unit	Amount
<b>(C) Investments -Others (At cost)</b>					
Subsidiaries (#)					
- PIC Properties Limited	10	50,002	5.00	50,002	5.00
- PIC Realcon Limited	10	50,000	5.00	50,000	5.00
Associates (#)					
- Century Textiles & Industries Limited	10	3,69,78,570	41,589.36	3,69,78,570	41,589.36
<b>(D) Preference Share Application Money (pending allotment) \$\$</b>			2,100.00	-	-
<b>(E) Total – Gross (A+B+C+D)</b>			8,22,404.59		3,42,979.93
(i) Investments outside India			13.45		13.45
(ii) Investments in India			8,22,391.14		3,42,966.48
<b>Total (F)</b>			8,22,404.59		3,42,979.93
<b>(G) Total (E) to tally with (F)</b>			-		-
Less: Allowance for Impairment loss (H )			-		-
<b>(I) Total – Net = (E)-(H)</b>			8,22,404.59		3,42,979.93

(#)As per para 10 of Ind AS 27, the Company has opted to value the investments in subsidiary entities and associate at cost.

The following shares, although are in physical possession of the company, have not been indicated above since the value thereof has been written off in earlier years :

QUOTED (Fully paid)		
<b>Equity Instruments</b>		
Jiyajeerao Cotton Mills Limited (In liquidation)	10	150
Kalyan Sundaram Cement Industries Limited (In liquidation)	10	50,000
Umi Special Steels Limited (In liquidation)	10	1,00,000
<b>UNQUOTED (Fully paid)</b>		
<b>In Subsidiary Companies</b>		
Atlas Iron and Alloys Limited (In liquidation)	10	72,000

\*\* Pursuant to Regulation 167 (1) of SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2018 the 2,50,000 shares are subject to lock in till 13th Nov, 2022

\*\*\* Includes bonus shares 1500 nos.

\$\$ Allotment of 21,00,000 nos. of 10% Unsecured Non Cumulative Non Participable Redeemable Non Convertible Preference Shares of Jayantika Investment & Finance Limited had been effected on 23rd April, 2021.

**Notes forming part of the Financial Statements (Contd.)**

<b>Note 7 Other financial assets</b>		
(₹ In Lakhs)		
<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Interest accrued but not due on loans and advances	-	3,370.15
<b>Total</b>	<b>-</b>	<b>3,370.15</b>

<b>Note 8 Current tax assets (net)</b>		
(₹ In Lakhs)		
<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Advance Payment of Income Tax (net of Provision for Income Tax)	<b>506.81</b>	438.86
<b>Total</b>	<b>506.81</b>	438.86

<b>Note 9 Investment property</b>		
(₹ In Lakhs)		
<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>Gross carrying amount</b>		
Opening gross carrying amount/deemed cost	<b>453.30</b>	453.30
Additions	-	-
Disposals	-	-
<b>Closing gross carrying amount</b>	<b>453.30</b>	453.30
<b>Accumulated depreciation</b>		
Opening accumulated depreciation	<b>292.71</b>	259.43
Depreciation charged during the year	<b>27.28</b>	33.28
Deductions	-	-
<b>Closing accumulated depreciation</b>	<b>319.99</b>	292.71
<b>Net carrying amount</b>	<b>133.31</b>	160.59

<b>Note 9.1 The amounts recognized in Statement of Profit and Loss in relation to the investment properties :</b>		
(₹ In Lakhs)		
<b>Particulars</b>	<b>For the year ended 31st March, 2021</b>	<b>For the year ended 31st March, 2020</b>
Rental income derived From investment properties	<b>200.63</b>	255.05
Service charges derived From investment properties	<b>66.01</b>	93.04
Direct operating expenses ( including repairs and maintenance ) generating rental income	<b>136.23</b>	186.27
Depreciation	<b>27.28</b>	33.28
<b>Profit arising from investment properties before indirect expenses</b>	<b>103.13</b>	128.54

## Notes forming part of the Financial Statements (Contd.)

<b>Note 10</b> Property, plant & equipment				
(₹ In Lakhs)				
	Furnitures & Fixtures	Office Equipments	Vehicles	TOTAL
<b>Cost or valuation</b>				
As at 1st April 2020	61.12	2.93	7.33	71.38
Addition/ (Disposal)	-	0.24	-	0.24
<b>As at 31.03.2021</b>	<b>61.12</b>	<b>3.17</b>	<b>7.33</b>	<b>71.62</b>
<b>Depreciation</b>				
As at 1st April 2020	5.71	1.62	1.27	8.60
Charge for the year	14.35	0.78	1.89	17.02
<b>As at 31.03.2021</b>	<b>20.06</b>	<b>2.40</b>	<b>3.16</b>	<b>25.62</b>
<b>Net Block</b>				
As at 31st March 2020	55.41	1.31	6.06	62.78
<b>As at 31st March 2021</b>	<b>41.06</b>	<b>0.77</b>	<b>4.17</b>	<b>46.00</b>

<b>Note 11</b> Other non financial assets		
(₹ In Lakhs)		
Particulars	As at 31.03.2021	As at 31.03.2020
(a) Security deposits	17.46	17.46
(b) Other advances		
Advance to parties	-	15.00
Others	10.94	9.66
<b>Total</b>	<b>28.40</b>	<b>42.12</b>

<b>Note 12</b> Payables		
(₹ In Lakhs)		
Particulars	As at 31.03.2021	As at 31.03.2020
<b>Trade payables</b>		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	13.80	132.57
	<b>13.80</b>	<b>132.57</b>
<b>Other payables</b>		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
	-	-
<b>Total</b>	<b>13.80</b>	<b>132.57</b>

**Notes forming part of the Financial Statements (Contd.)****Note 13 Debt Securities**

(₹ In Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
<b>At amortised cost</b>		
(a) Unsecured - commercial paper		
From other parties	41,503.34	-
<b>Total (A)</b>	41,503.34	-
At amortised cost		
Debt securities in India	41,503.34	-
Debt securities outside India	-	-
<b>Total (B)</b>	41,503.34	-
<b>Total (B) to tally with (A)</b>		

Note:

Details of terms of redemption/repayment and security provided in respect of debt securities:

Item	31.03.2021	31.03.2020	Note:
Commercial Paper	41,503.34	-	Commercial Paper of 42,500 will be repayable by 31st August, 2021

**Note 14 Borrowings (other than debt securities)**

(₹ In Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
<b>At amortised cost</b>		
(a) Unsecured - term loans		
From other parties	39,500.00	42,000.00
<b>Total (A)</b>	39,500.00	42,000.00
At amortised cost		
Borrowings in India	39,500.00	42,000.00
Borrowings outside India	-	-
<b>Total (B)</b>	39,500.00	42,000.00

Total (B) to tally with (A)

**Note:** Details of terms of redemption/repayment and security provided in respect of other than debt securities and borrowings:

Term loan from financial entities	31.03.2021	31.03.2020	Terms of redemption/repayment
Term loan from financial entity 1	10,000.00	10,000.00	Repayable in 60 months from June 18, 2018 with option of repayment at the end of every 12 months
Term loan from financial entity 2	14,500.00	14,500.00	Repayable in one bullet payment at the end of 36 months from October 10, 2020
Term loan from financial entity 3	15,000.00	17,500.00	50% repayable in one bullet payment at the end of 24 months from August 10, 2020 and balance 50% repayable at the end of 36 months from August 10, 2020

## Notes forming part of the Financial Statements (Contd.)

<b>Note 15 Other financial liabilities</b>		
(₹ In Lakhs)		
<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>Interest accrued</b>		
Interest accrued but not due on borrowings	-	1,051.60
Unclaimed dividends on equity shares	<b>38.63</b>	42.04
<b>Others</b>		
Liabilities for expenses		
Amount Due to employee	<b>1.75</b>	3.15
Other miscellaneous payables	-	18.33
Security deposit	<b>0.26</b>	0.26
<b>Total</b>	<b>40.64</b>	1,115.38
<b>Note 16 Provisions</b>		
(₹ In Lakhs)		
	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Provision for employee benefits (Gratuity)	<b>18.46</b>	6.13
Provision for employee benefits (Leave)	<b>7.65</b>	5.36
<b>Others</b>		
Contingent provision against standard assets	<b>806.00</b>	564.54
Provision towards demand for municipal tax	-	116.70
<b>Total</b>	<b>832.11</b>	692.73
<b>Note 17 Deferred tax liabilities (net)</b>		
(₹ In Lakhs)		
<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
The major components of the deferred tax liabilities / assets based on the tax effects of timing differences are as follows:		
<b>Deferred tax liabilities (net)</b>		
Equity Investment measured at Fair Value through OCI	<b>37,252.95</b>	8,585.21
Investment measured at Fair Value through Profit or Loss	-	0.20
<b>Total</b>	<b>37,252.95</b>	8,585.41
<b>Deferred tax assets</b>		
Difference between WDV of block of assets as per Income Tax and WDV of Fixed Assets as per books	<b>2.06</b>	0.25
	<b>2.06</b>	0.25
<b>Total</b>	<b>37,250.89</b>	8,585.16
<b>Note 18 Other non financial liabilities</b>		
(₹ In Lakhs)		
	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Statutory dues payable	<b>74.38</b>	170.47
<b>Total</b>	<b>74.38</b>	170.47

**Notes forming part of the Financial Statements (Contd.)**

<b>Note 19 Equity share capital</b>				
<b>(i) Share capital authorised, issued, subscribed and paid up</b>				
Particulars	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	(₹ In Lakhs)	No. of Shares	(₹ In Lakhs)
<b>Authorised:</b>				
Equity Shares of ₹ 10 each	2,50,00,000	2,500.00	90,00,000	900.00
<b>Issued, subscribed and fully paid up shares:</b>				
Equity Shares of ₹ 10 each	1,10,72,250	1,107.23	79,08,750	790.88
<b>i. Reconciliation of number of shares</b>				
Opening number of equity Shares	79,08,750	790.88	79,08,750	790.88
Issue of bonus share (refer note below)	31,63,500	316.35	-	-
Closing Number of equity shares	1,10,72,250	1,107.23	79,08,750	790.88

ii. Pursuant to approval of Shareholders accorded through Postal Ballot on December 20, 2020, Authorised Share Capital of the Company has been increased from ₹ 9,00,00,000/- divided into 90,00,000 Equity Shares of Face Value of ₹ 10/- each to ₹ 25,00,00,000/- divided into 2,50,00,000 Equity Shares of Face Value of ₹ 10/- each to facilitate the issue of Bonus Shares.

iii. Pursuant to the approval of the Shareholders accorded through Postal Ballot on December 20, 2020, Company has allotted 31,63,500 Bonus Equity Shares of ₹ 10/- each fully paid up on January 04, 2021 in the proportion of 2 Equity Shares for every 5 Equity Shares held by the Equity Shareholders of the Company as on the record date of January 02, 2021

**(ii) Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees.

During the year ended 31st March, 2021, the amount of per share dividend recognized as distributions to shareholders was ₹ 25/- (₹ 25/-) per share.

The Board of Directors at its meeting held on 29th June, 2021, have proposed a final dividend of ₹ 15/- per equity share for the financial year ended 31st March, 2021. The proposal is subject to the approval of the Shareholders at the forthcoming Annual General Meeting. Total cash out flow would be ₹ 1660.84 Lakhs (₹ 1977.19 Lakhs) and the same will be accounted for in the financial year 2021-22 in terms of Indian Accounting Standard (Ind AS) notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.

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

**(iii) Details of shareholders holding more than 5% shares in the Company:**

Particulars	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	% holding	No. of Shares	% holding
Aditya Marketing & Manufacturing Private Limited	3,841,871	34.70	2,744,194	34.70
Padmavati Investment Private Limited	1,969,780	17.79	1,406,986	17.79
The Punjab Produce & Trading Co. Pvt. Limited	1,939,312	17.52	1,385,223	17.52
Gwalior Webbing Co. Pvt. Limited	635,835	5.74	454,168	5.74

As per records of the company, including its register of shareholders, the above shareholding represents legal ownership of shares.

## Notes forming part of the Financial Statements (Contd.)

<b>Note 20 Other equity</b>		
	(₹ In Lakhs)	
	As at 31.03.2021	As at 31.03.2020
<b>Other reserves</b>		
<b>(i) Statutory reserves</b>		
Balance as at the beginning of the year	45,458.42	19,543.42
Addition during the year	5,270.61	25,915.00
Less: Transferred during the year	-	-
	<b>50,729.03</b>	45,458.42
<b>Others</b>		
<b>(ii) General reserve</b>		
Balance as at the beginning of the year	19,713.33	19,713.33
Addition during the year	-	-
Less: Transferred during the year	-	-
	<b>19,713.33</b>	19,713.33
<b>(iii) Reserves representing unrealised gains/losses</b>		
Equity instruments through other comprehensive income	2,40,037.60	3,72,507.92
Add / (Less) during the year	4,63,912.54	(7,160.70)
Less: Realised gain/(loss) on equity shares at FVTOCI transferred to retained earnings	(16509.82)	(1,25,309.62)
	<b>6,87,440.32</b>	2,40,037.60
<b>(iv) Retained earnings</b>		
Surplus at the beginning of the year	1,29,978.89	29,061.04
Profit for the year	11,739.92	8,108.72
Remeasurement of net defined benefit through OCI net of tax	(7.94)	(1.73)
Realised gain/(loss) on equity shares at FVTOCI transferred from equity instruments through other comprehensive income	16,509.82	1,25,309.62
Current tax on realised gain/(loss) on equity shares at FVTOCI transferred from equity instruments through other comprehensive income	(1888.72)	(4,200.15)
Transfer on account of Issue of Bonus Share	(316.35)	-
Dividend paid on equity shares	(1977.19)	(1,977.19)
Tax on dividend	-	(406.42)
Transfer to statutory reserve	(5270.61)	(25,915.00)
	<b>1,48,767.82</b>	1,29,978.89
<b>Total</b>	<b>9,06,650.50</b>	4,35,188.24

**Notes: Nature and purpose of reserve****(i) Statutory reserve [Reserve u/s. 45-IA of the Reserve Bank of India Act, 1934 (the "RBI Act, 1934")]**

Reserve is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve.

**Notes forming part of the Financial Statements (Contd.)****(ii) General reserve**

Amounts set aside from retained profits as a reserve to be utilised for permissible specified purpose as per prevailing law for the time being.

**(iii) FVTOCI equity investments**

The Company has elected to recognise changes in the fair value of investments in equity securities (other than investment in subsidiaries and associate) in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity.

**(iv) Retained earnings**

Surplus in the statement of profit and loss is the accumulated available profit of the Company carried forward from earlier years. These reserves are free reserves which can be utilised for any purpose as may be required.

<b>Note 21 Interest income</b>		
(₹ In Lakhs)		
<b>Particulars</b>	<b>For the Year ended 31st March, 2021</b>	<b>For the Year ended 31st March, 2020</b>
<b>Financial assets measured at amortised cost</b>		
Interest on loans	17,715.66	9,830.32
Interest on deposits with banks	9.16	19.36
<b>Total</b>	<b>17,724.82</b>	<b>9,849.68</b>

<b>Note 22 Dividend income</b>		
(₹ In Lakhs)		
<b>Particulars</b>	<b>For the Year ended 31st March, 2021</b>	<b>For the Year ended 31st March, 2020</b>
- On investments		
Equity share instruments	2,913.55	4,974.10
<b>Total</b>	<b>2,913.55</b>	<b>4,974.10</b>

<b>Note 23 Net gain/(loss) on fair value changes</b>		
(₹ In Lakhs)		
<b>Particulars</b>	<b>For the Year ended 31st March, 2021</b>	<b>For the Year ended 31st March, 2020</b>
Net gain/ (loss) on financial instruments at fair value through profit or loss		
On financial instruments designated at fair value through profit or loss		
On Mutual Fund	6.35	101.41
Others	-	-
<b>Total Net gain/(loss) on fair value changes</b>	<b>6.35</b>	<b>101.41</b>
Fair Value changes:		
Realised	6.35	100.63
Unrealised	-	0.78
<b>Total</b>	<b>6.35</b>	<b>101.41</b>



## Notes forming part of the Financial Statements (Contd.)

**Note 24 Others** (₹ In Lakhs)

Particulars	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
Rent income	200.63	255.05
Service charges	66.01	93.04
<b>Total</b>	<b>266.64</b>	<b>348.09</b>

**Note 25 Other income** (₹ In Lakhs)

Particulars	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
Miscellaneous receipts and income	88.93	0.01
<b>Total</b>	<b>88.93</b>	<b>0.01</b>

**Note 26 Finance cost** (₹ In Lakhs)

Particulars	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
<b>On financial liabilities measured at amortised cost</b>		
Interest on borrowings (other than debt securities)	3,224.11	4,307.26
Interest on debt securities	1,986.43	-
<b>Total</b>	<b>5,210.54</b>	<b>4,307.26</b>

**Note 27 Employee benefit expense** (₹ In Lakhs)

Particulars	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
Salaries and wages	116.47	116.96
<b>Contribution to provident and other funds</b>		
Provident Fund and pension fund	10.95	11.21
Gratuity	4.39	2.80
Staff welfare expenses	7.12	7.56
<b>Total</b>	<b>138.93</b>	<b>138.53</b>

**Note 28 Depreciation and amortization expense** (₹ In Lakhs)

Particulars	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
Depreciation and amortization expense		
On property, plant and equipment	17.02	5.89
On investment property	27.28	33.28
<b>Total</b>	<b>44.30</b>	<b>39.17</b>

**Notes forming part of the Financial Statements (Contd.)**

<b>Note 29 Other expenses</b>		
(₹ In Lakhs)		
<b>Particulars</b>	<b>For the Year ended 31st March, 2021</b>	<b>For the Year ended 31st March, 2020</b>
Rent, taxes and energy costs	<b>77.87</b>	49.03
Repairs and maintenance	<b>88.15</b>	138.19
Director's fees, allowances and expenses	<b>13.60</b>	10.22
<b>Payments to the auditor</b>		
As auditor	<b>4.00</b>	3.15
For Quarterly Review	<b>1.95</b>	1.95
For Other services	<b>1.44</b>	1.50
For reimbursement of out of pocket expenses	-	1.41
Corporate social responsibility expenses	<b>25.05</b>	10.00
Provision against Standard Assets of NBFCs ( as per RBI Regulation)	<b>241.46</b>	537.06
Miscellaneous expenses	<b>128.82</b>	168.92
<b>Total</b>	<b>582.34</b>	921.43

<b>Note 30 Tax expenses</b>		
(₹ In Lakhs)		
<b>Particulars</b>	<b>For the Year ended 31st March, 2021</b>	<b>For the Year ended 31st March, 2020</b>
Current tax	<b>3,286.28</b>	1,438.29
MAT credit entitlement written off	-	69.08
Deferred tax	<b>(2.01)</b>	(7.16)
Income Tax related to earlier years	-	257.97
<b>Total tax charge</b>	<b>3,284.27</b>	1,758.18
Current tax	<b>3,286.28</b>	1,765.34
Deferred tax	<b>(2.01)</b>	(7.16)

## Notes forming part of the Financial Statements (Contd.)

## 30.1 Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India at corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2021 and 31st March 2020 is as follows:

(₹ In Lakhs)

Particulars	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
Accounting profit before tax	15,024.18	9,866.90
Applicable tax rate	25.17%	25.17%
Tax on Accounting Profit	3,781.59	2,483.50
Tax effect of:		
Exempted income	-	(1,251.98)
Tax on expense not tax deductible	6.93	102.00
Adjustment on account of change on tax rate	-	(6.94)
MAT credit entitlement written off	-	69.08
Tax effect on various other items	(502.24)	369.68
<b>Tax expenses recognised in the statement of profit and loss</b>	<b>3,286.28</b>	<b>1,765.34</b>
Effective tax rate	21.87	17.89

(₹ In Lakhs)

Particulars	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
<b>Deferred tax</b>		
<b>Deferred tax asset/ liability (net)</b>		
The movement on the deferred tax account is as follows:		
At the start of the year DTA / (DTL) (net)	(8,585.16)	640.16
Credit / (charge) for equity instruments through OCI	(28,667.74)	(9,232.48)
Credit / (charge) to the statement of profit and loss	2.01	7.16
<b>At the end of year DTA / (DTL) (net)</b>	<b>(37,250.89)</b>	<b>(8,585.16)</b>

**Notes forming part of the Financial Statements (Contd.)**

<b>Note 31 Other comprehensive income</b>		
(₹ In Lakhs)		
Particulars	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurements of the defined benefit plans	(7.94)	(1.73)
Equity instruments through other comprehensive income:	4,92,580.28	2,071.78
	<b>4,92,572.34</b>	2,070.05

<b>Note 32 Earnings per share</b>		
(₹ In Lakhs)		
Particulars	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
<b>(A) Basic earnings per share</b>		
<b>Computation of profit</b>		
Net profit for the year attributable to equity shareholders (basic)	11739.91	8108.72
Computation of weighted average number of shares	Nos.	Nos.
Weighted average number of equity shares of ₹ 10 each used for calculation of basic earnings per share	11072250	11072250
<b>Basic earnings per share of face value of ₹ 10 each (in ₹)</b>	<b>106.03</b>	73.23
<b>(B) Diluted earnings per share</b>		
Profit attributable to equity shareholders (diluted)	11739.91	8108.72
Computation of weighted average number of shares	Nos.	Nos.
Weighted average number of equity shares as above	11072250	11072250
Diluted earnings per share of face value of ₹ 10 each (in ₹)	106.03	73.23

Earnings per share and number of share outstanding for the year ended March, 2020 have been proportionately adjusted for the bonus issue in the ratio of 2:5 i.e. 2 (Two) bonus equity shares of ₹ 10/- each for every 5 (Five) fully paid-up equity shares held.

<b>Note 33 Contingent liabilities and commitments (to the extent not provided for)</b>		
(₹ In Lakhs)		
Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>(A) Contingent liabilities</b>		
Income Tax	354.59	363.68
(i) Assessing officer has demanded income tax of ₹ 354.59 lakhs (Net of refund of ₹ 208.28 lakhs) against the certain disallowances etc. ( P.Y. ₹ 363.68 Lakhs) for the A.Y. 2010-2011, 2011-12, 2013-14, 2014-15 and 2017-18. The Company has filed an appeal before the DCIT, Appellate Tribunal, Kolkata. Matter is still under sub-judice.		
<b>(B) Commitments</b>		
(i) Uncalled liability on partly paid shares held as investments	495.03	0.03

## Notes forming part of the Financial Statements (Contd.)

**Note 34**

Earlier provision against demand for municipal taxes (including interest and penalty) for earlier years, has been settled under the Kolkata Municipal Corporation Incentive (Waiver of Interest & Penalty to the property tax payers) Scheme 2020:

**Note 35 Corporate social responsibility ("CSR") expenses :**

As per Section 135 of the Companies Act, 2013 ('Act'), a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are healthcare including preventive healthcare, providing safe drinking water, sanitation facility, promoting education, old age home maintenance, environmental sustainability and promotion and development of traditional art and handicrafts. A CSR committee has been formed by the company as per the Act.

The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013

Gross amount required to be spent by the company during the year is ₹ 25.03 Lakhs. (PY ₹ 1.90 Lakhs)

Amount spent during the year: ₹ 25.05 Lakhs (PY ₹ 10.00 Lakhs)

(₹ In Lakhs)

Particulars	31st March, 2021	31st March, 2020
<b>The amounts expended are as follows:</b>		
(i) Construction / acquisition of any assets	-	-
(ii) On purposes other than (i) above	<b>25.05</b>	10.00

**Note 36 Lease Disclosures****(a) As lessee**

During the period ended March 31, 2021 the expense recognized in the statement of profit and loss includes:

(i) Rental Expenses recorded for Short-term lease ₹ 25.89 Lakhs for the year ended 31 March, 2021 (Previous Year: ₹ 27.22 Lakhs)

**(b) Operating lease commitments – as lessor**

The Company has let out portions of office premises along with furniture and fixtures and other amenities on operating lease. It has recognised lease rental income amounting to Rs. 200.63 Lakhs and Rs. 255.05 Lakhs for the year ended 31 March 2021 and 2020 respectively in the statement of profit and loss.

**Note 37 Segment reporting**

Operating segment are components of the Company whose operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Company is engaged primarily on the business of "Investments" only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Company are in India. All non-current assets of the Company are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – "Operating segments".

**Notes forming part of the Financial Statements (Contd.)****Note 38 Related Party Disclosures****(a) Related party disclosures as required by Ind AS 24 - Related Party Disclosures.**

List of related parties and relationships:

Sr. No.	Nature of relationship	
1	Subsidiary Companies	PIC Properties Limited
		PIC Realcon Limited
		Atlas Iron & Alloys Limited (In Liquidation)
2	Key Management Personnel	Shri R P Pansari (CEO)
		Shri J K Singhania (CFO)
		Shri R S Kashyap (Company Secretary)
3	Other related parties Associate Company	Century Textiles & Industries Limited

Transactions with related parties are as follows:

(₹ In Lakhs)

Sr. No.	Nature of Transactions	Subsidiaries	
		For the year ended 31st March, 2021	For the year ended 31st March, 2020
1	Loans & Advances Received	86.00	22.14

(₹ In Lakhs)

Sr. No.	Nature of Transactions	Key Managerial Personnel	
		For the year ended 31st March, 2021	For the year ended 31st March, 2020
1	Remuneration (including bonus and retirement benefits)	128.51	164.56

(₹ In Lakhs)

Sr. No.	Nature of Transactions	Other Related Parties	
		For the year ended 31st March, 2021	For the year ended 31st March, 2020
1	Dividend Received	1,109.35	2,773.39

(₹ In Lakhs)

Sr. No.	Nature of Transactions	Outstanding as on	
		For the year ended 31st March, 2021	For the year ended 31st March, 2020
1	Loans & Advances	-	86.00

All transactions with these related parties are priced on an arm's length basis. None of the balances is secured.

The remuneration of key management personnel are determined by the Nomination and Remuneration Committee having regard to the performance of individuals and market trends.

**Notes forming part of the Financial Statements (Contd.)****(b) Disclosures as per Regulation 53(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations, 2015).**

Loans and advances in the nature of loans to companies in which directors are interested as under:

(₹ In Lakhs)

Sr. No.	Name	As at 31st March, 2021	Maximum Balance outstanding during the year ended 31 March, 2021
		-	-

(₹ In Lakhs)

Sr. No.	Name	As at 31st March, 2020	Maximum Balance outstanding during the year ended 31 March, 2020
		-	-

**Note 39**

Under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") which came into force from October 2, 2006, certain disclosures are required to be made relating to micro, small and medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments.

The disclosure as required by section 22 of MSMED Act has been given below:

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Principal amount payable to suppliers as at year-end	-	-
Interest due thereon as at year end	-	-
Interest amount for delayed payments to suppliers pursuant to provisions of MSMED Act actually paid during the year, irrespective of the year to which the interest relates	-	-
Amount of delayed payment actually made to suppliers during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
Interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-

**Note 40**

No effect has been given in the accounts in respect of the following equity shares received by way of fully paid bonus shares on shares not belonging to the company and the shares of other companies apportionable to the holding of these shares received pursuant to scheme of arrangement, same are being held in trust by the company.

**Notes forming part of the Financial Statements (Contd.)**

Sr. No.	Name of the company	No. of equity shares	Face value per share (₹)
(a)	Grasim Industries Ltd.	5755	2/-
(b)	Hindustan Motors Ltd.	440	10/-
(c)	Century Textiles & Industries Ltd	220	10/-
(d)	Tungabhadra Industries Ltd.	4	10/-
(e)	Hindustan Everest Tools Ltd.	60	10/-
(f)	Aditya Birla Capital Ltd.	8057	10/-
(g)	Ultra-Tech Cement Ltd.	684	10/-

**Note 41**

The Board of Directors recommended dividend of ₹ 15.00 per equity share of face value of ₹ 10 each, which is subject to approval by shareholders of the Company.

**Note 42**

Following table represents the recognised financial assets that are offset, or subject to enforceable master netting arrangements and other similar arrangements but not offset, as at 31 March 2021 and 31 March 2020. The column 'net amount' shows the impact of the Company's balance sheet if all the set-off rights were exercised.

(₹ In Lakhs)

	Effect of offsetting on the balance sheet			Related amount not offset		
	Gross amounts	Gross amounts off set in balance sheet	Net amount presented in balance sheet	Amount subject to master netting arrangement	Financial instrument collateral	Net Amount
<b>31 March, 2021</b>						
Loans and Advances	-	-	-	-	-	-
<b>31 March, 2020</b>						
Loans and Advances	86.00	-	86.00	-	-	86.00

**Note 43**

Disclosure pursuant to Ind-AS 7 "Statement of Cash Flows" - Changes in liabilities arising from financing activities:

(₹ In Lakhs)

Particulars	1st April, 2020	Cash flows	Changes in fair values	Others	31st March, 2021
Debt securities	-	41,503.34	-	-	41,503.34
Borrowings (other than debt securities)	42,000.00	(2500.00)	-	-	39,500.00
Subordinated debt	-	-	-	-	-



## Notes forming part of the Financial Statements (Contd.)

**Note 44**

- A. The Company has applied to the Reserve Bank of India (“RBI”) for its conversion from Non-Banking Financial Company to Core Investment Company. However RBI has required to submit the application as per new guidelines and the Company is under process of submission.
- B. Disclosures in terms of RBI Master Direction for Non-Banking Financial Company-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016 have been given under Annexure-1 to these financial statements.

**Note 45 Maturity analysis of assets and liabilities:**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ In Lakhs)

	As at 31st March, 2021			As at 31st March, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Assets</b>						
<b>Financial assets</b>						
Cash and cash equivalents	69.90	-	69.90	358.99	-	358.99
Bank balance other than above	2,238.63	-	2,238.63	42.04	-	42.04
Trade receivable	45.25	-	45.25	83.97	-	83.97
Loans	2,01,500.00	-	2,01,500.00	1,41,136.00	-	1,41,136.00
Investments	-	8,22,404.59	8,22,404.59	230.80	3,42,749.13	3,42,979.93
Other financial assets	-	-	-	3,370.15	-	3,370.15
<b>Non-financial assets</b>						
Current tax assets (net)	506.81	-	506.81	438.86	-	438.86
Investment property	-	133.31	133.31	-	160.59	160.59
Property, plant and equipment	-	46.00	46.00	-	62.78	62.78
Other non-financial assets	10.94	17.46	28.40	24.66	17.46	42.12
<b>Total assets</b>	<b>2,04,371.53</b>	<b>8,22,601.36</b>	<b>10,26,972.89</b>	<b>1,45,685.47</b>	<b>3,42,989.96</b>	<b>4,88,675.43</b>

**Notes forming part of the Financial Statements (Contd.)**

	As at 31st March, 2021			As at 31st March, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Liabilities</b>						
<b>Financial liabilities</b>						
Trade payables						
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(i) Total outstanding dues of creditors other than micro enterprises and small enterprises	13.80	-	13.80	132.57	-	132.57
Debt securities	41,503.34	-	41,503.34	-	-	-
Borrowings (other than debt securities)	-	39,500.00	39,500.00	17,500.00	24,500.00	42,000.00
Other financial liabilities	40.38	0.26	40.64	1,115.12	0.26	1,115.38
<b>Non-financial liabilities</b>						
Provisions	11.92	820.19	832.11	0.58	692.15	692.73
Deferred tax liabilities (net)		37,250.89	37,250.89	-	8,585.16	8,585.16
Other non-financial liabilities	74.38		74.38	170.47		170.47
<b>Total liabilities</b>	<b>41,643.82</b>	<b>77,571.34</b>	<b>1,19,215.16</b>	<b>18,918.74</b>	<b>33,777.57</b>	<b>52,696.31</b>
<b>Net</b>	<b>1,62,727.71</b>	<b>7,45,030.02</b>	<b>9,07,757.73</b>	<b>1,26,766.73</b>	<b>3,09,212.39</b>	<b>4,35,979.12</b>

**Note 46 Employee benefit plan :**

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefit are as under:

**(a) Defined contribution plan**

The Company's contribution to provident fund are considered as defined contribution plans. The Company's contribution to provident fund aggregating Rs.10.19 lakhs (31 March 2020: Rs. 10.38 lakhs) has been recognised in the statement of profit and loss under the head employee benefits expense.

**(b) Defined benefit plan:****Gratuity****Financial assets not measured at fair value**

The Company operates a defined benefit plan (the "gratuity plan") covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age/ resignation date.

The defined benefit plans expose the Company to risks such as actuarial risk, liquidity risk, legislative risk.

These are discussed as follows:

**Actuarial risk:** It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

**Adverse salary growth experience:** Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

## Notes forming part of the Financial Statements (Contd.)

**Variability in mortality rates:** If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

**Variability in withdrawal rates:** If actual withdrawal rates are higher than assumed withdrawal rate assumption than the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

**Liquidity risk:** Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Company, there can be strain on the cash flows.

**Legislative risk:** Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

The status of gratuity plan as required under Ind AS-19 is as under

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>i. Reconciliation of opening and closing balances of defined benefit obligation</b>		
Present value of defined benefit obligations at the beginning of the year	6.13	26.08
Current service cost	4.00	1.03
Past service cost	-	-
Interest cost	0.39	1.77
Acquisition adjustment		
Benefit paid	-	(24.49)
Change in demographic assumptions	-	(0.02)
Change in financial assumptions	-	0.24
Experience variance (i.e. Actual experience vs assumptions)	7.94	1.51
Present value of defined benefit obligations at the end of the year	18.46	6.13
<b>ii. Reconciliation of opening and closing balances of the fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year		
Transfer in / (out) plan assets	-	-
Expenses deducted from the fund	-	-
Interest income	-	-
Return on plan assets excluding amounts included in interest income	-	-
Assets distributed on settlements	-	-
Contributions by the Company	-	24.49
Assets acquired in an amalgamation in the nature of purchase -	-	-
Exchange differences on foreign plans	-	-

## Notes forming part of the Financial Statements (Contd.)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Benefits paid	-	(24.49)
Fair value of plan assets at the end of the year	-	-
<b>iii. Reconciliation of the present value of defined benefit obligation and fair value of plan assets</b>		
Present value of defined benefit obligations at the end of the year	<b>18.46</b>	6.13
Fair value of plan assets at the end of the year	-	-
Unrecognised past service cost	-	-
<b>Net asset / (liability) recognized in the balance sheet as at the end of the year</b>	<b>(18.46)</b>	(6.13)
<b>iv. Composition of plan assets</b>		
<b>Total</b>	-	-
<b>v. Expense recognised during the Year</b>		
Current service cost	<b>4.00</b>	1.03
Past service cost	-	-
Interest cost	<b>0.39</b>	1.77
Expenses recognised in the statement of profit and loss	<b>4.39</b>	2.80
<b>vi. Other comprehensive income</b>		
Components of actuarial gain/losses on obligations:		
Change in demographic assumptions	-	(0.02)
Due to change in financial assumptions	-	0.24
Due to experience adjustments	<b>7.94</b>	1.51
Return on plan assets excluding amounts included in interest income	-	-
Components of defined benefit costs recognised in other comprehensive income	<b>7.94</b>	1.73
<b>vii. Principal actuarial assumptions</b>		
Discount rate (per annum)	<b>6.40%</b>	6.40%
Rate of return on plan assets (p.a.)	-	-
Annual increase in salary cost	<b>5.00%</b>	5.00%
<b>Mortality Rate (% of IALM 12-14) (31 03 2020: % of IALM 12-14)</b>	<b>100%</b>	100%

**viii. Sensitivity analysis**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and withdrawal rates. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Defined benefit obligation (Base)</b>	<b>18.46</b>	6.13

## Notes forming part of the Financial Statements (Contd.)

	For the Year Ended 31st March, 2021		For the Year Ended 31st March, 2020	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 1%)	19.22	17.82	6.80	5.56
(% change compared to base due to sensitivity)	4.12%	-3.50%	10.97%	-9.26%
Salary growth rate (- / + 1%)	17.79	19.24	5.53	6.82
(% change compared to base due to sensitivity)	-3.66%	4.24%	-9.67%	11.27%
Attrition Rate (-/+50%)	18.4	18.52	6.06	6.18
(% change compared to base due to sensitivity)	-0.35%	0.30%	-1.06%	0.91%
Mortality Rate (-/+10%)	18.45	18.47	5.98	6.27
(% change compared to base due to sensitivity)	-0.07%	0.07%	-2.42%	2.41%

## ix. Asset liability matching strategies

The Company account for the liabilities based on the actuarial valuation report and paid from its own resources whenever liabilities is crystallized. The projected liability statements is obtained from the actuarial valuer.

## x. Effect of plan on the Company's future cash flows

a) Maturity profile of defined benefit obligation

The average outstanding term of the obligations (years) as at valuation date is 5 years.

	Cash Flow (₹)
1 Year	11.71
2 to 5 Years	3.27
6 to 10 Years	0.82
More than 10 Years	10.89

**Note 47**

Contribution to political parties during the year 2020-21 is Rs. Nil (previous year Rs. Nil)

**Note 48**

There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2021

**Note 49 Events after the reporting period:**

There has been no events after the reporting date that require disclosure in financial statements.

**Notes forming part of the Financial Statements (Contd.)****Note 50 Financial instrument and fair value measurement :****A. Accounting classifications and fair values**

The carrying amount and fair value of financial instruments including their levels in the fair value hierarchy presented below:

(₹ In Lakhs)

As at 31 March 2021	Carrying amount				Fair Value			Total
	Amortised Cost	At fair value through profit or loss	Fair Value Through Other Comprehensive Income	Others (At Cost)	Level 1	Level 2	Level 3	
<b>Financial assets measured at fair value</b>								
Investments	-	-	7,78,705.23	-	7,78,685.77	-	19.46	7,78,705.23
<b>Financial assets not measured at fair value</b>								
Cash and cash equivalents	69.90	-	-	-	-	-	-	-
Bank balance other than cash and cash equivalents	2,238.63	-	-	-	-	-	-	-
Trade Receivables	45.25	-	-	-	-	-	-	-
Loans	2,01,500.00	-	-	-	-	-	-	-
Investments in subsidiaries and associates	-	-	-	41,599.36	-	-	-	-
Investments in Share Application Money (pending allotment)	-	-	-	2100.00	-	-	-	-
Other Financial Assets	-	-	-	-	-	-	-	-
<b>Financial liabilities not measured at fair value</b>								
Trade payables	13.80	-	-	-	-	-	-	-
Debt securities	41,503.34	-	-	-	-	-	-	-
Borrowings (other than debt securities)	39,500.00	-	-	-	-	-	-	-

## Notes forming part of the Financial Statements (Contd.)

Other financial liabilities	40.64	-	-	-	-	-	-	-
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(₹ In Lakhs)

As at 31 March 2020	Carrying amount				Fair Value			Total
	Amortised Cost	At fair value through profit or loss	Fair Value Through Other Comprehensive Income	Others (At Cost)	Level 1	Level 2	Level 3	
<b>Financial assets measured at fair value</b>								
Investments	-	230.88	3,01,149.77	-	3,01,361.11	-	19.46	3,01,380.57
<b>Financial assets not measured at fair value</b>								
Cash and cash equivalents	358.99	-	-	-	-	-	-	-
Bank balance other than cash and cash equivalents	42.04	-	-	-	-	-	-	-
Trade receivables	83.97	-	-	-	-	-	-	-
Loans	1,41,136.00	-	-	-	-	-	-	-
Investments in subsidiaries and associates	-	-	-	41,599.36	-	-	-	-
Other Financial Assets	3,370.15	-	-	-	-	-	-	-
<b>Financial liabilities not measured at fair value</b>								
Trade payables	132.57	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-
Borrowings (other than debt securities)	42,000.00	-	-	-	-	-	-	-
Other financial liabilities	1,115.38	-	-	-	-	-	-	-

- The Company has not disclosed the fair values for cash and cash equivalents, bank balances, Trade Receivables, Loans, term deposits, trade payables and other financial liabilities as these are short term in nature and their carrying amounts are a reasonable approximation of fair value.
- The carrying amount of the investments in Subsidiaries and Associates are valued at Cost.

## Reconciliation of level 3 fair value measurement is as follows:

(₹ In Lakhs)

	As at 31st March, 2021	As at 31st March, 2020
<b>i) Investments</b>		
Balance at the beginning of the year	19.46	18.46
Gain included in OCI	-	-
Net change in fair value (unrealised)	-	-
Addition during the year	-	1.00
Impairment in value of investments	-	-
Amount derecognised / repaid during the year	-	-
Amount written off	-	-
<b>Balance at the end of the year</b>	<b>19.46</b>	<b>19.46</b>

## Notes forming part of the Financial Statements (Contd.)

### B. Measurement of fair values

#### i) Valuation techniques and significant unobservable inputs

The carrying amounts of financial assets and liabilities which are at amortised cost are considered to be the same as their fair values as there is no material differences in the carrying values presented.

#### ii) Financial instruments - fair value

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurement).

The categories used are as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices;

Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximizes the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and

Level 3: If one or more of significant input is not based on observable market data, the instrument is included in level 3.

#### iii) Transfers between levels I and II

There has been no transfer in between level I and level II.

#### iv) Valuation techniques

##### Investment in equity instruments

The majority equity instruments held by the Company are actively traded on stock exchanges with readily available active prices on a regular basis. Such instruments are classified as level 1.

Investments in mutual Funds are valued as per the NAV prevailing at the end of the financial years and such investments are classified as level 1.

Equity investments in unquoted instruments are fair valued using the valuation technique and accordingly classified as level 3.

### C. Capital

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the NBFC's Sector regulator and supervisor, RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

#### C.1 Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.



## Notes forming part of the Financial Statements (Contd.)

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

### C.1 Regulatory Capital

	As at 31st March, 2021	As at 31st March, 2020
CRAR	60.07	72.52
CRAR – Tier 1 capital (%)	60.07	72.52
CRAR – Tier II capital (%)	60.07	72.52
Amount of subordinated debt raised as Tier-II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

CRAR for 2020-2021 & 2019-2020 has been calculated on the basis of RBI Circular No. RBI/19-20/170 DOR (NBFC). CC.PD.No. 109/22.10.106/2019-20 dated March 13, 2020.

#### Note 51 Financial risk management objectives and policies:

The Company's principal financial liabilities comprise borrowings and trade payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include Investments, Loan, Trade Receivables and Cash and Cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's board of directors has an overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed to reflect changes in market conditions and the Company's activities.

The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

#### 1) Credit risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations and arises principally from the Company's receivables from customers and loans.

The carrying amounts of financial assets represent the maximum credit risk exposure.

##### Trade Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry.

**Notes forming part of the Financial Statements (Contd.)**

The Company's exposure to credit risk for loans and advances by type of counterparty is as follows:

(₹ In Lakhs)

	Carrying Amount	
	As at 31st March, 2021	As at 31st March, 2020
Trade Receivables	45.25	83.97
<b>Loans</b>	<b>2,01,500.00</b>	<b>1,41,136.00</b>

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the trade receivables are categorised into groups based on days past due.

**Investments**

The major investments of the Company is in the group companies which includes investment in subsidiaries companies and an associate.

The company has also made investments in the units of mutual funds on the basis of risk and returns of the respective scheme.

**Cash and cash equivalent and Bank deposits**

Credit risk on Cash and cash equivalent and bank deposits is limited as the Company generally invests in term deposits with banks.

**2) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Company is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement. The Company manages its liquidity by term loans, inter-corporate deposit and investment in mutual funds.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities based on contractual undiscounted payments along with its carrying value as at the balance sheet date.

(₹ In Lakhs)

	Upto 12 months	More than 12 months	Total
<b>As at 31 March 2021</b>			
Debt securities	41503.34	-	41503.34
Borrowings	-	39500.00	42000.00
Trade payable	13.80	-	13.80
<b>As at 31 March 2020</b>			
Debt securities	-	-	-
Borrowings	17500.00	24500.00	42000.00
Trade payable	132.57	-	132.57

**3) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

## Notes forming part of the Financial Statements (Contd.)

Market risk includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**Note 52 Revenue from contracts with customers**

Set out below is the disaggregation of the Company's revenue from contracts with customers and reconciliation to profit and loss account

(₹ In Lakhs)

	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
<b>Type of income</b>		
Interest on Inter-Corporate Deposit	17715.66	9830.32
Rental Income	200.63	255.05
Service Charges	66.01	93.04
<b>Total revenue from contracts with customers</b>	<b>17982.30</b>	<b>10178.41</b>
<b>Geographical markets</b>		
India	17982.30	10178.41
Outside India	-	-
<b>Total revenue from contracts with customers</b>	<b>17982.30</b>	<b>10178.41</b>
<b>Timing of revenue recognition</b>		
Services transferred at a point in time	-	-
Services transferred over time	17982.30	10178.41
<b>Total revenue from contracts with customers</b>	<b>17982.30</b>	<b>10178.41</b>

**Note 53**

Previous year figures have been regrouped / reclassified wherever necessary.

**Note 54**

The above financial statements have been reviewed by the audit committee and subsequently approved by the Board of Directors at its meeting held on 29th June, 2021.

As per our Report of even date

**For Vidyarthi & Sons**

Chartered Accountants

Firm Registration No.: 000112C

**Meenal C Vidyarthi**

Partner

Membership No. F-079344

Place: Gwalior

Dated: 29th June, 2021

**For and on behalf of the Board of Directors of  
Pilani Investment and Industries Corporation Limited****Rajashree Birla**

Chairperson

(DIN: 00022995)

Place: Mumbai

**R. P. Pansari**

Chief Executive Officer

Place: Kolkata

**J. K. Singhania**

Chief Financial Officer

Place: Kolkata

Dated: 29th June, 2021

**D. K. Mantri**

Director

(DIN: 00075664)

Place: Kolkata

**R. S. Kashyap**

Company Secretary

Place: Kolkata

**Notes forming part of the Financial Statements (Contd.)****Annexure-I**

The disclosures as required by the RBI Master Directions have been prepared after giving effect of below mentioned adjustments to the amounts reported in the financial statements:

- (i) The amount of allowances for expected credit losses, if any, on loan assets were added to the loan asset balances and the amount of provisions on standard, non-performing and stressed loan assets were recomputed based on the Companies provisioning policy as approved by the Board of Directors read together with the RBI Master Directions;
- (ii) The deferred tax relating to the adjustments listed in item listed above;

**1) Exposure to Real Estate Sector**

(₹ In Lakhs)

Category	2020-21	2019-20
<b>a) Direct exposure</b>		
<b>(i) Residential Mortgages -</b>		
Lending secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to Rs. 15 lakh may be shown separately);	Nil	Nil
<b>(ii) Commercial Real Estate -</b>		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	Nil	Nil
<b>(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -</b>		
<b>a. Residential</b>	Nil	Nil
<b>b. Commercial Real Estate</b>	Nil	Nil
<b>b) Indirect exposure</b>		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	Nil	Nil

## Notes forming part of the Financial Statements (Contd.)

## 2) Asset Liability Management:

## Maturity pattern of certain items of assets and liabilities

As at March 31, 2021									(₹ In Lakhs)
Particulars	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	As at March 31, 2021
<b>Liabilities:</b>									
Borrowing (Debt Securities)	4,982.80	-	7,406.17	29,114.37					41,503.34
Borrowing	-	-	-	-	-	29,500.00	10,000.00	-	39,500.00
<b>Assets:</b>									
Advances	2,900.00	15,800.00	9,100.00	76,100.00	97,600.00	-	-	-	201,500.00
Investments	-	-	-	-	-	-	2,100.00	820,304.59	822,404.59

## 3) Liabilities side:

## Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid

As at March 31, 2021					As at March 31, 2020		(₹ In Lakhs)
Sl. No.	Particulars	As at March 31, 2021		As at March 31, 2020		Amount Outstanding	Amount Overdue
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue		
(a)	Debentures:						
	Secured	-	-	-	-	-	-
	Unsecured (other than falling within the meaning of public deposits)	-	-	-	-	-	-
(b)	Deferred credits	-	-	-	-	-	-
(c)	Term loans	39,500.00	-	42,000.00	-	-	-
(d)	Inter-corporate loans and borrowings	-	-	-	-	-	-
(e)	Commercial paper (net of unexpired discount charges)	41,503.34	-	-	-	-	-
(f)	Other loans (cash credit)	-	-	-	-	-	-

## 4) Assets side:

As at March 31, 2021			As at March 31, 2020		(₹ In Lakhs)
Particulars	As at March 31, 2021		As at March 31, 2020		Amount Outstanding
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue	
(a) Secured	-	-	-	-	-
(b) Unsecured	201,500.00	-	141,136.00	-	141,136.00

**Notes forming part of the Financial Statements (Contd.)****5) Break-up of leased assets and stock on hire and hypothecation loans counting towards AFC activities**

		(₹ In Lakhs)	
Sl. No.	Particulars	As at March 31, 2021	As at March 31, 2020
		Amount Outstanding	Amount Outstanding
(i)	Lease assets including lease rentals under sundry debtors:		
	(a) Financial lease	Nil	Nil
	(b) Operating lease	Nil	Nil
(ii)	Stock on hire including hire charges under sundry debtors		
	(a) Assets on hire	Nil	Nil
	(b) Repossessed assets	Nil	Nil
(iii)	Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	Nil	Nil
	(b) Loans other than (a) above	Nil	Nil

**6) Break-up of Investments:**

		(₹ In Lakhs)	
Sl. No.	Particulars	As at March 31, 2021	As at March 31, 2020
		Amount Outstanding	Amount Outstanding
	<b>Current Investments</b>		
<b>1</b>	<b>Quoted</b>		
i	Shares:		
a.	Equity	-	-
b.	Preference	-	-
ii.	Debentures and bonds	-	-
iii.	Units of mutual funds	-	230.80
iv.	Government securities	-	-
v.	Others (please specify)	-	-
<b>2</b>	<b>Unquoted</b>		
i	Shares:		
a.	Equity	-	-
b.	Preference	-	-
ii.	Debentures and bonds	-	-
iii.	Units of mutual funds	-	-
iv.	Government securities	-	-
v.	Others (please specify)	-	-

## Notes forming part of the Financial Statements (Contd.)

		(₹ In Lakhs)	
Sl. No.	Particulars	As at March 31, 2021	As at March 31, 2020
		Amount Outstanding	Amount Outstanding
<b>Long term investments</b>			
1	Quoted		
i	Shares:		
a.	Equity	820,275.13	342,719.67
b.	Preference	-	-
ii.	Debentures and bonds	-	-
iii.	Units of mutual funds	-	-
iv.	Government securities	-	-
v.	Others (please specify)	-	-
2	Unquoted	-	-
i	Shares:		
a.	Equity	29.46	29.46
b.	Preference	2,100.00	-
ii.	Debentures and bonds	-	-
iii.	Units of mutual funds	-	-
iv.	Government securities	-	-
v.	Others (please specify)	-	-

## 7) Borrower group-wise classification of assets financed as in (2) and (3) above: (₹ in Lakhs)

Sl. No	Particulars	As at March 31, 2021			As at March 31, 2020		
		Secured	Unsecured	Total	Secured	Unsecured	Total
1	Related Parties						
	(a) Subsidiaries	-	10.00	10.00	-	10.00	10.00
	(b) Companies in the same group	-	822,394.19	822,394.19	-	342,738.73	342,738.73
	(c) Other related parties	-	-	-	-	-	-
2	Other than related parties	-	0.40	0.40	-	231.20	231.20
	<b>Total</b>	-	822,404.59	822,404.59	-	342,979.93	342,979.93

## 8) Investor group-wise classification of all investments (current and non-current) in shares and securities (both quoted and unquoted): (₹ in Lakhs)

Sl. No	Particulars	As at March 31, 2021		As at March 31, 2020	
		Market value / break up or fair value or NAV	Book value (net of provisions)	Market value / break up or fair value or NAV	Book value (net of provisions)
1	Related Parties				
	(a) Subsidiaries	494.87	10.00	412.38	10.00
	(b) Companies in the same group	952,773.68	822,394.19	410,642.93	342,738.73
	(c) Other related parties	-	-	-	-
2	Other than related parties	0.40	0.40	231.20	231.20
	<b>Total</b>	953,268.95	822,404.59	411,286.51	342,979.93

**Notes forming part of the Financial Statements (Contd.)****9) Other information**

		(₹ In Lakhs)	
Sl. No.	Particulars	As at March 31, 2021	As at March 31, 2020
		Amount Outstanding	Amount Outstanding
(i)	Gross Non-Performing Assets		
	(a) Related parties	-	-
	(b) Other than related parties	-	-
(ii)	Net Non-Performing Assets		
	(a) Related parties	-	-
	(b) Other than related parties	-	-
(iii)	Assets acquired in satisfaction of debt	-	-

**10) Investments:**

		(₹ In Lakhs)	
Particulars	As at March 31, 2021	As at March 31, 2020	
	Amount Outstanding	Amount Outstanding	
<b>1. Value of investments</b>			
(i) Gross value of investments			
(a) In India	<b>822,391.14</b>	342,966.48	
(b) Outside India	<b>13.45</b>	13.45	
(ii) Provisions for depreciation			
(a) In India	-	-	
(b) Outside India	-	-	
(iii) Net value of investments			
(a) In India	<b>822,391.14</b>	342,966.48	
(b) Outside India	<b>13.45</b>	13.45	
<b>2. Movement of provisions held towards depreciation on investments</b>			
(i) Opening balance	-	-	
(ii) Add : Provisions made during the year	-	-	
(iii) Less : Write-off / write-back of excess provisions during the year	-	-	
(iv) Closing balance	-	-	

**11) Derivatives:**

- The Company has not traded in Forward rate agreement/ Interest rate derivative during the financial year ended March 31, 2021. (Previous year: Nil)
- Exchange traded interest rate (IR) derivatives: The Company has not traded in Exchange traded interest rate (IR) derivative during the financial year ended March 31, 2021. (Previous year: Nil)

**12) Securitization:** No securitization deal (including assignment deal) has carried out during the financial year ended March 31, 2021. (Previous year: Nil)



**Notes forming part of the Financial Statements (Contd.)**

**13) Asset liability management maturity pattern:** Refer note no. 2 of Annexure-I for details of Asset liability management maturity pattern.

**14) Exposures:**

- I) Exposures to Real Estate Sector: Refer note no. 1 of Annexure-I for details of exposures to Real Estate Sector
- II) Exposures to Capital Markets: None
- III) Details of financing of parent company products: None
- IV) The particulars of unsecured advances net off provision are given below:

Particulars	As at March 31, 2021	As at March 31, 2020
Loan	201,500.00	141,136.00

**15) Miscellaneous**

- I) Registration obtained from other financial sector regulators: No registration has been obtained from other financial sector regulators.
- II) Penalties imposed by RBI and other regulators: No penalties have been imposed by RBI or other regulators during the year. (Previous Year: NIL)
- III) Ratings assigned by credit rating agencies and migration of ratings during the year:

Instrument	2020-21		
	INDIA RATINGS	CARE	CRISIL
Non-Convertible Debentures	-	-	-
CRPS	-	-	-
Commercial Paper	-	A1+	A1+

Instrument	2019-20		
	INDIA RATINGS	CARE	CRISIL
Non-Convertible Debentures	-	-	-
CRPS	-	-	-
Commercial Paper	-	-	-

- IV) Postponements of revenue recognition: Current year: Nil (Previous year: Nil)

**Notes forming part of the Financial Statements (Contd.)****16) Provisions and Contingencies:**

- I) Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account:  
(₹ In Lakhs)

Particulars	2020-21	2019-20
Provisions for depreciation on investment	Nil	Nil
Provision towards non-performing assets	Nil	Nil
Provision made towards Income tax (shown below profit before tax)		
Current tax(*)	3,286.28	1,439.29
MAT credit entitlement written off	-	69.08
Deferred tax	(2.01)	(7.16)
Short provision relating to earlier years	-	257.97
Other provision and contingencies	-	-
Provision for standard assets	241.46	537.06

(\*) The figures does not include Income Tax Provision of Rs. 1888.72 (P.Y. Rs. 4200.15 Lakhs) shown in Other Equity (Equity Instruments through OCI) refer note no. 20

**17) Concentration of Advances and NPAs:**

- I) Concentration of Advances: (₹ In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Total Inter corporate deposit to twenty largest borrowers	201,500.00	144,420.15
Percentage of advances to twenty largest borrowers to total advances of the company	100.00	100.00

\*including interest accrued

- II) Concentration of NPAs: (₹ In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Total Exposure to top four NPA accounts	-	-

**18) Disclosure of customer complaints:**

S. No.	Particulars	2020-21	2019-20
(i)	No. of complaints pending at the beginning of the year	Nil	Nil
(ii)	No. of complaints received during the year	3	4
(iii)	No. of complaints redressed during the year	3	4
(iv)	No. of complaints pending at the end of the year	Nil	Nil

## Independent Auditor's Report

To the Members of  
Pilani Investment and Industries Corporation Limited

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

#### Opinion

We have audited the accompanying consolidated financial statements of Pilani Investment and Industries Corporation Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's net share of loss in its associate which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial information of the subsidiaries and associate referred to in the other matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2021 and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibility for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group and its associate in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made 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 and the audit evidence obtained by other auditors in terms of their report referred to in the paragraph 1 of Other Matters Section below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report..

Key Audit Matter	Auditor's Response
<p>Valuation of Investments</p> <p>As per provisions of Indian Accounting Standards the Company's Investments excluding investments in Subsidiaries and Associates are measured at fair value at each reporting date and this policy of measuring investments at fair value have significant impact on the Company's financial results.</p> <p>The valuation is performed by the Company using a fair value hierarchy as applicable below:</p> <ul style="list-style-type: none"> <li>Level 1: valuations based on quoted prices (unadjusted) in active markets..</li> </ul>	<p>We understood and tested the key controls around the valuation processes including the independent price verification and valuation governance controls. We found these key controls were designed, implemented and operated effectively, and therefore determined that we could place reliance on these key controls for the purposes of our audit.</p> <p>Further, we assessed the valuation of all individual investments to determine whether the valuations performed by the Company were within a predefined tolerable differences threshold.</p>

## Independent Auditor's Report (Contd.)

Key Audit Matter	Auditor's Response
<ul style="list-style-type: none"> <li>• Level 2: valuations based on other than quoted prices included within level 1 that are observable either directly or indirectly.</li> <li>• Level 3: valuations based on unobservable inputs for the asset.</li> </ul> <p>The valuation of investments is inherently subjective – most predominantly for the level 2 and level 3 investments since these are valued using inputs other than quoted prices in an active market.</p> <p>Key inputs used in the valuation of individual level 2 investments are market price of quoted investments, illiquidity discount etc. In addition, the Company determines whether objective evidence of impairment exists for individual investments.</p>	<p>As part of these audit procedures, we assessed the accuracy of key inputs used in the valuation including observable and non-observable inputs.</p> <p>We also evaluated the Company's assessment whether objective evidence of impairment exists for individual investments.</p> <p>Based on these procedures, we have not noted any material differences outside the predefined tolerable differences threshold.</p>

For Key Audit Matters identified by Component Auditors Refer "Annexure – 1" attached herewith.

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

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, for example, Corporate Overview, Key Highlights, Director's Report, Report on Corporate Governance, Management Discussion and Analysis Report, Business Responsibility Report, etc., but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries and associate audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and associate is traced from their financial statements audited by the other auditors.

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

### Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associate in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view

## Independent Auditor's Report (Contd.)

and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the respective entities and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the company's included in the Group and of its associate is also responsible for overseeing the financial reporting process of the Group and its associate.

### Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other

## Independent Auditor's Report (Contd.)

auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

1. The consolidated financial statements also include the group share in net loss of Rs. 1007.76 Lakhs and total comprehensive income of Rs 1932.76 Lakhs for the year ended March 31, 2021 as considered in consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. This financial statements/financial information have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate is based solely on the report of the other auditor.

Our opinion on the Consolidated Financial Statement is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

2. We did not audit the financial statements/financial information of 2 subsidiaries whose financial statements/financial information reflect total assets of Rs.3635.68 Lakhs as at March 31, 2021, total revenues of Rs.67.29 Lakhs, total net profits/(loss) after tax of Rs 43.12 Lakhs, total comprehensive income of Rs 1205.45 Lakhs and cash flow (net) of Rs 4.80 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information are audited by their respective independent auditors. The independent auditors' report on financial statements/financial information of these entities have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of such auditors..

Our opinion on the Consolidated Financial Statement is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial information of the subsidiaries and associate referred to in the Other Matters section above we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our auditor the aforesaid consolidated financial statements.

**Independent Auditor's Report** (Contd.)

- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent Company as on March 31, 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary company and associate incorporated in India, none of the directors of the Group Companies and its associate incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls; refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent Company, subsidiaries and associate company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate.
  - ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent, its subsidiary companies and associate companies incorporated in India.

**For Vidyarthi & Sons**

*Chartered Accountants*

Firm Registration No.000112C

**Meenal C. Vidyarthi**

*Partner*

Membership No.F-079344

UDIN:21079344AAAAAE5279

Gwalior, June 29, 2021

## Annexure – 'A' to the Independent Auditor's Report

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Pileri investment and Industries Corporation Limited (hereinafter referred to as the "Parent"), its subsidiary companies and its associate which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies and its associate company which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective companies policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies and its associate company which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, and audit evidence obtained by other auditors of the subsidiary companies and associate company which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies and its associate company which are companies incorporated in India.

### Meaning of Internal Financial Controls over Financial Reporting

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



## Annexure – ‘A’ to the Independent Auditor’s Report (Contd.)

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

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and its associate company which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial controls over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matters

Our aforesaid reports under Section 143 (3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 2 subsidiary companies and 1 associate company which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of such other auditors.

**For Vidyarthi & Sons**  
Chartered Accountants  
Firm Registration No.000112C

**Meenal C. Vidyarthi**  
Partner  
Membership No.F-079344  
UDIN:21079344AAAAAE5279

Gwalior, June 29, 2021

## Annexure – 'A' to the Independent Auditor's Report (Contd.)

(Annexure-1)

Key Audit Matters in case of Associate Company – Century Textiles and Industries Limited	Auditor's Response
<p>Recognition and Measurement of Deferred Tax</p> <p>The Group has recognized Minimum Alternate Tax (MAT) credit receivable of Rs. 361.55 Crores as at March 31, 2021. The Group also has recognized deferred tax assets of Rs. 188.38 Crores on unabsorbed depreciation and indexation benefit on land.</p> <p>Further, pursuant to the Taxation Laws (Amendment) Act, 2019 (new tax regime), the Company has measured its deferred tax balances expected to reverse after the likely transition to new tax regime, at the rate specified in the new tax regime.</p> <p>The recognition and measurement of MAT credit receivable and deferred tax balances; is a key audit matter as the recoverability of such credits within the allowed time frame in the manner prescribed under tax regulations and estimation of year of transition to the new tax regime involves significant estimate of the financial projections, availability of sufficient taxable income in the future and admissibility of tax positions adopted by the Company.</p>	<p>Our procedures included, amongst others, the following:</p> <ul style="list-style-type: none"> <li>• Considered Group's accounting policies with respect to recognition and measurement of tax balances in accordance with Ind AS 12 "Income Taxes"</li> <li>• Performed and understanding of the process and tested the internal controls over recognition and measurement of tax balances through inspection of evidence of performance of these controls</li> <li>• Performed the test of details including the following key procedures                             <ul style="list-style-type: none"> <li>♦ Involved tax specialists who evaluated the Company's tax positions basis the tax law and also by comparing it with prior years and past precedents</li> <li>♦ Discussed the future business plans and financial projections as approved by the management</li> <li>♦ Assessed the management's long-term financial projections and the key assumptions used in the projections by comparing it with the past trends, approved business plan, projections used for estimation of likely year of transition to the new tax regime and projections used for impairment assessment, where applicable.</li> <li>♦ Assessed the deferred tax on temporary differences which are expected to reverse after likely date of transition to new tax regime and considered the impact thereof.</li> </ul> </li> <li>• Assessed the disclosures in accordance with the requirement of Ind AS 12 "Income Taxes"</li> </ul>

## Consolidated Balance Sheet as at 31st March, 2021

(₹ In Lakhs)

Sl. No.	Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
	<b>ASSETS :</b>			
<b>(1)</b>	<b>Financial assets</b>			
(a)	Cash & cash equivalents	2	128.12	422.02
(b)	Bank balances other than cash and cash equivalents	3	2,238.63	42.04
(c)	Trade receivables	4	45.25	83.97
(d)	Loans	5	2,01,500.00	1,41,050.00
(e)	Investments	6	9,00,116.62	4,18,601.91
(f)	Other financial assets	7	0.04	3,372.01
			11,04,028.66	5,63,571.95
<b>(2)</b>	<b>Non-financial assets</b>			
(a)	Current tax assets (net)	8	506.09	437.69
(b)	Investment property	9	395.83	423.63
(c)	Property, plant & equipment	10	46.00	62.78
(d)	Other non financial assets	11	48.59	62.31
			996.51	986.41
	<b>TOTAL ASSETS</b>		11,05,025.17	5,64,558.36
	<b>LIABILITIES AND EQUITY:</b>			
	<b>Liabilities</b>			
<b>(1)</b>	<b>Financial liabilities</b>			
(a)	Trade payables	12		
	(i) Total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		14.45	133.11
(b)	Debt Securities	13	41,503.34	-
(c)	Borrowings (Other than debt securities)	14	39,500.00	42,000.00
(d)	Other financial liabilities	15	641.04	1,716.15
			81,658.83	43,849.26
<b>(2)</b>	<b>Non-financial liabilities :</b>			
(a)	Provisions	16	832.11	692.73
(b)	Deferred tax liabilities (net)	17	37,557.80	8,751.19
(c)	Other non financial liabilities	18	74.45	170.61
			38,464.36	9,614.53
<b>(3)</b>	<b>Equity</b>			
(a)	Equity share capital	19	1,107.23	790.88
(b)	Other equity	20	9,83,794.75	5,10,303.69
			9,84,901.98	5,11,094.57
	<b>TOTAL LIABILITIES AND EQUITY</b>		11,05,025.17	5,64,558.36

## Summary of significant accounting policies

See accompanying notes forming part of the financial statements

As per our Report of even date

## For Vidyarthi &amp; Sons

Chartered Accountants

Firm Registration No.: 000112C

## Meenal C Vidyarthi

Partner

Membership No. F-079344

Place: Gwalior

Dated: 29th June, 2021

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2 to 54

For and on behalf of the Board of Directors of  
Pilani Investment and Industries Corporation Limited

## Rajashree Birla

Chairperson

(DIN: 00022995)

Place: Mumbai

## R. P. Pansari

Chief Executive Officer

Place: Kolkata

## J. K. Singhania

Chief Financial Officer

Place: Kolkata

Dated: 29th June, 2021

## D. K. Mantri

Director

(DIN: 00075664)

Place: Kolkata

## R. S. Kashyap

Company Secretary

Place: Kolkata

**Consolidated Statement of Profit and Loss Account** for the year ended 31st March, 2021

(₹ In Lakhs)

Sl No	Particulars	Note No.	For the year ended on 31.03.2021	For the year ended on 31.03.2020
	<b>Revenue from Operations</b>			
(i)	Interest income	21	17,725.26	9,850.34
(ii)	Dividend income	22	1,854.64	2,274.49
(iii)	Net gain on fair value changes	23	16.33	100.28
(iv)	Others	24	273.02	354.47
(I)	<b>Total revenue from operations</b>		<b>19,869.25</b>	<b>12,579.58</b>
(II)	Other income	25	88.93	0.01
(III)	<b>Total income</b>		<b>19,958.18</b>	<b>12,579.59</b>
	<b>Expenses</b>			
(i)	Finance costs	26	5,210.54	4,307.26
(ii)	Employee benefit expense	27	139.05	138.65
(iii)	Depreciation and amortization expense	28	44.83	39.70
(iv)	Other expenses	29	594.31	931.98
(IV)	<b>Total expenses</b>		<b>5,988.73</b>	<b>5,417.59</b>
V	<b>Profit before exceptional items and tax</b>		<b>13,969.45</b>	<b>7,162.00</b>
VI	<b>Exceptional items</b>		-	-
VII	<b>Profit before tax</b>		<b>13,969.45</b>	<b>7,162.00</b>
VIII	<b>Tax expenses</b>	30		
	1) Current tax		3,297.08	1,440.09
	2) MAT credit entitlement		-	69.08
	3) Deferred tax		(1.26)	(7.51)
	4) Income tax for earlier year		-	257.97
			<b>3,295.82</b>	<b>1,759.63</b>
IX	<b>Profit for the year</b>		<b>10,673.63</b>	<b>5,402.37</b>
X	<b>Share of profit in an associate company</b>		<b>(1,007.76)</b>	<b>12,092.16</b>
XI	<b>Profit for the year</b>		<b>9,665.87</b>	<b>17,494.53</b>
XII	<b>Other comprehensive income</b>	31		
	Items that will not be reclassified to profit or loss		4,96,856.34	(959.77)
	Income tax relating to items that will not be reclassified to profit or loss		28,848.22	9,127.37
	<b>Subtotal (A)</b>		<b>4,68,008.12</b>	<b>(10,087.14)</b>
	Items that will be reclassified to profit or loss		(0.99)	66.22
	Income tax relating to items that will be reclassified to profit or loss		0.33	(23.18)
	<b>Subtotal (B)</b>		<b>(0.66)</b>	<b>43.04</b>
XIII	<b>Other comprehensive income</b>		<b>4,68,007.46</b>	<b>(10,044.10)</b>
	<b>Total comprehensive income for the year (comprising profit (loss) and other Comprehensive Income for the year)</b>		<b>4,77,673.33</b>	<b>7,450.43</b>
XIV	<b>Earnings per equity share</b>	32		
	1) Basic (₹)		87.30	158.00
	2) Diluted (₹)		87.30	158.00

**Summary of significant accounting policies**

See accompanying notes forming part of the financial statements

As per our Report of even date

**For Vidyarthi & Sons**

Chartered Accountants

Firm Registration No.: 000112C

**Meenal C Vidyarthi**

Partner

Membership No. F-079344

Place: Gwalior

Dated: 29th June, 2021

1

2 to 54

For and on behalf of the Board of Directors of  
Pilani Investment and Industries Corporation Limited**Rajashree Birla**

Chairperson

(DIN: 00022995)

Place: Mumbai

**R. P. Pansari**

Chief Executive Officer

Place: Kolkata

**J. K. Singhania**

Chief Financial Officer

Place: Kolkata

Dated: 29th June, 2021

**D. K. Mantri**

Director

(DIN: 00075664)

Place: Kolkata

**R. S. Kashyap**

Company Secretary

Place: Kolkata

## Consolidated Cash Flow Statement for the Year Ended 31st March, 2021

(₹ In Lakhs)

Particulars	For the year ended on 31.03.2021	For the year ended on 31.03.2020
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Tax	13,969.45	7,162.00
<b>Adjustments for:</b>		
Depreciation	44.83	39.70
Net (gain)/loss on fair value changes	(7.88)	2.53
Finance cost	5,210.54	4,307.26
<b>Operating profit before working capital changes</b>	<b>19,216.94</b>	<b>11,511.49</b>
Changes in working capital:		
Trade receivables	38.69	(31.93)
Loans and other advances	(57,064.27)	(1,44,405.89)
Trade and other payables	(1,158.55)	1,810.93
	(38,967.19)	(1,31,115.40)
<b>Direct tax paid</b>	<b>(5,253.82)</b>	<b>(7,658.61)</b>
<b>Net Cash Flow From/(Used In) in Operating Activities</b>	<b>(44,221.01)</b>	<b>(1,38,774.01)</b>
<b>B. Cash Flow from Investment Activities</b>		
Bank deposits other than cash and cash equivalents	(2,196.59)	43.56
Sale/(Purchase) of investments (Net)	14,308.33	1,28,369.39
Purchase of property, plant and equipment's	(0.24)	(67.76)
<b>Net cash flow from/(used in) investment activities</b>	<b>12,111.50</b>	<b>1,28,345.19</b>
<b>C. Cash Flow from Financing Activities</b>		
Borrowings (net)	39,003.34	17,500.00
Payment of dividend	(1,977.19)	(1,980.75)
Payment of dividend tax	-	(406.42)
Finance cost	(5,210.54)	(4,307.26)
<b>Net cash flow from/(used In) in financing activities</b>	<b>31,815.61</b>	<b>10,805.57</b>
<b>Net increased/(decreased) in cash and cash equivalents (A+B+C)</b>	<b>(293.90)</b>	<b>376.75</b>
Opening cash and cash equivalents	422.02	45.27
Closing cash and cash equivalents	128.12	422.02

**Consolidated Cash Flow Statement** for the Year Ended 31st March, 2021 (Contd.)**Notes:**

1. Components of cash and cash equivalents:

(₹ In Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Cash on hand</b>	<b>0.41</b>	0.40
Balances with banks		
<b>- In current accounts</b>	<b>127.71</b>	421.62
<b>Total</b>	<b>128.12</b>	422.02

2. The above cash flow statement has been prepared under the "indirect method" as set out in the Ind AS - 7 on statement of cash flows specified under section 133 of the Companies Act, 2013.
3. Since the Company is an investment company, purchase and sale of investments have been considered as part of "Cash flow from investing activities" and interest earned of ₹ 17725.26 lakhs (Previous year ₹ 9850.34 Lakhs) and dividend earned of ₹ 1854.64 lakhs (Previous year ₹ 2274.49 lakhs) have been considered as part of "Cash flow from operating activities".

As per our Report of even date

**For Vidyarthi & Sons**

Chartered Accountants

Firm Registration No.: 000112C

**Meenal C Vidyarthi**

Partner

Membership No. F-079344

Place: Gwalior

Dated: 29th June, 2021

**For and on behalf of the Board of Directors of  
Pilani Investment and Industries Corporation Limited****Rajashree Birla**

Chairperson

(DIN: 00022995)

Place: Mumbai

**R. P. Pansari**

Chief Executive Officer

Place: Kolkata

**J. K. Singhania**

Chief Financial Officer

Place: Kolkata

Dated: 29th June, 2021

**D. K. Mantri**

Director

(DIN: 00075664)

Place: Kolkata

**R. S. Kashyap**

Company Secretary

Place: Kolkata

## Consolidated Statement of Changes in Equity for the Year Ended 31st March, 2021

A Equity share capital					(₹ In Lakhs)
Particulars	No. of Equity Shares of ₹ 10 each	Balance at the beginning of the reporting year	Changes in equity share capital during the year**	Balance at the end of the reporting year	
		(Amount)		(Amount)	
<b>Issued, paid-up and subscribed</b>					
As on 31.03.2020	79,08,750	790.88	-	790.88	
<b>As on 31.03.2021</b>	<b>1,10,72,250</b>	<b>790.88</b>	<b>316.35</b>	<b>1,107.23</b>	

B Other equity							(₹ In Lakhs)	
Particulars	Reserve and Surplus				Equity Instruments through Other Comprehensive Income	Share in Cash Flow Reserve through Other Comprehensive Income of Associates	Share in Equity Instruments through Other Comprehensive Income of Associates	Total
	Statutory Reserve	Capital Reserve	General Reserve	Retained Earnings				
Balance at the beginning of the reporting period 01.04.2019	19,543.42	35,897.00	19,713.61	57,875.98	3,74,108.42	(56.28)	2,924.96	5,10,007.11
Total comprehensive income for the year	-	-	-	17,494.53	(7,431.58)	43.04	(2,521.39)	7,584.60
Add/(less): Remeasurement of net defined benefit through OCI net of tax	-	-	-	(134.17)	-	-	-	(134.17)
Add: Realised gain/(loss) on equity shares FVTOCI transferred from equity Instruments	-	-	-	1,25,309.62	(1,25,309.62)	-	-	-
Less: Current tax on realised gain/(loss) on equity shares FVTOCI transferred from Equity Instruments through Other Comprehensive Income	-	-	-	(4,200.15)	-	-	-	(4,200.15)
Dividend paid during the Year	-	-	-	(1,977.19)	-	-	-	(1,977.19)
Tax on dividend	-	-	-	(976.51)	-	-	-	(976.51)
Transfer to statutory reserve from Retained Earnings	25,915.00	-	-	(25,915.00)	-	-	-	-
<b>Balance at the end of the reporting period 31.03.2020</b>	<b>45,458.42</b>	<b>35,897.00</b>	<b>19,713.61</b>	<b>1,67,477.11</b>	<b>2,41,367.22</b>	<b>(13.24)</b>	<b>403.57</b>	<b>5,10,303.69</b>
Total comprehensive income for the year net of tax	-	-	-	9,665.87	4,65,074.87	(0.66)	2,865.70	4,77,605.78

**Consolidated Statement of Changes in Equity** for the Year Ended 31st March, 2021 (Contd.)**B Other equity**

(₹ In Lakhs)

Particulars	Reserve and Surplus				Equity Instruments through Other Comprehensive Income	Share in Cash Flow Reserve through Other Comprehensive Income of Associates	Share in Equity Instruments through Other Comprehensive Income of Associates	Total
	Statutory Reserve	Capital Reserve	General Reserve	Retained Earnings				
Add/(less): Remeasurement of net defined benefit through OCI net of tax	-	-	-	67.54	-	-	-	67.54
Add: Realised gain/(loss) on equity shares FVTOCI transferred from equity Instruments through Other Comprehensive Income	-	-	-	16,555.97	(16,555.97)	-	-	-
Less: Current tax on realised gain/(loss) on equity shares FVTOCI transferred from Equity Instruments through Other Comprehensive Income	-	-	-	(1,888.72)	-	-	-	(1,888.72)
Transfer on account of Issue of Bonus Share	-	-	-	(316.35)	-	-	-	(316.35)
Dividend paid during the Year	-	-	-	(1,977.19)	-	-	-	(1,977.19)
Transfer to statutory reserve from Retained Earnings	5,270.61	-	-	(5,270.61)	-	-	-	-
<b>Balance at the end of the reporting period 31.03.2021</b>	<b>50,729.03</b>	<b>35,897.00</b>	<b>19,713.61</b>	<b>1,84,313.62</b>	<b>6,89,886.12</b>	<b>(13.90)</b>	<b>3,269.27</b>	<b>9,83,794.75</b>

\*\* Refer Note 19

As per our Report of even date

**For Vidyarthi & Sons**

Chartered Accountants

Firm Registration No.: 000112C

**Meenal C Vidyarthi**

Partner

Membership No. F-079344

Place: Gwalior

Dated: 29th June, 2021

**For and on behalf of the Board of Directors of  
Pilani Investment and Industries Corporation Limited****Rajashree Birla**

Chairperson

(DIN: 00022995)

Place: Mumbai

**R. P. Pansari**

Chief Executive Officer

Place: Kolkata

**J. K. Singhania**

Chief Financial Officer

Place: Kolkata

Dated: 29th June, 2021

**D. K. Mantri**

Director

(DIN: 00075664)

Place: Kolkata

**R. S. Kashyap**

Company Secretary

Place: Kolkata



## Notes forming part of the Financial Statements

### Significant Accounting Policies

#### 1. Statement of Compliance

The Consolidated financial statements of Pilani Investment and Industries Corporation Limited (the “Company”) and its subsidiaries and associates (together the “Group”) 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 applicable regulation of Reserve Bank of India (RBI) and the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied.

##### 1.1. Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

##### 1.2. 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 in Lakhs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupee to two decimal places.

##### 1.3. Basis of consolidation:

- (i) The consolidated financial statements incorporate the financial statements of the parent Group and its subsidiaries. For this purpose, an entity which is, directly or indirectly, controlled by the Parent Group is treated as subsidiary. The Parent Company together with its subsidiaries constitute the Group. Control is achieved when the Group, directly or indirectly:
  - has power over the investee.
  - is exposed, or has rights, to variable returns from its involvement with the investee; and
  - has the ability to use its power to affect its returns.

## Notes forming part of the Consolidated Financial Statements (Contd.)

- (ii) The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.
- (iii) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent Group and to the non-controlling interests (NCI) and have been shown separately in the financial statements. Total comprehensive income of the subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- (iv) Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company.
- (v) All intragroup assets and liabilities, equity, income, expenses, unrealised profits/ losses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.
- (vi) The consolidated financial statements of the Group combine financial statements of the Parent Company and its subsidiaries line by-line by adding together the like items of assets, liabilities, income and expenses.
- (vii) Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.

### 1.4. Investments in associates:

An Associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using equity method of accounting. Under the equity method, an investment in associate is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the associate. Distributions received from an associate reduce the carrying amount of the investment. When the Group's share of losses of an associate exceeds the Group's interest in that associate, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

The carrying amount of investment in associates is reduced to recognize impairment, if any, when there is objective evidence of impairment.

### 1.5. Goodwill:

Goodwill on consolidation as on the date of transition represents the excess of cost of acquisition at each point of time of making the investment in the subsidiary over the Group's share in the net worth of a subsidiary. For this purpose, the Group's share of net worth is determined on the basis of the latest financial statements, prior to the acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Capital reserve on consolidation represents excess of the Group's share in the net-worth of a subsidiary over the cost of acquisition at each point of time of making the investment in the subsidiary. Goodwill arising on consolidation is not amortised, however, it is tested for impairment annually. In the event of cessation of operations of a subsidiary, the unimpaired goodwill is written off fully.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash generating units (or groups of cash generating units) that is expected to benefit from the synergies of the combination.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently

## Notes forming part of the Consolidated Financial Statements (Contd.)

when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

### 1.6. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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.

#### i) Interest and Dividend Income

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 Group's right to receive dividend is established by the reporting date and no significant uncertainty as to collectability exists.

#### ii) Net Gain or Fair Value Changes

Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Group 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.

#### iii) Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss, unless the increase is in line with expected general inflation, in which case lease income is recognised based on contractual terms.

#### iv) Other Operational Revenue

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.

## Notes forming part of the Consolidated Financial Statements (Contd.)

### 1.7. Properties, Plant and Equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Cost includes all direct cost related to the acquisition of PPE and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy.

Land and buildings held for use are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work in progress".

Depreciation is recognised using reducing balance method so as to write off the cost of the assets (other than freehold land) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life/ residual value is accounted on prospective basis.

Depreciation for additions to/deductions from, owned assets is calculated pro rata to the period of use. Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

Assets held under finance leases are depreciated over the shorter of lease term and their useful life on the same basis as owned assets. However, when there is no reasonable certainty that the Group shall obtain ownership of the assets at the end of the lease term, such assets are depreciated based on the useful life prescribed under Schedule II to the Companies Act, 2013 or based on the useful life adopted by the Group for similar assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is recognised in profit or loss.

### 1.8. Investment Property

Investment properties are properties (including those under construction) held to earn rentals and / or capital appreciation are classified as investment property and are measured and reported at cost including transaction costs.

Depreciation is recognised using reducing balance method so as to write off the cost of the investment property less their residual values over their useful lives specified in schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined.

Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life / residual value is accounted on prospective basis. Freehold land and properties under construction are not depreciated.

As investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of property is recognised in the Statement of Profit and Loss in the same period.

## Notes forming part of the Consolidated Financial Statements (Contd.)

### 1.9. Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Direct expenses and administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as “Intangible assets under development”.

Intangible assets are amortised on straight line basis over the estimated useful life. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset are recognised in profit or loss when the asset is derecognised.

### 1.10. Impairment of Tangible and Intangible Assets other than Goodwill

As at the end of each accounting year, the Group reviews the carrying amounts of its PPE and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, investment property and intangible assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

- i) in the case of an individual asset, at the higher of the net selling price and the value in use; and
- ii) in the case of a cash generating unit (the smallest identifiable Group of assets that generates independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

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

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairment loss recognised in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit), except for allocated goodwill, is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss (other than impairment loss allocated to goodwill) is recognised immediately in the Statement of Profit and Loss.

## Notes forming part of the Consolidated Financial Statements (Contd.)

### 1.11. Employee Benefits

#### i) Short Term Employee Benefits

Employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

#### ii) Post-employment benefits:

- a) Defined contribution plans: The Group's superannuation scheme, state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.
- b) Defined benefit plans: The obligation in respect of defined benefit plans, which cover Gratuity are provided for on the basis of an actuarial valuation at the end of each financial year using project unit credit method. The Group's liability is actuarially determined (using the Projected Unit Credit Method) at the end of the year. Actuarial losses/gains are recognised in the Other Comprehensive Income in the year in which they arise.

Re-measurement, comprising actuarial gains and losses, is reflected immediately in the Balance Sheet with a charge or credit recognised in the Other Comprehensive Income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Defined benefit costs are categorised as follows:

- i) Service cost (including current service cost, past service cost, as well as gain and losses on curtailments and settlements).
- ii) Net interest expense or income; and
- iii) Re-measurement.

The Group presents the first two components of defined benefit costs in Statement of Profit and Loss in the line item 'Employee Benefits Expense'.

The present value of the defined benefit plan liability is calculated using a discount rate, which is determined by reference to market yields at the end of the reporting period on government bonds.

The retirement benefit obligation, recognized in the Balance Sheet, represents the Group's liability based on actuarial valuation.

#### iii) Long term employee benefits:

The obligation recognised in respect of long term benefits such as long term compensated absences is measured at present value of estimated future cash flows expected to be made by the Group and is recognised in a similar manner as in the case of defined benefit plans vide (ii) (b) above.

#### iv) Termination benefits:

Termination benefits such as compensation under employee separation schemes are recognised as expense when the Group's offer of the termination benefit is accepted or when the Group recognises the related restructuring costs whichever is earlier.

## Notes forming part of the Consolidated Financial Statements (Contd.)

### 1.12. Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

#### Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component based on the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

## Notes forming part of the Consolidated Financial Statements (Contd.)

### Group as a Lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

### 1.13. Financial Instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

A financial asset and a financial liability is offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

#### 1) Financial Assets

##### a) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### b) Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to sole payments of principal and interest on the principal amount outstanding and by selling financial assets.

##### c) Debt instruments at amortised cost or at FVTOCI

The Group assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Group's business model for managing the asset.



## Notes forming part of the Consolidated Financial Statements (Contd.)

For an asset to be classified and measured at amortised cost, its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding (SPP I).

For an asset to be classified and measured at FVTOCI, the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and the contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group has more than one business model for managing its financial instruments which reflect how the Group manages its financial assets in order to generate cash flows. The Group's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group considers all relevant information available when making the business model assessment. However, this assessment is not performed on the basis of scenarios that the Group does not reasonably expect to occur, such as so-called 'worst case' or 'stress case' scenarios. The Group takes into account all relevant evidence available such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- how managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

The Group reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the Group has not identified a change in its business models.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss.

In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

### d) 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 immediately recognised in profit or loss.

### e) De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily de-recognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and

## Notes forming part of the Consolidated Financial Statements (Contd.)

- either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

### 2) Financial liabilities

- Financial liabilities, including derivatives, which are designated for measurement at FVTPL are subsequently measured at fair value. Financial guarantee contracts are subsequently measured at the amount of impairment loss allowance or the amount recognised at inception net of cumulative amortisation, whichever is higher.

All other financial liabilities including loans and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method.

- A financial liability is derecognised when the related obligation expires or is discharged or cancelled.

### 1.14. Write Off

Loans and debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

### 1.15. Impairment

The Group recognises loss allowances for ECLs on the following financial instruments that are not measured at FVTPL:

- Loans and advances to customers.
- Debt investment securities.
- Trade and other receivable.
- Lease receivables.
- Irrevocable loan commitments issued; and
- Financial guarantee contracts issued.

### Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer.
- a breach of contract such as a default or past due event.
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider.
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

## Notes forming part of the Consolidated Financial Statements (Contd.)

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Group assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if corporate debt instruments are credit impaired, the Group considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment.

For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default (see below) includes unlikeliness to pay indicators and a backstop if amounts are overdue for 90 days or more.

### Significant increase in credit risk

The Group monitors all financial assets and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime rather than 12-month ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the Probability of Default will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

As a back-stop when loan asset not being a corporate loans becomes 30 days past due, the Group considers that a significant increase in credit risk has occurred and the asset is instage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL in respect of all retail assets. In respect of the corporate loan assets, shifting to Stage 2 has been rebutted using historical evidence from own portfolio to a threshold of 60 days past due, which is reviewed annually.

### Purchased or originated credit impaired (POCI) financial assets

POCI financial assets are treated differently because the asset is credit-impaired at initial recognition. For these assets, the Group recognises all changes in lifetime ECL since initial recognition as a loss allowance with any changes recognised in profit or loss. A favourable change for such assets creates an impairment gain.

### Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

## Notes forming part of the Consolidated Financial Statements (Contd.)

The Group considers the following as constituting an event of default:

- the borrower is past due more than 90 days on any material credit obligation to the Group: or
- the borrower is unlikely to pay its credit obligations to the Group in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets.

When assessing if the borrower is unlikely to pay its credit obligation, the Group takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate lending a qualitative indicator used is the admittance of bankruptcy petition by National Company Law Tribunal, which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counter party are key inputs in this analysis. The Group uses a variety of sources of information to assess default which are either developed internally or obtained from external sources. The definition of default is applied consistently to all financial instruments unless information becomes available that demonstrates that another default definition is more appropriate for a particular financial instrument. With the exception of POCI financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition (and consequently to credit impaired financial assets). For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Group under the contract and the cash flows that the Group expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

- for financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Group expects to receive from the holder, the debtor or any other party.

The Group measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics.

### 1.16. Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cashflows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan may constitute a modification even if these new or adjusted covenants do not yet affect the cashflows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Group renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the

## Notes forming part of the Consolidated Financial Statements (Contd.)

borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified the Group assesses whether this modification results in derecognition. In accordance with the Group's policy a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Group considers the following:

- Qualitative factors, such as contractual cashflows after modification are no longer SPPI,
- Change in currency or change of counter party,
- The extent of change in interest rates, maturity, covenants.

If these do not clearly indicate a substantial modification, then.

- a) In the case where the financial asset is derecognised the loss allowance for ECL is re-measured at the date of derecognition to determine the net carrying amount of the asset at that date.

The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised paramount because there remains a high risk of default which has not been reduced by the modification. The Group monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

- b) When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Group determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:
- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with
  - the remaining lifetime PD at the reporting date based on the modified terms.

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Group's ability to collect the modified cash flows taking into account the Group's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Group calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Group measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

The Group derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially

## Notes forming part of the Consolidated Financial Statements (Contd.)

all the risks and rewards of ownership of the asset are transferred to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently re-classified to profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain/loss allocated to it that had been recognised in OCI is recognised in profit or loss. A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVTOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

### 1.17. Presentation of allowance for ECL in the Balance Sheet

Loss allowances for ECL are presented in the statement of financial position as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets.
- for debt instruments measured at FVTOCI: no loss allowance is recognised in Balance Sheet as the carrying amount is at fair value.

### 1.18. Cash and bank balances:

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

### 1.19. Borrowing costs:

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

Borrowing costs net of any investment income from the temporary investment of related borrowings, that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 1.20. Accounting and reporting of information for Operating Segments:

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Group to make decisions for performance assessment and resource

## Notes forming part of the Consolidated Financial Statements (Contd.)

allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments. Segment accounting policies are in line with the accounting policies of the Group.

### 1.21. Foreign currencies:

- i) The functional currency and presentation currency of the Group is Indian Rupee. Functional currency of the Group and foreign operations has been determined based on the primary economic environment in which the Group and its foreign operations operate considering the currency in which funds are generated, spent and retained.
- ii) Transactions in currencies other than the Group's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the prevailing closing spot rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise.

- iii) Financial statements of foreign operations whose functional currency is different than Indian Rupees are translated into Indian Rupees as follows:
  - A. assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet.
  - B. income and expenses for each income statement are translated at average exchange rates; and
  - C. all resulting exchange differences are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve for subsequent reclassification to profit or loss on disposal of such foreign operations.

### 1.22. Taxation:

#### Current Tax:

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent it relates to an item which is recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable/ receivable on the taxable income/ loss for the year using applicable tax rates for the relevant period, and any adjustment to taxes in respect of previous years.

#### Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Group's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing

## Notes forming part of the Consolidated Financial Statements (Contd.)

other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax expenses in respect unutilised tax credit in the group mainly relates to minimum alternative tax which are recognised to the extent it is probable of such unutilised tax credit will get realised.

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

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the taxes applicable.

### 1.23. Provisions, contingent liabilities and contingent assets:

Provisions are recognised only when:

- i) a Group entity has a present obligation (legal or constructive) as a result of a past event; and
- ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- iii) a reliable estimate can be made of the amount of the obligation

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

- i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- ii) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are disclosed where an inflow of economic benefits is probable. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

### 1.24. Commitment:

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- a) estimated number of contracts remaining to be executed on capital account and not provided for.
- b) uncalled liability on shares and other investments partly paid.
- c) funding related commitment to associate companies; and
- d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.



## Notes forming part of the Consolidated Financial Statements (Contd.)

### 1.25. Non-current assets held for sale:

Non-current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

### 1.26. Statement of cash flows:

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.

### 1.27. Earnings per share:

The Group presents basic and diluted 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 Group by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

### 1.28. Key source of estimation:

The preparation of financial statements in conformity with Ind AS requires that the management of the Group makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, expected credit loss on loan books, future obligations in respect of retirement benefit plans, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

### 1.29. Changes in Accounting Standard and recent accounting pronouncements (New Accounting Standards issued but not effective):

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

**Notes forming part of the Consolidated Financial Statements (Contd.)**

<b>Note 2 Cash &amp; Cash Equivalents</b>		
(₹ In Lakhs)		
<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Cash on hand	0.41	0.40
Balances with banks		
- In current accounts	127.71	421.62
<b>Total</b>	<b>128.12</b>	<b>422.02</b>
<b>Note 3 Bank balances other than cash and cash equivalents</b>		
(₹ In Lakhs)		
<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Earmarked Balances with bank		
Unpaid dividend account	38.63	42.04
Term deposit of up to twelve months Maturity	2,200.00	-
<b>Total</b>	<b>2,238.63</b>	<b>42.04</b>
<b>Note 4 Receivables</b>		
(₹ In Lakhs)		
<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>Trade Receivables</b>		
Receivables considered good - Unsecured	45.25	83.97
<b>Total</b>	<b>45.25</b>	<b>83.97</b>
<b>Note 5 Loans</b>		
(₹ In Lakhs)		
<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>(A) At amortised cost</b>		
Loans repayable on demand		
- to Related parties	-	-
- to Others	2,01,500.00	1,41,050.00
<b>Total (A)</b>	<b>2,01,500.00</b>	<b>1,41,050.00</b>
<b>(B) At amortised cost</b>		
<b>Unsecured</b>	<b>2,01,500.00</b>	<b>1,41,050.00</b>
<b>Total (B)</b>	<b>2,01,500.00</b>	<b>1,41,050.00</b>
<b>(C)</b>		
<b>(I) Loans in India</b>		
<b>At amortised cost</b>		
<b>(i) Public sector</b>	-	-
<b>(ii) Others -Corporate Bodies</b>	<b>2,01,500.00</b>	<b>1,41,050.00</b>
<b>Total (C) (I)</b>	<b>2,01,500.00</b>	<b>1,41,050.00</b>
<b>(II) Loans outside India</b>		
<b>At amortised cost</b>	-	-
<b>Total (C) (II)</b>	-	-
<b>Total C(I) and C(II)</b>	<b>2,01,500.00</b>	<b>1,41,050.00</b>

## Notes forming part of the Consolidated Financial Statements (Contd.)

Note 6 Investments					
(₹ In Lakhs)					
Particulars	Face Value (₹)	As at 31.03.2021		As at 31.03.2020	
		Nos./Unit	Amount	Nos./Unit	Amount
<b>(A) At fair value through profit or loss</b>					
<b>Investment in mutual funds</b>					
Aditya Birla Sun Life Dividend Yield Plus - Dividend	10	18,811	2.86	18,811	1.87
Aditya Birla Sun Life Midcap Fund - Plan – Dividend	10	33,473	11.37	33,473	6.64
Aditya Birla Sunlife Short term Opportunity Fund-Growth	10	16,672	6.10	16,672	5.53
Aditya Birla Sunlife Medium Term Plan-Growth	10	50,783	12.25	50,783	11.86
Aditya Birla Sunlife Medium Term Plan-Growth	10	58,746	14.18	58,746	13.72
Aditya Birla Sunlife Low Duration Fund-Growth	10	9,443	48.70	8,412	40.68
Aditya Birla Sunlife-Overnight Fund	1,000	-	-	21,405	230.80
<b>(B) At fair value through other comprehensive income</b>					
<b>Investment in Equity instruments</b>					
<b>Quoted</b>					
Aditya Birla Fashion & Retail Limited	10	21,88,866	4,405.09	21,88,866	3,346.78
Aditya Birla Capital Limited *	10	3,36,01,721	40,086.85	3,36,01,721	14,163.13
Birla Tyres Limited	10	2,73,38,750	6,233.24	2,73,38,750	820.16
Grasim Industries Limited	2	2,47,14,527	3,58,496.57	2,47,14,527	1,17,665.86
Hindalco Industries Limited	1	2,98,57,969	97,590.77	2,98,57,969	28,574.08
Vodafone Idea Limited (Formerly: Idea Cellular Limited)	10	10,90,28,530	10,085.14	10,90,28,530	3,379.88
Jayshree Tea & Industries Limited	5	2,844	1.88	2,844	0.88
Kesoram Industries Limited	10	2,73,38,750	19,205.47	2,73,38,750	5,016.66
Kesoram Textile Mills Limited	2	24,15,750	48.32	24,15,750	48.32
Mangalam Cement Limited	10	11,20,000	3,144.96	11,20,000	1,680.00
Tanfac Industries Limited	10	4,98,000	1,216.61	4,98,000	394.17
Ultra Tech Cement Limited	10	34,89,647	2,35,130.67	38,84,321	1,26,040.39
Titagarh Wagons Limited **	2	38,339	17.08	-	-
Cimmco Limited**	10	-	-	70,780	7.36
Hindustan Everest Tools Limited	10	-	-	52,175	34.96
KDDL Limited	10	35,000	91.89	35,000	41.05
Orient Cement Limited	1	4,25,260	415.90	4,25,260	190.09
Orient Paper & Industries Limited	1	4,25,260	104.61	4,25,260	835.21

## Notes forming part of the Consolidated Financial Statements (Contd.)

<b>Note 6 Investments</b>					
(₹ In Lakhs)					
Particulars	Face Value (₹)	As at 31.03.2021		As at 31.03.2020	
		Nos./Unit	Amount	Nos./Unit	Amount
Orient Electric Limited	1	4,25,260	1,324.47	4,25,260	61.66
Sutlej Textiles & Industries Limited	1	17,14,630	672.99	17,14,630	336.06
SIL Investment Limited	10	1,14,309	222.39	1,14,309	91.39
Zenith Birla Limited	10	3,432	0.02	3,432	0.07
Mangalore Refinery Petrochemicals Ltd.	10	200	0.08	200	0.05
<b>Quoted (Partly Paid up)</b>					
Aditya Birla Fashion & Retail Limited	7.50	18,00,000	3,040.20	-	-
<b>Unquoted</b>					
Birla Buildings Limited	10	15,000	1.52	15,000	1.52
Birla Consultants Limited	10	12,000	1.20	12,000	1.20
Essel Mining & Industries Limited ***	10	1,501	1.00	1	1.00
Indo Thai Synthetics Co. Limited	Baht10	2,07,900	11.42	2,07,900	11.42
Indo Phil Textile Mills Inc. Manila	Peso10	2,11,248	2.03	2,11,248	2.03
The Eastern Economist Limited	100	400	0.40	400	0.40
The Industry House Limited	100	2,812	1.89	2,812	1.89
The Hindustan Times Limited	10	1,92,000	2.18	1,92,000	2.18
Gmmco Limited	10	68,249	342.10	68,249	342.10
<b>(C) Investments -Others (At cost)</b>					
Associates (#)			-		
- Century Textiles & Industries Limited	10	3,69,78,570	1,16,017.22	3,69,78,570	1,15,193.86
<b>(D) Investments Carried at Amortized Cost</b>					
<b>Debt Instruments</b>					
Investment in Tax Free Bonds					
Housing and Urban Development Corporation Ltd.	1,000	500	5.00	500	5.00
<b>(E) Preference Share Application Money (pending allotment) \$\$</b>			2,100.00		-
<b>(F) Total – Gross (A+B+C+D+E)</b>			9,00,116.62		4,18,601.91
(i) Investments outside India			13.45		13.45
(ii) Investments in India			9,00,103.17		4,18,588.46
<b>Total (G)</b>			9,00,116.62		4,18,601.91
<b>(H) Total (F) to tally with (G)</b>			-		-
Less: Allowance for Impairment loss (H)			-		-
<b>(I) Total– Net = (F)-(H)</b>			9,00,116.62		4,18,601.91

(#)As per para 10 of Ind AS 27, the Company has opted to value the investments in subsidiary entities and associate at cost.

**Notes forming part of the Consolidated Financial Statements (Contd.)**

The following shares, although are in physical possession of the company, have not been indicated above since the value thereof has been written off in earlier years :

<b>QUOTED (Fully paid)</b>		
<b>Equity Instruments</b>		
Jiyajeerao Cotton Mills Limited (In liquidation)	10	150
Kalyan Sundaram Cement Industries Limited (In liquidation)	10	50,000
Umi Special Steels Limited (In liquidation)	10	1,00,000
<b>UNQUOTED (Fully paid)</b>		
<b>In Subsidiary Companies</b>		
Atlas Iron and Alloys Limited (In liquidation)	10	72,000

\* Pursuant to Regulation 167 (1) of SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2018 the 2,50,000 shares are subject to lock in till 13th Nov, 2022

\*\* 38,339 equity shares of Titagarh Wagons Limited received against 70780 equity shares of Cimmco Limited as per scheme of amalgamation sanctioned by the Hon'ble National Company Law Board Tribunal on 30th September, 2020.

\*\*\* Includes bonus shares 1500 nos.

\$\$ Allotment of 21,00,000 nos. of 10% Unsecured Non Cumulative Non Participable Redeemable Non Convertible Preference Shares of Jayantika Investment & Finance Limited had been effected on 23rd April, 2021.

**Notes forming part of the Consolidated Financial Statements (Contd.)**

<b>Note 7 Other Financial Assets</b>		
(₹ In Lakhs)		
<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Dividend Receivable	0.04	1.86
Interest accrued but not due on loans and advances	-	3,370.15
<b>Total</b>	<b>0.04</b>	<b>3,372.01</b>

<b>Note 8 Current Tax Assets (Net)</b>		
(₹ In Lakhs)		
<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Advance payment of income tax (net of provision for Income Tax)	506.09	437.69
<b>Total</b>	<b>506.09</b>	<b>437.69</b>

<b>Note 9 Investment property</b>		
(₹ In Lakhs)		
<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>Gross carrying amount</b>		
Opening gross carrying amount/deemed cost	717.91	717.91
Additions	-	-
Disposals	-	-
<b>Closing gross carrying amount</b>	<b>717.91</b>	717.91
Accumulated depreciation		259.43
Opening accumulated depreciation	294.28	260.48
Depreciation charged during the year	27.80	33.80
Deductions	-	-
<b>Closing accumulated depreciation</b>	<b>322.08</b>	294.28
<b>Net carrying amount</b>	<b>395.83</b>	423.63

<b>Note 9.1 The amounts recognized in Statement of Profit and Loss in relation to the investment properties :</b>		
(₹ In Lakhs)		
<b>Particulars</b>	<b>For the year ended 31st March, 2021</b>	<b>For the year ended 31st March, 2020</b>
Rental income derived from investment properties	207.01	261.43
Service charges derived from investment properties	66.01	93.04
Direct operating expenses (including repairs and maintenance) generating rental income	136.45	186.51
Depreciation	27.80	33.80
<b>Profit arising From investment properties before indirect expenses</b>	<b>108.77</b>	134.16

## Notes forming part of the Consolidated Financial Statements (Contd.)

<b>Note 10 Property, Plant &amp; Equipment</b>				
(₹ In Lakhs)				
Particulars	Furnitures & Fixtures	Office Equipments	Vehicles	TOTAL
<b>Cost or valuation</b>				
As at 1st April 2020	61.12	2.93	7.33	71.38
Addition/ (Disposal)	-	0.24	-	0.24
<b>As at 31.03.2021</b>	<b>61.12</b>	<b>3.17</b>	<b>7.33</b>	<b>71.62</b>
<b>Depreciation</b>				
As at 1st April 2020	5.71	1.62	1.27	8.60
Charge for the year	14.35	0.78	1.89	17.02
<b>As at 31.03.2021</b>	<b>20.06</b>	<b>2.40</b>	<b>3.16</b>	<b>25.62</b>
<b>Net Block</b>				
As at 31st March 2020	55.41	1.31	6.06	62.78
<b>As at 31st March 2021</b>	<b>41.06</b>	<b>0.77</b>	<b>4.17</b>	<b>46.00</b>

<b>Note 11 Other non financial assets</b>		
(₹ In Lakhs)		
Particulars	As at 31.03.2021	As at 31.03.2020
Security deposits	17.46	17.46
Advance to parties	-	15.00
Other advances	10.94	9.66
Prepaid expenses	0.21	0.21
Balances with Government Dept	0.08	0.08
Deposit with Delhi Municipal Corporation against appeal (property tax demand)	19.90	19.90
<b>Total</b>	<b>48.59</b>	<b>62.31</b>

<b>Note 12 Payables</b>		
(₹ In Lakhs)		
Particulars	As at 31.03.2021	As at 31.03.2020
<b>Trade payables</b>		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	14.45	133.11
<b>Total</b>	<b>14.45</b>	<b>133.11</b>

**Notes forming part of the Consolidated Financial Statements (Contd.)****Note 13 Debt Securities**

(₹ In Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
<b>At amortised cost</b>		
(a) Unsecured - commercial paper		
From other parties	41,503.34	-
<b>Total (A)</b>	41,503.34	-
At amortised cost		-
Debt securities in India	41,503.34	-
Debt securities outside India	-	-
<b>Total (B)</b>	41,503.34	-
<b>Total (B) to tally with (A)</b>		

Note:

Details of terms of redemption/repayment and security provided in respect of debt securities:

Item	31.03.2021	31.03.2020	Note:
Commercial Paper	41,503.34	-	Commercial Paper of 42,500 will be repayable by 31st August, 2021

**Note 14 Borrowings (other than debt securities)**

(₹ In Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
<b>At amortised cost</b>		
(a) Unsecured - Term loan		
From other parties	39,500.00	42,000.00
<b>Total (A)</b>	39,500.00	42,000.00
At amortised cost		-
Borrowings in India	39,500.00	42,000.00
Borrowings outside India	-	-
<b>Total (B)</b>	39,500.00	42,000.00

Total (B) to tally with (A)

Note: Details of terms of redemption/repayment and security provided in respect of debt securities and borrowings

Term loan from financial entities	31.03.2021	31.03.2020	Terms of redemption/repayment
Term loan from financial entity 1	10,000.00	10,000.00	Repayable in 60 months from June 18, 2018 with option of repayment at the end of every 12 months
Term loan from financial entity 2	14,500.00	14,500.00	Repayable in one bullet payment at the end of 36 months from October 10, 2020
Term loan from financial entity 3	15,000.00	17,500.00	50% repayable in one bullet payment at the end of 24 months from August 10, 2020 and balance 50% repayable at the end of 36 months from August 10, 2020



## Notes forming part of the Consolidated Financial Statements (Contd.)

<b>Note 15 Other financial liabilities</b>		
(₹ In Lakhs)		
<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>Interest accrued but not due on borrowings</b>	-	1,051.60
Unpaid dividends	38.63	42.04
Liabilities for expenses	0.34	0.77
Amount due to employee	1.75	3.15
Other miscellaneous payable	0.06	18.33
Security deposit	600.26	600.26
<b>Total</b>	<b>641.04</b>	<b>1,716.15</b>

<b>Note 16 Provisions</b>		
(₹ In Lakhs)		
<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Provision for employee benefits (Gratuity)	18.46	6.13
Provision for employee benefits (Leave)	7.65	5.36
Contingent provision against standard assets	806.00	564.54
Provision towards demand for municipal tax	-	116.70
<b>Total</b>	<b>832.11</b>	<b>692.73</b>

<b>Note 17 Deferred tax liabilities (net)</b>		
(₹ In Lakhs)		
<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
The major components of the deferred tax liabilities / (assets) based on the tax effects of timing differences are as follows:		
<b>Deferred tax assets</b>		
MAT credit entitlement	1.07	1.44
Difference between WDV of block of assets as per Income Tax and WDV of Fixed Assets as per books	2.06	0.25
	<b>3.13</b>	1.69
<b>Deferred tax liabilities (net)</b>		
Difference between WDV of block of assets as per Income Tax and WDV of Fixed Assets as per books	-	0.20
Investment measured at fair value through profit or loss	-	0.98
Equity investment measured at fair value through OCI	37,560.93	8,751.70
	<b>37,560.93</b>	8,752.88
<b>Total</b>	<b>37,557.80</b>	<b>8,751.19</b>

**Notes forming part of the Consolidated Financial Statements (Contd.)**

<b>Note 18 Other non financial liabilities</b>		
(₹ In Lakhs)		
<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Statutory dues payable	74.45	170.61
<b>Total</b>	<b>74.45</b>	<b>170.61</b>

<b>Note 19 Equity share capital</b>				
<b>(i) Share capital authorised, issued, subscribed and paid up</b>				
<b>Particulars</b>	<b>As at 31.03.2021</b>		<b>As at 31.03.2020</b>	
	<b>No. of Shares</b>	<b>(₹ In Lakhs)</b>	<b>No. of Shares</b>	<b>(₹ In Lakhs)</b>
<b>Authorised:</b>				
Equity Shares of ₹ 10 each	2,50,00,000	2,500.00	90,00,000	900.00
<b>Issued, subscribed and fully paid up shares:</b>				
Equity Shares of ₹ 10 each	1,10,72,250	1,107.23	79,08,750	790.88
<b>i. Reconciliation of number of shares</b>				
Opening number of equity Shares	79,08,750	790.88	79,08,750	790.88
Issue of bonus share (refer note below)	31,63,500	316.35	-	-
Closing Number of equity shares	1,10,72,250	1,107.23	79,08,750	790.88

ii. Pursuant to approval of Shareholders accorded through Postal Ballot on December 20, 2020, Authorised Share Capital of the Company has been increased from ₹ 9,00,00,000/- divided into 90,00,000 Equity Shares of Face Value of ₹ 10/- each to ₹ 25,00,00,000/- divided into 2,50,00,000 Equity Shares of Face Value of ₹ 10/- each to facilitate the issue of Bonus Shares.

iii. Pursuant to the approval of the Shareholders accorded through Postal Ballot on December 20, 2020, Company has allotted 31,63,500 Bonus Equity Shares of ₹ 10/- each fully paid up on January 04, 2021 in the proportion of 2 Equity Shares for every 5 Equity Shares held by the Equity Shareholders of the Company as on the record date of January 02, 2021

**(ii) Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees.

During the year ended 31st March, 2021, the amount of per share dividend recognized as distributions to shareholders was ₹ 25/- ( ₹ 25/-) per share.

The Board of Directors at its meeting held on 29th June, 2021, have proposed a final dividend of ₹ 15/- per equity share for the financial year ended 31st March, 2021. The proposal is subject to the approval of the Shareholders at the forthcoming Annual General Meeting. Total cash out flow would be ₹ 1660.84 Lakhs (₹ 1977.19 Lakhs) and the same will be accounted for in the financial year 2021-22 in terms of Indian Accounting Standard (Ind AS) notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.

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

## Notes forming part of the Consolidated Financial Statements (Contd.)

## (iii) Details of shareholders holding more than 5% shares in the company

Particulars	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	% holding	No. of Shares	% holding
Aditya Marketing & Manufacturing Private Limited	38,41,871	34.70	27,44,194	34.70
Padmavati Investment Private Limited	19,69,780	17.79	14,06,986	17.79
The Punjab Produce & Trading Co. Private Limited	19,39,312	17.52	13,85,223	17.52
Gwalior Webbing Co. Pvt. Limited	<b>6,35,835</b>	<b>5.74</b>	<b>4,54,168</b>	<b>5.74</b>

As per the records of the company, including its register of shareholders, the above shareholding represents legal ownership of shares.

**Note 20 Other equity**

(₹ In Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Other reserves</b>		
<b>(i) Statutory reserves</b>		
Balance as at the beginning of the year	45,458.42	19,543.42
Addition during the year	5,270.61	25,915.00
	<b>50,729.03</b>	45,458.42
<b>Others</b>		
<b>(ii) General reserve</b>		
Balance as at the beginning of the year	19,713.61	19,713.61
Addition during the year	-	-
	<b>19,713.61</b>	19,713.61
<b>(iii) Reserves representing unrealised gains/losses</b>		
Equity instruments through other comprehensive income	2,41,367.22	3,74,108.42
Add / (less) during the year	4,65,074.87	(7,431.58)
Less: Realised gain/(loss) on equity shares at FVTOCI transferred to retained earnings	(16,555.97)	(1,25,309.62)
	<b>6,89,886.12</b>	2,41,367.22
<b>Share in equity instruments through other comprehensive income of an associates</b>		
Balance as at the beginning of the year	403.57	2,924.96
Add/(less) during the year	2,865.70	(2,521.39)
	<b>3,269.27</b>	403.57
<b>Share in cash flow reserve through other comprehensive income of associates</b>		
Balance as at the beginning of the year	(13.24)	(56.28)
Add/(less) during the Year	(0.66)	43.04
	<b>(13.90)</b>	(13.24)
<b>Capital reserve</b>		
Balance as at the beginning of the year	35,897.00	35,897.00
Add/(less) during the Year	-	-
	<b>35,897.00</b>	35,897.00

**Notes forming part of the Consolidated Financial Statements (Contd.)**

<b>Note 20 Other equity</b>		
(₹ In Lakhs)		
<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>(iv) Retained earnings</b>		
Surplus at the beginning of the year	<b>1,67,477.11</b>	57,875.98
Add : Profit for the year	<b>9,665.87</b>	17,494.53
Add/(less): Remeasurement of net defined benefit through OCI net of tax	<b>67.54</b>	(134.17)
Add: Realised gain/(loss) on equity shares at FVTOCI transferred from equity instruments through other comprehensive income	<b>16,555.97</b>	1,25,309.62
Less: Current tax on realised gain/(loss) on equity shares at FVTOCI transferred from equity instruments through other comprehensive Income	<b>(1,888.72)</b>	(4,200.15)
Transfer on account of Issue of Bonus Share	<b>(316.35)</b>	-
Less: Dividend on equity shares	<b>(1,977.19)</b>	(1,977.19)
Less: Tax on dividend	-	(976.51)
Less: Transfer to statutory reserve	<b>(5,270.61)</b>	(25,915.00)
	<b>1,84,313.62</b>	1,67,477.11
<b>Total</b>	<b>9,83,794.75</b>	5,10,303.69

**Notes: Nature and purpose of reserve****(i) Statutory Reserve (Reserve u/s. 45-IA of the Reserve Bank of India Act, 1934 (the "RBI Act, 1934"))**

Reserve is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve.

**(ii) General reserve**

Amounts set aside from retained profits as a reserve to be utilised for permissible specified purpose as per prevailing law for the time being.

**(iii) FVTOCI equity investments**

The Company has elected to recognise changes in the fair value of investments in equity securities (other than investment in subsidiaries and associate) in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity.

**(iv) Retained earnings**

Surplus in the statement of profit and loss is the accumulated available profit of the company carried forward from earlier years. These reserve are free reserves which can be utilised for any purpose as may be required.

## Notes forming part of the Consolidated Financial Statements (Contd.)

**Note 21 Interest income** (₹ In Lakhs)

Particulars	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
	On Financial Assets measured at Amortised Cost	On Financial Assets measured at Amortised Cost
<b>Interest on loans</b>	<b>17,715.66</b>	9,830.32
Interest income from investments	0.41	0.41
Interest on deposits with banks	9.16	19.48
Other interest Income	0.03	0.13
<b>Total</b>	<b>17,725.26</b>	9,850.34

**Note 22 Dividend income** (₹ In Lakhs)

Particulars	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
On investments - equity share investments	1,854.64	2,274.49
<b>Total</b>	<b>1,854.64</b>	2,274.49

**Note 23 Net gain/(loss) on fair value changes** (₹ In Lakhs)

Particulars	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i) On financial instruments designated at fair value through profit or loss on mutual fund	16.33	100.28
(ii) Others	-	-
Total Net gain/(loss) on fair value changes	16.33	100.28
Fair value changes:		
Realised	8.45	102.81
Unrealised	7.88	(2.53)
<b>Total</b>	<b>16.33</b>	100.28

**Note 24 Others** (₹ In Lakhs)

Particulars	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
Rent income	207.01	261.43
Service charges	66.01	93.04
<b>Total</b>	<b>273.02</b>	354.47

**Notes forming part of the Consolidated Financial Statements (Contd.)**

<b>Note 25 Other income</b>		
(₹ In Lakhs)		
<b>Particulars</b>	<b>For the Year ended 31st March, 2021</b>	<b>For the Year ended 31st March, 2020</b>
Miscellaneous receipts & income	<b>88.93</b>	0.01
<b>Total</b>	<b>88.93</b>	0.01

<b>Note 26 Finance costs</b>		
(₹ In Lakhs)		
<b>Particulars</b>	<b>For the Year ended 31st March, 2021</b>	<b>For the Year ended 31st March, 2020</b>
<b>On financial liabilities measured at amortised cost</b>		
Interest on borrowings (other than debt securities)	<b>3,224.11</b>	4,307.26
Interest on debt securities	<b>1,986.43</b>	-
<b>Total</b>	<b>5,210.54</b>	4,307.26

<b>Note 27 Employee benefit expense</b>		
(₹ In Lakhs)		
<b>Particulars</b>	<b>For the Year ended 31st March, 2021</b>	<b>For the Year ended 31st March, 2020</b>
Salaries and wages	<b>116.59</b>	117.08
<b>Contribution to provident and other funds</b>		
Provident fund and pension fund	<b>10.95</b>	11.21
Gratuity	<b>4.39</b>	2.81
Staff welfare expenses	<b>7.12</b>	7.55
<b>Total</b>	<b>139.05</b>	138.65

<b>Note 28 Depreciation and amortization expense</b>		
(₹ In Lakhs)		
<b>Particulars</b>	<b>For the Year ended 31st March, 2021</b>	<b>For the Year ended 31st March, 2020</b>
<b>Depreciation and amortization expense</b>		
On property, plant and equipment	<b>17.02</b>	5.89
On investment property	<b>27.81</b>	33.81
<b>Total</b>	<b>44.83</b>	39.70

## Notes forming part of the Consolidated Financial Statements (Contd.)

<b>Note 29 Other expenses</b>		
(₹ In Lakhs)		
<b>Particulars</b>	<b>For the Year ended 31st March, 2021</b>	<b>For the Year ended 31st March, 2020</b>
Rent, taxes and energy costs	77.92	49.09
Repairs and maintenance	88.15	138.19
Director's fees, allowances and expenses	13.60	10.22
Insurance	0.22	0.18
<b>Payments to the auditors</b>		
As auditor	5.10	4.09
For quarterly review	1.95	1.95
For fees for other services (inclusive for issuing various certificates)	1.66	1.95
For Reimbursement of out of pocket expenses	-	1.41
Corporate social responsibility expenses	25.05	10.00
Provision against Standard Assets of NBFCs (as per RBI Regulation)	241.46	537.06
Miscellaneous expenses	139.20	177.84
<b>Total</b>	<b>594.31</b>	<b>931.98</b>

<b>Note 30 Tax expenses</b>		
The components of income tax expense for the years ended 31 March 2021 and 31 March 2020 are:		
(₹ In Lakhs)		
<b>Particulars</b>	<b>For the Year ended 31st March, 2021</b>	<b>For the Year ended 31st March, 2020</b>
Current tax	3,297.08	1,440.09
MAT credit entitlement written off	-	69.08
Deferred tax	(1.26)	(7.51)
Income Tax related to earlier years	-	257.97
<b>Total tax charge</b>	<b>3,295.82</b>	<b>1,759.63</b>
Current tax	3,297.08	1,767.14
Deferred tax	(1.26)	(7.51)

**Note 30.1 Reconciliation of the total tax charge**

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2021 and 31 March 2020 is as follows:

**Notes forming part of the Consolidated Financial Statements (Contd.)**

(₹ In Lakhs)

Particulars	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
Accounting profit before tax	13,969.45	7,162.00
Applicable tax rate	25.17%	25.17%
Tax on Accounting Profit	3,516.16	1,802.65
Tax effect of:		
Exempted income	(0.11)	(572.28)
Tax on expense not tax deductible	8.05	104.95
Adjustment on account of change on tax rate	(0.76)	(6.94)
MAT credit entitlements written off	-	69.08
Tax effect on various other items	(226.26)	369.68
Tax expenses recognised in the statement of profit and loss	3,297.08	1,767.14
Effective tax rate (%)	23.60	24.67

**Note 30.2 Deferred tax**

(₹ In Lakhs)

Particulars	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
<b>Deferred tax asset/ liability (net)</b>		
<b>The movement on the deferred tax account is as follows:</b>		
At the start of the year DTA / (DTL) (net)	(8,751.19)	440.47
Credit / (charge) for equity instruments through OCI	(28,807.51)	(9,198.47)
Credit / (charge) for remeasurement of the defined benefit	-	-
Credit / (charge) to the statement of profit and loss	0.90	6.81
<b>At the end of year DTA / (DTL) (net)</b>	<b>(37,557.80)</b>	<b>(8,751.19)</b>

**Note 31 Other comprehensive income**

(₹ In Lakhs)

Particulars	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurements of the defined benefit plans	108.26	(205.36)
Equity Instruments through other comprehensive income:	4,93,882.38	1,766.98
Share of other comprehensive income in associates and joint ventures, to the extent not to be classified into profit or loss	2,865.70	(2,521.39)
Others	-	-
	4,96,856.34	(959.77)
<b>Items that will be reclassified to profit or loss</b>		
Share of other comprehensive income in associates and joint ventures, to the extent to be classified into profit or loss	(0.99)	66.22
Others	-	-
<b>Total</b>	<b>(0.99)</b>	<b>66.22</b>



## Notes forming part of the Consolidated Financial Statements (Contd.)

**Note 32 Earnings per share**

The components of income tax expense for the year ended 31st March, 2021 and 31st March, 2020 are:

(₹ In Lakhs)

Particulars	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
<b>(A) Basic earnings per share</b>		
<b>Computation of profit</b>		
Net profit for the year attributable to equity shareholders (basic)	9,665.87	17,494.53
Computation of weighted average number of shares	Nos.	Nos.
Weighted average number of equity shares of Rs. 10 each used for calculation of basic earnings per share	1,10,72,250	1,10,72,250
<b>Basic earnings per share of face value of ₹ 10 each (in ₹)</b>	<b>87.30</b>	158.00
<b>(B) Diluted earnings per share</b>		
Profit attributable to equity shareholders (diluted)	9,665.87	17,494.53
Computation of weighted average number of shares	Nos.	Nos.
Weighted average number of equity shares as above	1,10,72,250	1,10,72,250
<b>Diluted earnings per share of face value of ₹ 10 each (in ₹)</b>	<b>87.30</b>	158.00

Earnings per share and number of share outstanding for the year ended March, 2020 have been proportionately adjusted for the bonus issue in the ratio of 2:5 i.e. 2 (Two) bonus equity shares of Rs.10/- each for every 5 (Five) fully paid-up equity shares held.

**Note 33 Contingent liabilities and commitments (to the extent not provided for)**

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>(A) Contingent liabilities</b>		
Income tax	354.59	363.68
(i) Assessing officer has demanded income tax of Rs. 354.59 lakhs (Net of refund of Rs.208.28 lakhs) against the certain disallowances etc.( P.Y. Rs. 363.68 Lakhs) for the A.Y. 2010-2011, 2011-12, 2013-14, 2014-15 and 2017-18. The Company has filed an appeal before the DCIT, Appellate Tribunal, Kolkata. Matter is still under sub-judice.		
Others		
(ii) A demand of R. 437.77 Lakhs was raised by New Delhi Municipal Council towards property tax with retrospective effect from Financial Year 2000-01 to 2016-17 in a Subsidiary. The Subsidiary Company has not recognized it as a liability in the account for Financial Year 2016-17, being contingent in nature. The Subsidiary Company has filed an Appeal on 02.03.2017 against the same at the Court of District Judge, Patiala House, New Delhi and is optimistic of its favourable outcome.	437.77	437.77

**Notes forming part of the Consolidated Financial Statements (Contd.)**

<b>Note 33 Contingent liabilities and commitments (to the extent not provided for)</b>		
(₹ In Lakhs)		
Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>(B) Commitments</b>		
(i) Uncalled liability on partly paid shares held as investments	495.03	0.03
<b>(C) Company's share in outstanding capital and other commitment &amp; contingent liabilities of associates :</b>		
I) Outstanding capital and other commitment	11,239.85	10,757.11
II) Contingent liabilities- continuing operation		
a. i) Claims against the company not acknowledged as debts		
Rates, taxes & duties demanded by various authorities	553.93	634.06
Others	203.96	251.30
ii) Claims not acknowledged as debts jointly with other members of "Business Consortium of Companies" in which the company had an interest (proportionate).	823.11	795.96
b. For income tax matters	1,993.22	2,046.86
c. Liability on account of jute packaging obligation up to 30 June 1997 under the jute packaging materials (compulsory use in Packing Commodities) Act, 1987	Amount not determinable	
d. Amount demanded by provident fund authorities which is sub-judices	Amount not determinable	

**Note 34**

Earlier provision against demand for municipal taxes (including interest and penalty) for earlier years, has been settled under the Kolkata Municipal Corporation Incentive (Waiver of Interest & Penalty to the property tax payers) Scheme 2020.

**Note 35 Corporate social responsibility ("CSR") expenses :**

As per Section 135 of the Companies Act, 2013 ("Act"), a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are healthcare including preventive healthcare, providing safe drinking water, sanitation facility, promoting education, old age home maintenance, environmental sustainability and promotion and development of traditional art and handicrafts. A CSR committee has been formed by the company as per the Act.

The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

Gross amount required to be spent by the company during the year is ₹ 25.03 Lakhs. (PY ₹ 1.90 Lakhs).

Amount spent during the year: ₹ 25.05 Lakhs (PY ₹ 10.00 Lakhs).

## Notes forming part of the Consolidated Financial Statements (Contd.)

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>The amounts spent are as follows:</b>		
(i) Construction / acquisition of any assets	-	-
(ii) On purposes other than (i) above	<b>25.05</b>	10.00

**Note 36 Lease Disclosures****(a) As lessee**

During the period ended March 31, 2021 the expense recognized in the statement of profit and loss includes:

(i) Rental Expenses recorded for Short-term lease ₹ 25.89 Lakhs for the year ended 31 March, 2021 (Previous Year: ₹ 27.22 Lakhs)

**(b) Operating lease commitments – as lessor**

The Company has let out portions of office premises along with furniture and fixtures and other amenities on operating lease. It has recognised lease rental income amounting to ₹ 207.01 Lakhs and ₹ 261.47 Lakhs for the year ended 31 March 2021 and 2020 respectively in the statement of profit and loss.

**Note 37 Segment reporting**

Operating segment are components of the Company whose operating results are regularly reviewed by the Chief Operating Decision Maker (“CODM”) to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Company is engaged primarily on the business of “Investments” only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Company are in India. All non-current assets of the Company are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – “Operating segments”.

**Note 38 Related Party Disclosures****(a) Related party disclosures as required by Ind AS 24 - Related Party Disclosures.**

List of related parties and relationships:

Sr. No.	Nature of relationship	
1	Key management personnel	Shri R P Pansari (CEO)
		Shri J K Singhania (CFO)
		Shri R S Kashyap (Company Secretary)
2	Other related parties	
	Associate company	Century Textiles & Industries Limited

Transactions with related parties are as follows:

(₹ In Lakhs)

Sr. No.	Nature of Transactions	Key managerial personnel	
		For the year ended 31st March, 2021	For the year ended 31st March, 2020
1	Remuneration (including bonus & retirement benefits)	<b>128.51</b>	164.56

**Notes forming part of the Consolidated Financial Statements (Contd.)**

(₹ In Lakhs)

Sr. No.	Nature of Transactions	Other related parties	
		For the year ended 31st March, 2021	For the year ended 31st March, 2020
1	Loans & advances given	-	-
2	Loans & advances received	-	-
3	Interest received	-	-
4	Investment	-	-

All transactions with these related parties are priced on an arm's length basis. None of the balances is secured. The remuneration of key management personnel are determined by the Nomination and Remuneration Committee having regard to the performance of individuals and market trends.

**(b) Disclosures as per Regulation 53(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations, 2015).**

Loans and advances in the nature of loans to companies in which directors are interested as under:

(₹ In Lakhs)

Sr. No.	Name	As at 31st March, 2021	Maximum Balance outstanding during the year ended 31 March, 2021
		-	-

(₹ In Lakhs)

Sr. No.	Name	As at 31st March, 2020	Maximum Balance outstanding during the year ended 31 March, 2020
		-	-

**Note 39**

Under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") which came into force from October 2, 2006, certain disclosures are required to be made relating to micro, small and medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments.

The disclosure as required by section 22 of MSMED Act has been given below:

(₹ In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Principal amount payable to suppliers as at year-end	-	-
Interest due thereon as at year end	-	-
Interest amount for delayed payments to suppliers pursuant to provisions of MSMED Act actually paid during the year, irrespective of the year to which the interest relates.	-	-
Amount of delayed payment actually made to suppliers during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-

## Notes forming part of the Consolidated Financial Statements (Contd.)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-

**Note 40**

No effect has been given in the accounts in respect of the following Equity Shares received by way of fully paid Bonus Shares on shares not belonging to the Company and the shares of other companies apportionable to the holding of these shares received pursuant to Scheme of Arrangement, same are being held in trust by the Company.

Sr. No.	Name of the company	No. of equity shares	Face value per share (₹)
(a)	Grasim Industries Ltd.	5755	2/-
(b)	Hindustan Motors Ltd.	440	10/-
(c)	Century Textiles & Industries Ltd	220	10/-
(d)	Tungabhadra Industries Ltd.	4	10/-
(e)	Hindustan Everest Tools Ltd.	60	10/-
(f)	Aditya Birla Capital Ltd.	8057	10/-
(g)	Ultra-Tech Cement Ltd.	684	10/-

**Note 41 Maturity analysis of assets and liabilities**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. (₹ In Lakhs)

Particulars	As at 31 March, 2021			As at 31 March, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Assets</b>						
<b>Financial assets</b>						
Cash and cash equivalents	128.12	-	128.12	422.02	-	422.02
Bank balance other than above	2,238.63	-	2,238.63	42.04	-	42.04
Trade receivable	45.25	-	45.25	83.97	-	83.97
Loans	2,01,500.00	-	2,01,500.00	1,41,050.00	-	1,41,050.00
Investments	95.96	9,00,020.66	9,00,116.62	311.10	4,18,290.81	4,18,601.91
Other financial assets	0.04	-	0.04	3,372.01	-	3,372.01
<b>Non-financial assets</b>						
Current tax assets (net)	506.09	-	506.09	437.69	-	437.69
Investment property	-	395.83	395.83	-	423.63	423.63

**Notes forming part of the Consolidated Financial Statements (Contd.)**

Particulars	As at 31 March, 2021			As at 31 March, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Property, plant and equipment	-	46.00	46.00	-	62.78	62.78
Other non-financial assets	31.05	17.54	48.59	44.77	17.54	62.31
<b>Total Assets</b>	<b>2,04,545.14</b>	<b>9,00,480.03</b>	<b>11,05,025.17</b>	<b>1,45,763.60</b>	<b>4,18,794.76</b>	<b>5,64,558.36</b>

Particulars	As at 31 March, 2021			As at 31 March, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Liabilities</b>						
<b>Financial liabilities</b>						
Trade payables						
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	14.45	-	14.45	133.11	-	133.11
Debt securities	41,503.34	-	41,503.34	-	-	-
Borrowings (other than debt securities)	-	39,500.00	39,500.00	32,000.00	10,000.00	42,000.00
Other financial liabilities	40.78	600.26	641.04	1,115.89	600.26	1,716.15
<b>Non-financial liabilities</b>						
Provisions	11.92	820.19	832.11	0.58	692.15	692.73
Deferred tax liabilities (net)	-	37,557.80	37,557.80	-	8,751.19	8,751.19
Other non-financial Liabilities	74.45	-	74.45	170.61	-	170.61
<b>Total liabilities</b>	<b>41,644.94</b>	<b>78,478.25</b>	<b>1,20,123.19</b>	<b>33,420.19</b>	<b>20,043.60</b>	<b>53,463.79</b>
<b>Net</b>	<b>1,62,900.20</b>	<b>8,22,001.78</b>	<b>9,84,901.98</b>	<b>1,12,343.41</b>	<b>3,98,751.16</b>	<b>5,11,094.57</b>

**Note 42 Employee benefit plan :**

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefit are as under:

**(a) Defined contribution plan**

The Company's contribution to provident fund are considered as defined contribution plans. The Company's contribution to provident fund aggregating ₹ 10.19 lakhs (31 March 2020: ₹ 10.38 lakhs) has been recognised in the statement of profit and loss under the head employee benefits expense.

## Notes forming part of the Consolidated Financial Statements (Contd.)

## (b) Defined benefit plan:

## Gratuity

## Financial assets not measured at fair value

The Company operates a defined benefit plan (the "gratuity plan") covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age/ resignation date.

The defined benefit plans expose the Company to risks such as actuarial risk, liquidity risk, legislative risk.

These are discussed as follows:

**Actuarial risk:** It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

**Adverse salary growth experience:** Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

**Variability in mortality rates:** If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

**Variability in withdrawal rates:** If actual withdrawal rates are higher than assumed withdrawal rate assumption than the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

**Liquidity risk:** Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Company, there can be strain on the cash flows.

**Legislative risk:** Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

The status of gratuity plan as required under Ind AS-19 is as under

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>i. Reconciliation of opening and closing balances of defined benefit obligation</b>		
Present value of defined benefit obligations at the beginning of the year	6.13	26.08
Current service cost	4.00	1.03
Past service cost	-	-
Interest cost	0.39	1.77
Acquisition adjustment		
Benefit paid	-	(24.49)
Change in demographic assumptions	-	(0.02)
Change in financial assumptions	-	0.24
Experience variance (i.e. Actual experience vs assumptions)	7.94	1.51
Present value of defined benefit obligations at the end of the year	18.46	6.13

**Notes forming part of the Consolidated Financial Statements (Contd.)**

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>ii. Reconciliation of opening and closing balances of the fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year		
Transfer in / (out) plan assets	-	-
Expenses deducted from the fund	-	-
Interest income	-	-
Return on plan assets excluding amounts included in interest income	-	-
Assets distributed on settlements	-	-
Contributions by the Company	-	24.49
Assets acquired in an amalgamation in the nature of purchase - -	-	-
Exchange differences on foreign plans	-	-
Benefits paid	-	(24.49)
Fair value of plan assets at the end of the year	-	-
<b>iii. Reconciliation of the present value of defined benefit obligation and fair value of plan assets</b>		
Present value of defined benefit obligations at the end of the year	18.46	6.13
Fair value of plan assets at the end of the year	-	-
Unrecognised past service cost	-	-
<b>Net asset / (liability) recognized in the balance sheet as at the end of the year</b>	<b>(18.46)</b>	<b>(6.13)</b>
<b>iv. Composition of plan assets</b>		
<b>Total</b>	-	-
<b>v. Expense recognised during the Year</b>		
Current service cost	4.00	1.03
Past service cost	-	-
Interest cost	0.39	1.77
Expenses recognised in the statement of profit and loss	4.39	2.80
vi. Other comprehensive income		
Components of actuarial gain/losses on obligations:		
Change in demographic assumptions	-	(0.02)
Due to change in financial assumptions	-	0.24
Due to experience adjustments	7.94	1.51
Return on plan assets excluding amounts included in interest income	-	-
Components of defined benefit costs recognised in other comprehensive income	7.94	1.73



## Notes forming part of the Consolidated Financial Statements (Contd.)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>vii. Principal actuarial assumptions</b>		
Discount rate (per annum)	6.40%	6.40%
Rate of return on plan assets (p.a.)	-	-
Annual increase in salary cost	5.00%	5.00%
<b>Mortality Rate (% of IALM 12-14) (31 03 2020: % of IALM 12-14)</b>	<b>100%</b>	<b>100%</b>

**viii. Sensitivity analysis**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and withdrawal rates. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Defined benefit obligation (Base)</b>	<b>18.46</b>	<b>6.13</b>

	For the Year Ended 31st March, 2021		For the Year Ended 31st March, 2020	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 1%)	19.22	17.82	6.80	5.56
(% change compared to base due to sensitivity)	4.12%	-3.50%	10.97%	-9.26%
Salary growth rate (- / + 1%)	17.79	19.24	5.53	6.82
(% change compared to base due to sensitivity)	-3.66%	4.24%	-9.67%	11.27%
Attrition Rate (-/+50%)	18.4	18.52	6.06	6.18
(% change compared to base due to sensitivity)	-0.35%	0.30%	-1.06%	0.91%
Mortality Rate (-/+10%)	18.45	18.47	5.98	6.27
(% change compared to base due to sensitivity)	-0.07%	0.07%	-2.42%	2.41%

**ix. Asset liability matching strategies**

The Company account for the liabilities based on the actuarial valuation report and paid from its own resources whenever liabilities is crystallized. The projected liability statements is obtained from the actuarial valuer.

**x. Effect of plan on the Company's future cash flows**

## a) Maturity profile of defined benefit obligation

The average outstanding term of the obligations (years) as at valuation date is 11 years.

	Cash Flow (₹)
Expected Cash Flows over the next (valued on the discounted basis):	
1 Year	11.71
2 to 5 Years	3.27
6 to 10 Years	0.82
More than 10 Years	10.89

There has been no events after the reporting date that require disclosure in financial statements.

**Notes forming part of the Consolidated Financial Statements (Contd.)****Note 43**

Contribution to political parties during the year 2020-21 is ₹ Nil (previous year ₹ Nil).

**Note 44**

There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2021.

**Note 45 Events after the reporting period:**

There has been no events after the reporting date that require disclosure in financial statements.

**Note 46**

**Disclosure pursuant to Ind-AS 7 "Statement of Cash Flows" - Changes in liabilities arising from financing activities:**

(₹ In Lakhs)

Particulars	1st April, 2020	Cash flows	Changes in fair values	Others	31st March, 2021
Debt securities	-	41,503.34	-	-	41,503.34
Borrowings (other than debt securities)	42,000.00	(2500.00)	-	-	39,500.00
Subordinated debt	-	-	-	-	-

(₹ In Lakhs)

Particulars	1st April, 2019	Cash flows	Changes in fair values	Others	31st March, 2020
Debt securities	-	-	-	-	-
Borrowings (other than debt securities)	24,500.00	17,500.00	-	-	42,000.00
Subordinated debt	-	-	-	-	-

## Notes forming part of the Consolidated Financial Statements (Contd.)

**Note 47 Financial instrument and fair value measurement :****A. Accounting classifications and fair values**

The carrying amount and fair value of financial instruments including their levels in the fair value hierarchy presented below:

(₹ In Lakhs)

As at 31 March 2021	Carrying amount				Fair Value			Total
	Amortised Cost	At fair value through profit or loss	Fair Value Through Other Comprehensive Income	Others (At Cost)	Level 1	Level 2	Level 3	
<b>Financial assets measured at amortised cost</b>								
Investments	5.00	-	-	-	-	-	-	-
<b>Financial assets measured at fair value</b>								
Investments	-	95.46	7,81,898.94	-	7,81,630.66		363.74	7,81,994.40
<b>Financial assets not measured at fair value</b>								
Cash and cash equivalents	128.12	-	-	-	-	-	-	-
Bank balance other than cash and cash equivalents	2,238.63	-	-	-	-	-	-	-
Trade Receivables	45.25	-	-	-	-	-	-	-
Loans	2,01,500.00	-	-	-	-	-	-	-
Investments in Associates	-	-	-	1,16,017.22	-	-	-	-
Preference Share Application Money (pending allotment)	-	-	-	2,100.00	-	-	-	-
Dividend Receivable	0.04	-	-	-	-	-	-	-
Interest Accrued but not due on Loans and Advances	-	-	-	-	-	-	-	-
<b>Financial liabilities not measured at fair value</b>								
Trade payables	14.45	-	-	-	-	-	-	-
Debt securities	41,503.34	-	-	-	-	-	-	-
Borrowings (other than debt securities)	39,500.00	-	-	-	-	-	-	-
Other financial liabilities	641.04	-	-	-	-	-	-	-

**Notes forming part of the Consolidated Financial Statements (Contd.)**

(₹ In Lakhs)

As at 31 March 2020	Carrying amount				Fair Value			Total
	Amortised Cost	At fair value through profit or loss	Fair Value Through Other Comprehensive Income	Others (At Cost)	Level 1	Level 2	Level 3	
<b>Financial assets measured at amortised cost</b>								
Investments	5.00	-	-	-	-	-	-	-
<b>Financial assets measured at fair value</b>								
Investments	-	311.10	3,03,091.95	-	3,03,039.31		363.74	3,03,403.05
<b>Financial assets not measured at fair value</b>								
Cash and cash equivalents	422.02	-	-	-	-	-	-	-
Bank balance other than cash and cash equivalents	42.04	-	-	-	-	-	-	-
Trade Receivables	83.97	-	-	-	-	-	-	-
Loans	1,41,050.00	-	-	-	-	-	-	-
Investments in Associates	-	-	-	1,15,193.86	-	-	-	-
Dividend Receivable	1.86	-	-	-	-	-	-	-
Interest Accrued but not due on Loans and Advances	3,370.15	-	-	-	-	-	-	-
<b>Financial liabilities not measured at fair value</b>								
Trade payables	133.11	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-
Borrowings (other than debt securities)	42,000.00	-	-	-	-	-	-	-
Other financial liabilities	1,716.15	-	-	-	-	-	-	-

- 1) The Company has not disclosed the fair values for cash and cash equivalents, bank balances, trade receivables, loans, term deposits, trade payables and other financial liabilities as these are short term in nature and their carrying amounts are a reasonable approximation of fair value.
- 2) The carrying amount of the investments in Associates are valued at Cost.

## Notes forming part of the Consolidated Financial Statements (Contd.)

Reconciliation of level 3 fair value measurement is as follows:

(₹ In Lakhs)

	As at 31st March, 2021	As at 31st March, 2020
<b>i) Investment</b>		
Balance at the beginning of the year	363.74	362.74
Gain included in OCI	-	-
Net change in fair value (unrealised)	-	-
Addition during the year	-	1.00
Impairment in value of investments	-	-
Amount derecognised / repaid during the year	-	-
Amount written off	-	-
<b>Balance at the end of the year</b>	<b>363.74</b>	<b>363.74</b>

**B. Measurement of fair values****i) Valuation techniques and significant unobservable inputs**

The carrying amounts of financial assets and liabilities which are at amortised cost are considered to be the same as their fair values as there is no material differences in the carrying values presented.

**ii) Financial instruments - fair value**

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurement).

The categories used are as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices;

Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximizes the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and

Level 3: If one or more of significant input is not based on observable market data, the instrument is included in level 3.

**iii) Transfers between levels I and II**

There has been no transfer in between level I and level II.

**iv) Valuation techniques****Investment in equity instruments**

The majority equity instruments held by the Company are actively traded on stock exchanges with readily available active prices on a regular basis. Such instruments are classified as level 1.

Investments in mutual Funds are valued as per the NAV prevailing at the end of the financial years and such investments are classified as level 1.

Equity investments in unquoted instruments are fair valued using the valuation technique and accordingly classified as level 3.

**C. Capital**

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the NBFC's Sector regulator and supervisor, RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

## Notes forming part of the Consolidated Financial Statements (Contd.)

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

### C.1 Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

### C.2 Regulatory Capital

	As at 31st March, 2021	As at 31st March, 2020
CRAR	60.07	72.52
CRAR – Tier 1 capital (%)	60.07	72.52
CRAR – Tier II capital (%)	60.07	72.52
Amount of subordinated debt raised as Tier-II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

\*CRAR for 2020-2021 & 2019-20 has been calculated on the basis of RBI Circular No. RBI/2019-20/170 DOR (NBFC). CC.PD.No. 109/22.10.106/2019-20 dated March 13, 2020.

#### Note 48 Financial risk management objectives and policies:

The Company's principal financial liabilities comprise borrowings and trade payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include Investments, Loan, Trade Receivables and Cash and Cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's board of directors has an overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed to reflect changes in market conditions and the Company's activities.

The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

#### 1) Credit risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations and arises principally from the Company's receivables from customers and loans.

The carrying amounts of financial assets represent the maximum credit risk exposure.

##### Trade Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry.

**Notes forming part of the Consolidated Financial Statements (Contd.)**

The Company's exposure to credit risk for loans and advances by type of counterparty is as follows:

	Carrying Amount	
	As at 31st March, 2021	As at 31st March, 2020
Trade Receivables	45.25	83.97
<b>Loans</b>	<b>2,01,500.00</b>	<b>1,41,050.00</b>

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the trade receivables are categorised into groups based on days past due.

**Investments**

The major investments of the Company are in the group companies, which includes investment in subsidiaries companies and an associate.

The company has also made investments in the units of mutual funds on the basis of risk and returns of the respective scheme

**Cash and cash equivalent and Bank deposits**

Credit risk on cash and cash equivalent and bank deposits is limited as the Company generally invests in term deposits with banks.

**2) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Company is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement. The Company manages its liquidity by term loans, inter-corporate deposit and investment in mutual funds.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities based on contractual undiscounted payments along with-it carrying value as at the balance sheet date.

(₹ In Lakhs)

	Upto 12 months	More than 12 months	Total
<b>As at 31 March 2021</b>			
Debt securities	41503.34	-	41503.34
Borrowings	-	39500.00	39500.00
Trade payable	14.45	-	14.45
Other Financial Liabilities	641.04	-	641.04
<b>As at 31 March 2020</b>			
Debt securities	-	-	-
Borrowings	17500.00	24500.00	42000.00
Trade payable	133.11	-	133.11
Other Financial Liabilities	1716.15	-	1716.15

## Notes forming part of the Consolidated Financial Statements (Contd.)

### 3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### Note 49 Revenue from contracts with customers

Set out below is the disaggregation of the Company's revenue from contracts with customers and reconciliation to profit and loss account

(₹ In Lakhs)

	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
Type of income		
Interest on Inter-Corporate Deposit	17715.66	9830.32
Rental Income	207.01	261.43
Service Charges	66.01	93.04
<b>Total revenue from contracts with customers</b>	<b>17988.68</b>	<b>10184.79</b>
<b>Geographical markets</b>		
India	17988.68	10184.79
Outside India	-	-
<b>Total revenue from contracts with customers</b>	<b>17988.68</b>	<b>10184.79</b>
<b>Timing of revenue recognition</b>		
Services transferred at a point in time	-	-
Services transferred over time	17988.68	10184.79
<b>Total revenue from contracts with customers</b>	<b>17988.68</b>	<b>10184.79</b>

#### Note 50

The list of subsidiaries and associate included in the consolidated financial statement are as under:

Name of the Subsidiary/Associate	As on 31.03.2021		As on 31.03.2020	
	Proportion of Ownership Interest (%)	Proportion of Voting Power held (%)	Proportion of Ownership Interest (%)	Proportion of Voting Power held (%)
<b>Subsidiaries</b>				
PIC Realcon Limited	100.00	100.00	100.00	100.00
PIC Properties Limited	100.00	100.00	100.00	100.00
<b>Associates</b>				
Century Textiles and Industries Limited	33.11	33.11	33.11	33.11

#### Note 51

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 as on 31st March 2021.



## Notes forming part of the Consolidated Financial Statements (Contd.)

Name of the entity in the Group	Net assets, i.e., total assets minus Total Liabilities		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent: Pilani Investments & Industries Corporation Limited	87.94	8,66,158.36	109.98	10,630.51	99.12	4,63,904.60	99.34	4,74,535.11
Subsidiaries: Indian PIC Properties Limited	(0.02)	(214.27)	0.07	6.78	-	-	-	6.78
Subsidiaries: Indian PIC Realcon Limited	0.30	2,940.67	0.38	36.34	0.25	1,162.34	0.25	1,198.68
Non-controlling Interests in all subsidiaries	-	-	-	-	-	-	-	-
Associates (Investment as per the equity method): Indian Century Textiles & Industries Limited	11.78	1,16,017.22	(10.43)	(1,007.76)	0.63	2,940.52	0.40	1,932.76
<b>Total</b>	<b>100.00</b>	<b>9,84,901.98</b>	<b>100.00</b>	<b>9,665.87</b>	<b>100.00</b>	<b>4,68,007.46</b>	<b>100.00</b>	<b>4,77,673.33</b>

**Note 52**

The Company has applied to the Reserve Bank of India ("RBI") for its conversion from Non-Banking Financial Company to Core Investment Company and the approval from RBI is awaited.

**Note 53**

Previous year figures have been regrouped/reclassified wherever necessary.

**Note 54**

The above consolidated financial statements have been reviewed by the audit committee and subsequently approved by the Board of Directors at its meeting held on 29th June, 2021.

As per our Report of even date

**For Vidyarthi & Sons**

Chartered Accountants

Firm Registration No.: 000112C

**Meenal C Vidyarthi**

Partner

Membership No. F-079344

Place: Gwalior

Dated: 29th June, 2021

**For and on behalf of the Board of Directors of  
Pilani Investment and Industries Corporation Limited****Rajashree Birla**

Chairperson

(DIN: 00022995)

Place: Mumbai

**R. P. Pansari**

Chief Executive Officer

Place: Kolkata

**J. K. Singhania**

Chief Financial Officer

Place: Kolkata

Dated: 29th June, 2021

**D. K. Mantri**

Director

(DIN: 00075664)

Place: Kolkata

**R. S. Kashyap**

Company Secretary

Place: Kolkata

**Pilani Investment and Industries Corporation Limited**  
**CIN : L24131WB1948PLC095302**  
**Registered Office : Birla Building, 9/1, R. N. Mukherjee Road, Kolkata - 700 001**  
**Phone : (033) 4082 3700 / 2220 0600**